

FAIRHAVEN BOARD OF SELECTMEN
Meeting Agenda
Monday, April 26, 2021
6:30 p.m.
Town Hall – 40 Center Street – Fairhaven

RECEIVED
TOWN CLERK

2021 APR 22 P 3:45

FAIRHAVEN,
MASS.

Due to the recent changes by Governor Baker to the Open Meeting Law, G.L. c. 30A. § 20, we are providing public access via the phone number and meeting ID below:

Log on to: <https://zoom.us/j/97129467773?pwd=NDhwcWlVYtGSIk0MGsrZnFyeXRXdz09>

Meeting ID: 971 2946 7773

Passcode: 139755

or call: 1-929-205-6099

The meeting can also be viewed live on Channel 18 or on FairhavenTV.com

A. MINUTES

1. Approve minutes of April 12, 2021– Open Session

B. TOWN ADMINISTRATOR'S REPORT

C. COMMITTEE LIAISON REPORTS

D. ACTION

1. Event Permit: Fitness in the Park—Cushman Park
2. Request to join Commission on Disability
 - a. Diane Hahn
 - b. Zachary Hahn

E. APPOINTMENT

1. 7:00 pm Transfer of a Package Store/ All Alcohol License & Pledge of said License: Lambdohar Corp., d/b/a F.J. Moriarty Liquors
2. 7:05 pm Melanson Audit: FY20 Financial Statements & Audit Presentation
3. 8:00 pm Greater New Bedford Voke Tech incoming Superintendent Michael Watson

F. POSSIBLE ACTION/DISCUSSION

1. Annual Town Meeting Preparation
 - a. Conducting Virtual Town Meeting
 - b. Change quorum requirements
2. Elevation Retail Host Community Agreement
3. Solar Farm 61A, 279 Mill Road- right of first refusal
4. Tree Warden
 - a. Reclassification of tree laborers
 - b. Discuss issues
5. FY22 Health Insurance Rates
6. Donation from West Island Marina- pontoon boat and trailer
7. Approve Articles for the June 12, 2021 Annual Town Meeting and set date for the closing of the warrant

G. EXECUTIVE SESSION

1. To investigate charges of criminal misconduct – GL c. 149 sec 52C and c.66 sec. 15

H. NOTES AND ANNOUNCEMENTS

1. The next regularly scheduled meeting of the Board of Selectmen is Monday, May 10, 2021 at 6:30 p.m. in the Town Hall Banquet Room.

ADJOURNMENT

Subject matter listed in the agenda consists of those items that are reasonable anticipated (by the Chair) to be discussed. Not all items listed may be discussed and other items not listed (such as urgent business not available at the time of posting) may also be brought up for discussion in accordance with applicable law.

MGL, Ch. 30a, § 20(f) requires anyone that intends to record any portions of a public meeting, either by audio or video, or both, to notify the Chair at the beginning of the meeting.



**Fairhaven Board of Selectmen
Meeting Minutes
April 12, 2021**

Present: Chairman Daniel Freitas, Vice-Chairman Robert Espindola, Selectman Keith Silvia, Town Interim Administrator Wendy Graves and Cable Access Director Derek Frates

Present via Zoom: Administrative Assistant Vicki Oliveira and Production Coordinator Erick Sa.

Also present: Rogers Reuse committee Chair Sue Loo and Bell Committee Chair Doug Brady

The meeting was videotaped on Cable Access and Zoom meeting application.

Chairman Freitas opened the meeting at 6:31 pm in the Town Hall Banquet Room and read the following statement:

“This Open Meeting of the Fairhaven Board of Selectmen is being conducted remotely consistent with Governor Baker’s Executive Order of March 12, 2020, due to the current State of Emergency in the Commonwealth due to the outbreak of the “COVID-19 Virus.”

In order to mitigate the transmission of the COVID-19 Virus, we have been advised and directed by the Commonwealth to suspend public gatherings, and as such, the Governor’s Order suspends the requirement of the Open Meeting Law to have all meetings in a publicly accessible physical location. Further, all members of public bodies are allowed and encouraged to participate remotely.

The Order, which you can find posted with agenda materials for this meeting allows public bodies to meet entirely remotely so long as reasonable public access is afforded so that the public can follow along with the deliberations of the meeting.

Ensuring public access does not ensure public participation unless such participation is required by law. This meeting will allow public comment related to the posted agenda items only. For this meeting, Fairhaven Board of Selectmen is convening by telephone conference/video conference via Zoom App as posted on the Town’s Website identifying how the public may join.

At 6:35 pm the Board recessed to the Auditorium

Appointment of Fire Chief

Town Clerk Carolyn Hurley swore in the new Fairhaven Fire Chief Todd Correia before a small gathering of family, friends and members of the Fairhaven Fire and Police Departments.

Chief Correia thanked the group and the Selectmen for their support.

At 6:45 pm the Board returned to the Banquet Room

Minutes

Mr. Espindola made a motion to Approve minutes of March 1, 2021– Open Session. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to Approve minutes of March 8, 2021– Open Session. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to Approve minutes of March 11, 2021– Open Session. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to Approve minutes of March 22, 2021– Open Session. Mr. Silvia seconded. Vote was unanimous. (3-0)

Town administrator's report

Ms. Graves told the Board that she recently had a meeting with Cook and Company regarding the new rates for FY22, and she hopes to have the new rates by the next meeting.

Ms. Graves told board that she met with members of the Rogers Reuse Committee regarding a possible tenant for the newer section at Rogers school.

Ms. Graves told the Board Mind Set Go will be holding 2 training seminars tomorrow with Town staff.

Ms. Graves told the board that there will be clean up day at Rogers school on Saturday, April 17, 2021, they are looking for volunteers to help clean the school grounds.

Committee liaison reports

Mr. Espindola said he had a Zoom meeting with Ms. Graves and Town Accountant Anne Carreiro with Elevation Retail regarding the host agreement which is currently out for review with department heads.

Mr. Espindola send Broadband Study committee will be hosting another webinar to work with Entry point to be presented at town meeting. The Committee will also be presenting a short video at Town Meeting.

Mr. Espindola said there are Federal Stimulus funds that are available for infrastructure projects for Broadband development, Mr. Espindola would like to see the Town benefit from this.

Mr. Espindola said the Marine Resources Committee met to discuss the waterway rules and regulations, but also had questions regarding the Union wharf land swap.

Planning Director Paul Foley will update the Board regarding the one stop growth program. This is a program that helps towns with grants and will hold training sessions for the Planning Boards and the Zoning Board of Appeals.

Mr. Silvia said the ADA ramp project at the Academy Building is progressing.

Mr. Silvia said he liked an idea that Board of Selectman's candidate Lisa Plante had regarding office hours for each precinct. The Board discussed ideas for possibly doing something on this idea.

Mr. Freitas met with the Bristol County Commissioners.

Reorganization of Board of Selectmen

Chairman Freitas handed the gavel over to Ms. Graves. Ms. Graves asked for nominations for the position of Chairman of the Board of Selectmen.

Mr. Silvia made a motion to nominate Mr. Freitas for the position of Chairman. Mr. Freitas seconded. Vote passed (2-1)

Mr. Silvia made a motion to nominate Mr. Espindola for the position of vice chairman. Mr. Freitas seconded. Vote was unanimous. (3-0)

Mr. Freitas made a motion to nominate Mr. Silvia for the position of Clerk. Mr. Espindola seconded. (3-0)

Ms. Graves handed the gavel back to Mr. Freitas.

Board Liaison Appointments

Mr. Freitas read the listing of the Board liaisons. Board members were happy with their current positions.

Mr. Espindola made a motion to accept the liaison positions as read by Mr. Freitas. Mr. Silvia seconded. (3-0)

Revere Bell location

Doug Brady chairman of the Bell committee met with the Board to present them the designs for the housing of the restored Oxford school Revere Bell that will sit on the front lawn of town hall. Mr. Brady said all the designs were done by students (Attachment A). The first design, by Chase Crowely a Fairhaven High school student had the same base but 3 different roof options. The second design was created by Vocational students Benjamin Farland, Cody Raposa and Christopher Pereira and represents the cupola that the bell was originally housed in atop the roof at Oxford school. Mr. Brady said the Historical Commission chose the cupola as their choice but loved all the designs. The Board liked the idea of the cupola because they felt it best represented where the bell came from.

Mr. Espindola made a motion for the cupola design as their choice. Mr. Silvia seconded. Vote was unanimous. (3-0)

Setting 2nd Half of 2021 Board of Selectmen meeting calendar

The Board meeting reviewed dates for the second half of calendar 2021. Mr. Espindola suggested changing the date of the already scheduled May 24, 2021 meeting to another date due to a conflict. The dates reviewed were as follows:

- Monday, July 12, 2021
- Monday, July 26, 2021
- Monday, August 9, 2021
- Monday, August 23, 2021
- Monday, September 13, 2021
- Monday, September 27, 2021
- Tuesday, October 12, 2021
- Monday, October 25, 2021
- Monday, November 8, 2021
- Monday, November 22, 2021
- Monday, December 6, 2021
- Monday, December 20, 2021

Mr. Espindola made a motion to change the date of the May 24, 2021 meeting to June 1, 2021. Mr. Silvia seconded. Vote was unanimous (3-0)

Mr. Espindola made a motion to approve the second half of calendar 2021 schedule. Mr. Silvia seconded. Vote was unanimous. (3-0)

Millicent Library Trustees Resignation and Appointment

Mr. Freitas read a letter from Library Director Kyle DeCicco-Carey requesting to add Kathryn Powers to the Library Board of Trustees and to accept the resignation of Lisa Wright.

Mr. Espindola made a motion to accept the resignation of Lisa Wright. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to appoint Kathryn Powers to the Library Board of Trustees. Mr. Silvia seconded. Vote was unanimous. (3-0)

Rogers Reuse Committee - Disclosure by Non- Elected Municipal Employee of Financial Interest: - Sue Loo

Mr. Freitas said that Rogers Reuse Committee Chairperson Sue Loo has submitted a disclosure by Non-elected municipal employee of financial interest. Mr. Espindola made a motion to approve disclosure by Non- elected municipal employee of financial interest for Sue Loo. Mr. Silvia seconded. Vote was unanimous. (3-0)

Rogers Reuse Committee- mission statement

Mr. Freitas read the mission statement that was submitted by the Rogers Reuse Committee (Attachment B). Mr. Espindola made a motion to accept the mission statement and to place on file and on the Town webpage. Mr. Silvia seconded. Vote was unanimous. (3-0)

Rogers Reuse Committee-discuss possible lease of new section

Rogers Reuse Committee Chairperson Sue Loo updated the Board regarding a potential tenant for Rogers School. Ms. Loo told the Board that Southeastern Massachusetts Educational Collaborative (SMEC) has been searching for extra space to expand their program and recently approached the Rogers Reuse Committee about the addition part of the Rogers School. This portion is handicap accessible and there is ample parking for their vehicles. SMEC would like to be in the building by September 2021 and will help pay for parts of the improvements to the building. Ms. Graves told the Board she and Selectman Silvia will begin negotiations with SMEC. Mr. Espindola suggested that a timeline be created.

The Board discussed the process and the possible future of Rogers School.

Mr. Espindola made a motion to allow for Ms. Graves and Mr. Silvia to participate in negotiations with SMEC to use the 1950's addition. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to have Sue Loo represent the Rogers Reuse Committee and to participate in the negotiations. Mr. Silvia seconded. Vote was unanimous. (3-0)

Acceptance of land donation

Mr. Freitas read a memo from Conservation Agent Whitney McClees (Attachment C) regarding 2 parcels of land that have been accepted by the Conservation Commission for donation to the Town.

Mr. Espindola made a motion to accept the land donation for Nonquitt Avenue. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to accept the land donation for Tanner Lane. Mr. Silvia seconded. Vote was unanimous. (3-0)

Tax Possession Auction- RFP award: Zekos Group

Ms. Graves told the Board that she has awarded a recent Request for Proposal (RFP) for tax title to the Zekos Group. (Attachment D).

Tax Title properties

Mr. Freitas read the list of foreclosed Tax title properties that will be auctioned off by the Town in the near future (Attachment E). Mr. Espindola made a motion to accept the auction list for the properties as presented. Mr. Silvia seconded. Vote was unanimous. (3-0)

Appoint Tax Title Custodian- Wendy Graves

Ms. Graves told the Board that she will need to be appointed the tax title custodian in order to auction off the foreclosed properties that have been taken for tax title.

Mr. Espindola made a motion that as provided under MGL Chapter 60, Section 77B, Robert Espindola, hereby move to appoint Wendy Graves, Town Treasurer, as Tax Possession Custodian who shall have the care, custody, management and control of all property acquired by foreclosure, deed in-lieu of foreclosure or by treasurer's deed for unpaid taxes. Mr. Silvia seconded. Vote was unanimous. (3-0)

Extension of loan agreement for "The Adventurer"

Ms. Graves told the Board this is an extension of the agreement that was signed in 2020 for the "Adventurer" model ship that is on loan to the Rosenbach Library of Philadelphia. Mr. Espindola made a motion to approve the revised loan date for the Manjiro exhibit from January 20, 2020 to September 30, 2021. Mr. Silvia seconded. Vote was unanimous. (3-0)

Elevation Retail- Host Agreement

Ms. Graves updated to the Board that the Host Community Agreement for Elevation Retail is now out for various Department Heads to review.

Deterra farmland: Notice of removal from 61A status

Ms. Graves told the Board the Town has received notice that the Deterra farm has filed for 61A to remove the land from farmland and the Town has the right of first refusal. Mr. Espindola asked if all the Town Departments have had a chance to review this. Ms. Graves will send notice out to Town Departments.

Public Meeting Recommendation from Health Agent

Mr. Freitas read a memo from Health Agent Dave Flaherty regarding his recommendations for public meetings during COVID (Attachment F). Mr. Espindola had concerns that the town Should be following the State guidelines. Discussion followed regarding having members of the public in the meeting room and the amount of people that can safely be in attendance. Mr. Espindola made a motion to accept the recommendations from the Town health Agent. Mr. Silvia seconded. Vote was unanimous. (3-0)

Review/Vote Budgets

Ms. Graves reviewed the budgets with the Board.

Mr. Espindola made a motion to approve the FY22 Water Enterprise and Capital Budget. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to approve the FY22 Water Capital Budget for the Akin Street water meter replacement for \$150,000. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to approve the FY22 Sewer Enterprise Fund. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to approve the FY22 Sewer Capital Budget in the amount of \$670,000 from retained earnings for:

- Inflow and Infiltration Reduction project- \$250,000
- Pump Station Improvements- \$270,000
- Blower Building Roof- \$75,000
- Truck w/plow- \$75,000

Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to FY22 Town Cable Enterprise Budget of \$246,035 using \$49,587 from retained earnings. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to approve the FY22 School Cable Enterprise Budget of \$212,407 using \$58,055 from retained earnings. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Espindola made a motion to approve the FY22 General Fund Capital Plan for:

- SCBA Replacement -\$491,800
- ACO Replacement Truck-\$51,479
- Police Cruiser Replacements-\$120,500
- Harbormaster/Shellfish Warden Truck Replacement- \$50,300
- Computer Hardware Equipment Replacement -\$30,000
- Fire Engine (Replaces Engine 2)- \$625,000
- Plotter Scanner- \$20,000
- Dashboard Cameras-\$69,000

Mr. Silvia seconded. Vote was unanimous. (3-0)

Review of Articles for the June 12, 2021 Annual Town Meeting

Ms. Graves handed a list of the articles that are on the Annual Town Meeting Warrant. The Board reviewed the list.

Termination letter from Town Administrator Screening Committee

Mr. Freitas read a letter from the Town Administrator Screening Committee stating that they have fulfilled their task.

Resignation from Bikeway Committee- Mat Coes

Mr. Freitas read the resignation letter from Mat Coes on the Bikeway Committee.

Mr. Espindola made a motion to accept the resignation of Mat Coes on the bikeway committee. Mr. Silvia seconded. Vote was unanimous. (3-0)

Mr. Silvia had to recuse himself for this item and left the room at 8:15 pm

Discuss the Town Administrator Screening Process

Mr. Espindola expressed his concerns over the Town Administrator search process and stated that the Board has been addressing this issue for over a month and members of the community are concerned with

the process that took place. Mr. Freitas would like to have the resident letters placed on the webpage. Mr. Freitas expressed that Ms. Graves is doing a good job as the interim Town Administrator.

Discussion ensued regarding the process that has taken place and the concerns of the town residents. Mr. Espindola stated he would like to work together to hire a new Town Administrator.

Mr. Espindola made a motion to start the Town Administrator search process over and to agree to the following process:

1. Obtain quotes from Community Paradigm Services and The Collins Center to conduct the Job Search process again, utilizing the same Position Statement Drafted in the original process. The Board of Selectmen meet to select the firm to coordinate the search process.

2. Recruit seven (7) volunteers to participate in the process using the following procedure:

- a. Three (3) Committee members will be advanced to the Screening Committee from the same three committees / boards who did so the first time, the School Committee, Finance Committee and the Planning Board. Each committee will meet, nominate and vote for their representative. This would be the same process used last time.

- b. Two (2) Committee members will be advanced by the two Selectman qualified to vote on the TA appointment, with each Selectman nominating their choice with the qualification that Selectmen shall be prohibited from serving on the Committee.

- c. One (1) Committee member shall be the Town Moderator and the Town Moderator shall also serve as the Chair of the Town Administrator Search Committee.

- d. One (1) Committee member shall be an At-Large Member from the community determined using the following procedure:

Public notice will be made as soon as the process is agreed to, that the Town is looking for volunteers for the At-Large Position, allowing 3 working days for community members to submit their letters of interest. Each Selectman qualified to participate will be presented all letters of interest for At-Large Committee member and shall rank order the candidates from top preference to the lowest preference and bring that list to the next Board of Selectmen meeting. The candidate with the highest combined rank, using both Selectmen lists, will serve on the committee.

The Screening Committee will advance no less than two candidates but no more than four candidates to the Board of Selectmen for interviews.

If, after conducting interviews of the candidates brought forward by the Screening Committee, the two Selectmen agree on a candidate to appoint, the process will be considered complete and final background checks and contract negotiation will commence.

If, after conducting interviews of the candidates brought forward by the Screening Committee, the two Selectmen each move to appoint a different candidate and those respective motions die without a second, then the names of the two nominated candidates shall be returned to the Screening Committee and the Screening Committee shall meet, in Open Session, to recommend one of the two candidates for appointment to the Board of Selectmen.

Before step one of the process outlined above, both Selectmen shall sign agreement to allow the vote of the Screening Committee to serve as the tie-breaker such that the candidate recommended by the Screening Committee will be the one that both Selectmen agree to motion, second and vote in favor of at the next Board of Selectmen meeting.

There was no second.

Mr. Freitas agreed that the Town should get a quote from other consultants but said that he would not like to use the Community Paradigm again.

The Town Administrator Screening Committee (TAC) Chairman Bernard Roderick told the Board the TAC met with the consultant to approve the minutes of their meetings. He said a vote took place and the minutes were accepted and to also have the consultant send a letter to the Board stating that the Town Administrator committee has fulfilled their role. Mr. Roderick stated that he is unsure if the executive session minutes can be released for public disclosure at this time.

Mr. Espindola made a motion to have Ms. Graves solicit bids from consultants to start the search for a town administrator. Mr. Freitas seconded. Vote passed. (2-0-1)

At 8:36 pm Mr. Silvia returned to the banquet room.

Notes and Announcements

Mr. Espindola read an email from resident Karen Vilandry regarding the Atlas Tack property and he explained that the Town has done what it can for now with the property.

At 8:37 pm Mr. Espindola made a motion to adjourn. Mr. Silvia seconded. Vote was unanimous. (3-0)

Respectfully submitted,



Vicki L. Oliveira
Administrative Assistant

- A. Revere Bell housing designs
- B. Rogers Reuse mission statement
- C. Memo regarding offer of land donation
- D. Letter from Zekos Group
- E. List of properties for auction
- F. Health Agent Recommendations for Public Meetings during COVID pandemic

FITNESS IN THE PARK

D1

MEDIA RELEASE
FOR IMMEDIATE RELEASE

April 21, 2021

Celebrating Ten Years of Free Outdoor Fitness Classes

FAIRHAVEN MA- Fitness in Cushman Park is celebrating its tenth anniversary! After a rough winter indoors, we are looking forward to being outside enjoying fresh air and exercise in a safe way. The South Coast community can keep fit and stay healthy with free exercise classes taught by two of the top fitness instructors in the area. In keeping with safety protocols due to the pandemic, Fitness in Cushman Park will adhere to the current restrictions that may continue to be in place this summer. Attendees to Fitness in Cushman Park classes will be required to wear masks to and from the field and practice social distancing – keeping a distance of 6 to 8 feet between mats.

Fitness in the Park is scheduled FREE TO THE PUBLIC this summer for 10 weeks of Yoga and Exercise classes in Cushman Park, Green Street Fairhaven MA. The classes are taking place Tuesdays and Thursdays 8:30am from June 22 to August 26, 2021.

TUESDAYS: Yoga in the Park begins June 22 with certified yoga instructor, Jeff Costa, E-RYT 200. Yoga in the Park is a yoga series for all levels, designed to introduce newcomers to the basics of stretching and mindfulness and challenge yoga enthusiasts with a focus on compassion for the body.

THURSDAYS: Summer Bootcamp, begins June 24 with certified personal trainer (A.F.P.A.), Wayne Goulart. The Bootcamp class consists of various exercises that build functional strength and core stability with circuits utilizing light dumbbells and body weight exercises.

Yoga in Cushman Park's instructor, *Jeff Costa*, E-RYT 200 is a Yoga Alliance Nationally Certified Instructor and a graduate of the Kripalu School of Yoga and Health. Cofounder of Sangha New Bedford (sanghanewbedford.com), Jeff is a recognized leader in the wellness industry and has over 30 years experience in fitness education with a BA in Liberal Arts from Boston University. The strength of Jeff's teaching lies in his attention to detail and his compassionate approach to students' needs. Jeff's authentic voice and classical approach to alignment create

a class environment that promotes happiness, personal power, and peace of mind.

Summer Bootcamp instructor Wayne Goulart's career in health and wellness began as a hobby when he started lifting weights with his brother in the basement of his family home. That hobby grew into a lifestyle and eventually a passion. Wayne is a certified personal trainer (A.F.P.A.) and has been working for ten years as lead trainer at the New Bedford YMCA. A certified group exercise instructor, Wayne's specialty is functional training and his clients are from all walks of life, ages and fitness levels.

Attendees to the classes should bring a mat for Yoga and a mat plus set of weights for Bootcamp. Classes take place weather permitting — cancellations will be posted on the Fitness in Cushman Park Facebook page:

www.facebook.com/fitnessincushmanpark

Fitness in Cushman Park is presented free to the public thanks to the generous support of our community sponsorship team. Last summer's classes were another resounding success.

Fitness in Cushman Park is coordinated by Jeff Costa Fitness and EncorENTERTAINMENT. Jeff Costa recently opened a healing arts center, Sangha (the word means "a yoga community" in Sanskrit), in downtown New Bedford. Sangha New Bedford believes that nurturing the individual creates a thriving holistic community; and a thriving holistic community empowers its individuals with compassion, interconnection and belonging.

EncorENTERTAINMENT, owned by Susan Grace, is a full service entertainment and event planning company serving Southeastern New England providing top-notch entertainers for any event, program, party, picnic, outing or other festivity.

For more information about Fitness in Cushman Park call 508-287-2482 or email sgrace@encorent.com or info@jeffcostafitness.com

Please like Fitness in Cushman Park's Facebook page to stay involved:

www.facebook.com/fitnessincushmanpark

BOARDS AND COMMITTEES

Board/Committees	Name	Title
Commission on Disability		
(Appointed by Selectmen)	Joseph Borelli	
not less than Five(5) nor more than Thirteen (13) members	Marcus Ferro	elected official
Majority shall be persons with disabilities	Donna Lavallee	
one (1) may be a family member	Ronald J. Medina	
One (1) MUST Be an elected or appointed municipal official	Glenn Gabbard	
Three year terms	Brian Rego	
	Diane Rocha	
	Maria Ruedlinger Walker	Secretary

April 12, 2021

Dear Commission Members,

I am writing to ask that I be considered to serve on the Commission On Disability. I have two grown sons who struggle with neurological challenges. My 25 year old is on the Autism Spectrum and my 23 year old has Tourette's. Needless to say, their challenges were difficult for them and me to handle through their years in our Town's public school system. Now as adults their challenges have changed but the struggle continues. When I learned of the seats available on your commission, I jumped at the chance to jump in. I want to serve on behalf of Fairhaven's children and adults with Different Abilities as well as their parents/guardians/caregivers.

In addition to my personal experience helping my sons navigate a world that is not always inclusive, I am a Personal Care Attendant for children with both physical and neurological challenges. Two of them live in town, a young girl with Cerebral Palsy and a teen boy on the Spectrum. I work closely with my union, 1199 SEIU Healthcare Workers East, to advocate for the residents of Massachusetts who are in need of PCAs in order to have the ability to remain in their homes and live their lives on their terms. One of the most significant roles in my union is serving on the bargaining committee when we negotiate PCA contracts with the Governor's Council. Another role I enjoy is going to our Statehouse and to the halls of our Nation's Capital to meet with our representatives and advocate on behalf of the population who must have their rights protected. I am proud of my involvement in my union and the contributions that I have been able to make. I'm especially proud of humbly accepting, from my union and the PCA Quality Home Care Workforce Council, the 2016 Paul Kahn Award for "extraordinary dedication to providing outstanding quality care and training through your work as a Personal Care Attendant in the South East Region of Massachusetts".

I wish to bring the same dedication and commitment to Fairhaven's Commission on Disability on behalf of our residents with Different Abilities. Sincerely, Diane Hahn 86 Francis Street

RECEIVED

2021 APR 15 A 11:35

OFFICE OF THE
CLERK OF THE BOARD

4-15-21

April 14, 2021

Dear Members of the Commission,

I am writing this letter for you to consider a spot for me to serve on the Commission on Disability. I have lived with Autism all my life and have experienced many struggles and have overcome them. I believe that I can serve the students in Fairhaven public schools and adults transitioning from school life to independent living.

With my experience and the knowledge I have acquired through my own life, I'd like to help people like me by supplying information about transitional services for students getting ready to graduate and helping educate parents about what social services there are for their child that because as I've experienced, the school system might not be telling them about what they are eligible for and entitled to. By sharing information, I hope to make a student's time in school easier on them. I also want to work with the school department on making the classrooms much more inclusive because even if they are meeting "state standards" special needs students are being left behind.

Another reason for wanting to serve on the commission is that I have volunteered with the PCA union and have advocated for the disabled and elderly in the past and believe that there is work that needs to be done in this town to better serve these demographics, as an example the lack of public housing available to those with neurological disabilities needs to be addressed.

I wish to be a dedicated member of this commission and make Fairhaven a better place not just for those that are differently abled but for all people who live here.

Sincerely, Zachary Hahn 86 Francis Street

SELECTMEN'S MEETING

Liquor License Hearing

Monday, April 26, 2021

@7:00 PM

Application submitted for:

**The Transfer of a Package Store/All Alcohol License
& Pledge of said License to The Rockland Trust Company**

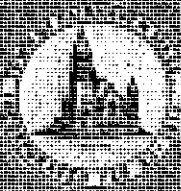
From:

Lambdohar Corp., d/b/a F.J. Moriarty Liquors

101 Middle Street

Fairhaven, MA 02719

Dipti Shukla, proposed Manager



TOWN OF FAIRHAVEN

Notice is hereby given under Chapter 135 of the Massachusetts General Laws that Lambdohar Corp., d/b/a F.J. Moriarty Liquors, 101 Middle Street, Fairhaven, MA 02719, Dipti Shukla, Manager, has submitted an application for the transfer of a Package Store/All Alcohol License and a Pledge of said License to The Rockland Trust Company.

The premise consist of one (1) first floor room, 2,164 Square feet, four entrances and four exits.

A hearing will be held at a Selectmen's Meeting, Fairhaven Town Hall, Banquet Room, 40 Center Street, Fairhaven, MA on Monday, April 26, 2021 at 7:00 PM.

FAIRHAVEN BOARD OF SELECTMEN

Daniel Freitas
Robert J. Esquinola
Keith Silva

April 1, 2021
The Advocate Newspaper
Notice also on www.massachusettscrimes.org

Bldg.
Bd. of Health
Advertisement 4/1/21 "The Advocate Newspaper"
Tax OK
WC pending new owner

TOWN OF FAIRHAVEN

Notice, is hereby given, under Chapter 138 of the Massachusetts General Laws, that Lambdohar Corp., d/b/a F. J. Moriarty Liquors, 101 Middle Street, Fairhaven, MA, Dipti Shukla, Manager, has submitted an application for the Transfer of a Package Store/All Alcoholic License, and a Pledge of said License to The Rockland Trust Company.

The premise consist of one floor, five rooms, 2,184 Square feet, four entrances and four exits.

A hearing will be held at a Selectmen's Meeting, Fairhaven Town Hall, Banquet Room, 40 Center Street, Fairhaven, MA on Monday, April 26, 2021 at 7:00 PM.

FAIRHAVEN BOARD OF SELECTMEN

Daniel Freitas
Robert J. Espindola
Keith Silvia



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION
MONETARY TRANSMITTAL FORM**

APPLICATION FOR A TRANSFER OF LICENSE

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

ECRT CODE: RETA

Please make \$200.00 payment here: ABCC PAYMENT WEBSITE

PAYMENT MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL AND INCLUDE THE
PAYMENT RECEIPT

ABCC LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

00033-PK-0384

ENTITY/ LICENSEE NAME Lambdohar Corp

ADDRESS 101 Middle Street

CITY/TOWN Fairhaven

STATE MA

ZIP CODE 02719

For the following transactions (Check all that apply):

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

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

Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150-2358

**Complete Application on file in the
Board of Selectmen's Office**



TOWN OF FAIRHAVEN, MASSACHUSETTS

Annual Financial Statements
For the Year Ended June 30, 2020

(With Independent Auditors' Report Thereon)

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Funds:	
Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Fund Net Position	20
Statement of Cash Flows	21
Fiduciary Funds:	
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23
Notes to Financial Statements	24

REQUIRED SUPPLEMENTARY INFORMATION:

Budget and Actual:

Schedule of Revenues, Expenditures, and Other Financing Sources/Uses – Budget and Actual – General Fund	66
Notes to Required Supplementary Information for Budget	67

Pension:

Schedule of Proportionate Share of the Net Pension Liability	68
Schedule of Pension Contributions	69

OPEB:

Schedule of Changes in the Net OPEB Liability	70
Schedules of Net OPEB Liability, Contributions, and Investment Returns	71



INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Fairhaven, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fairhaven, Massachusetts, as of and for the year ended June 30, 2020, (except for the Fairhaven Contributory Retirement System, which is as of and for the year ended December 31, 2019) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

800.282.2440 | melansoncpas.com



of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fairhaven, Massachusetts, as of June 30, 2020, (except for the Fairhaven Contributory Retirement System, which is as of and for the year ended December 31, 2019) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison for the General Fund, and certain Pension and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance



with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Melanson

Andover, Massachusetts
March 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Fairhaven, Massachusetts (the Town), we offer readers this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, education, public works, human services, and culture and recreation. The business-type activities include sewer and water activities.

Fund Financial Statements

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike

the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for sewer and water operations, which are considered to be major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal service funds are used to account for self-insured employee health and dental programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$62,272,398, a change of \$1,195,273, and net position in business-type activities was \$32,301,468, a change of \$(403,981).
- At the end of the current fiscal year, governmental funds reported combined ending fund balances of \$28,767,151, a change of \$1,055,431 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,865,619, a change of \$(830,307) in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	NET POSITION (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 40,662	\$ 40,047	\$ 11,350	\$ 12,550	\$ 52,012	\$ 52,597
Capital assets	<u>94,849</u>	<u>97,883</u>	<u>35,231</u>	<u>35,245</u>	<u>130,080</u>	<u>133,128</u>
Total assets	135,511	137,930	46,581	47,795	182,092	185,725
Deferred outflows of resources	8,421	10,002	772	976	9,193	10,978
Current liabilities	5,517	7,295	1,468	1,790	6,985	9,085
Noncurrent liabilities	<u>62,917</u>	<u>66,733</u>	<u>12,562</u>	<u>13,568</u>	<u>75,479</u>	<u>80,301</u>
Total liabilities	68,434	74,028	14,030	15,358	82,464	89,386
Deferred inflows of resources	13,226	12,827	1,022	707	14,248	13,534
Net investment in capital assets	85,577	88,261	26,046	25,896	111,623	114,157
Restricted	9,557	9,074	-	-	9,557	9,074
Unrestricted	<u>(32,862)</u>	<u>(36,258)</u>	<u>6,255</u>	<u>6,810</u>	<u>(26,607)</u>	<u>(29,448)</u>
Total net position	\$ <u>62,272</u>	\$ <u>61,077</u>	\$ <u>32,301</u>	\$ <u>32,706</u>	\$ <u>94,573</u>	\$ <u>93,783</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$94,573,866, a change of \$791,292 in comparison to the prior year.

The largest portion of net position \$111,623,106 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$9,557,407 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(26,606,647), primarily resulting from unfunded pension and OPEB liabilities.

CHANGES IN NET POSITION (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 6,119	\$ 5,553	\$ 6,691	\$ 6,620	\$ 12,810	\$ 12,173
Operating grants and contributions	17,728	16,455	-	-	17,728	16,455
Capital grants and contributions	-	990	57	53	57	1,043
General revenues:						
Property taxes	30,308	28,537	-	-	30,308	28,537
Excises	2,209	1,994	-	-	2,209	1,994
Penalties, interest and other taxes	284	425	-	-	284	425
Grants and contributions not restricted to specific programs	3,411	3,414	-	-	3,411	3,414
Investment income (loss)	475	801	19	28	494	829
Miscellaneous	610	539	8	115	618	654
Total revenues	61,144	58,708	6,775	6,816	67,919	65,524
Expenses						
General government	5,644	4,679	-	-	5,644	4,679
Public safety	11,273	9,267	-	-	11,273	9,267
Education	33,417	32,972	-	-	33,417	32,972
Public works	5,587	4,142	-	-	5,587	4,142
Human services	1,512	1,948	-	-	1,512	1,948
Culture and recreation	1,616	1,424	-	-	1,616	1,424
Interest on long-term debt	276	294	-	-	276	294
Intergovernmental	617	491	-	-	617	491
Sewer services	-	-	4,276	4,874	4,276	4,874
Water services	-	-	2,911	2,168	2,911	2,168
Total expenses	59,942	55,217	7,187	7,042	67,129	62,259

(continued)

(continued)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Change in net position before transfers	1,202	3,491	(412)	(226)	790	3,265
Transfers in (out)	<u>(7)</u>	<u>(18)</u>	<u>7</u>	<u>18</u>	<u>-</u>	<u>-</u>
Change in net position	1,195	3,473	(405)	(208)	790	3,265
Net position - beginning of year	<u>61,077</u>	<u>57,604</u>	<u>32,706</u>	<u>32,914</u>	<u>93,783</u>	<u>90,518</u>
Net position - end of year	<u>\$ 62,272</u>	<u>\$ 61,077</u>	<u>\$ 32,301</u>	<u>\$ 32,706</u>	<u>\$ 94,573</u>	<u>\$ 93,783</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$1,195,273. Key elements of this change are as follows:

Change in net pension liability and related deferred outflows and inflows of resources	\$ (355,000)
Change in net OPEB liability related deferred outflows and inflows of resources	1,497,084
Other	<u>53,189</u>
Total	<u>\$ 1,195,273</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$(403,981). Key elements of this change are as follows:

Sewer Fund:	
Budgetary results of operations	\$ 706,351
Depreciation expense in excess of debt service principal paydown	(602,261)
Change in deferred revenue	(311,981)
Other	<u>(295,396)</u>
Subtotal	(503,287)
Water Fund:	
Budgetary results of operations	688,970
Depreciation expense in excess of debt service principal paydown	(140,616)
Other	<u>(449,048)</u>
Subtotal	<u>99,306</u>
Grand total	<u>\$ (403,981)</u>

Financial Analysis of Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

General Fund

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,865,619 while total fund balance was \$20,059,040. Unassigned fund balance decreased by \$830,307 in fiscal year 2020. The decrease was primarily due to use of free cash of \$2,430,263 for the fiscal year 2021 budget (primarily for capital expenditures) softened by favorable turnback's of \$1,850,716 on the Town's fiscal year 2020 budget vs. actual. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>	<u>% of General Fund Expenditures ⁽²⁾</u>
Unassigned fund balance ⁽¹⁾	\$ 7,865,619	\$ 8,695,926	\$ (830,307)	16.1%
Total fund balance	\$ 20,059,040	\$ 18,863,642	\$ 1,195,398	40.9%

⁽¹⁾ Includes general stabilization fund.

⁽²⁾ Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth to the Massachusetts Teacher Retirement System of \$2,667,909.

The total fund balance of the general fund changed by \$1,195,398 during the current fiscal year. Key factors in this change are as follows:

Revenue in excess of budget	\$ 645,712
Expenditures less than budget	1,180,874
Use of free cash	(4,160,107)
Prepaid tuition	886,580
Use of overlay surplus	(149,000)
Change in stabilization fund	2,187,252
Change in carryforwards	609,157
Other	(5,070)
Total	<u>\$ 1,195,398</u>

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

	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
General stabilization	\$ 3,139,681	\$ 3,089,346	\$ 50,335
Ambulance stabilization	175,094	106,502	68,592
Capital stabilization	5,743,342	3,700,556	2,042,786
Special education reserve stabilization	<u>430,209</u>	<u>404,670</u>	<u>25,539</u>
Total	<u>\$ 9,488,326</u>	<u>\$ 7,301,074</u>	<u>\$ 2,187,252</u>

Non-Major Governmental Funds

The non-major fund balance changed by \$(139,967) primarily from timing differences between the receipt and disbursement of grants and permanent financing of capital projects.

Proprietary Funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$6,255,302, a change \$(554,244) in comparison to the prior year.

Unrestricted net position of the internal service fund at the end of the year amounted to \$2,444,682, a change of \$990,453 in comparison to the prior year. The decrease is due to a decrease in claims in the last quarter of fiscal year 2020, which can be attributed to the impact of the COVID19 pandemic.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$1,937 for prior year bills.

Capital Asset and Debt Administration

Capital assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$130,080,143 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and system, improvements, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included improvements to various Town buildings and the purchase of various public safety and highway vehicles.

Credit rating

The Town of Fairhaven maintains an AA+/Stable credit rating from Standard and Poor's Global Ratings for general obligation debt.

Long-term debt

At the end of the current fiscal year, total bonds and loans outstanding was \$17,886,318, all of which was backed by the full faith and credit of the government.

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

Requests For Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director/Treasurer/Collector
Town of Fairhaven
40 Center Street
Fairhaven, Massachusetts 02719

TOWN OF FAIRHAVEN, MASSACHUSETTS

Statement of Net Position
June 30, 2020

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 20,206,932	\$ 7,928,016	\$ 28,134,948
Investments	12,578,331	907,176	13,485,507
Receivables, net of allowance for uncollectibles:			
Property taxes	848,257	-	848,257
Excises	231,763	-	231,763
User fees	13,838	537,399	551,237
Departmental and other	639,949	-	639,949
Special assessments	263	220,533	220,796
Intergovernmental	238,283	981,822	1,220,105
Notes receivable	848,985	-	848,985
Deposits held by others	1,025,400	-	1,025,400
Prepaid items	<u>886,580</u>	<u>-</u>	<u>886,580</u>
Total Current Assets	37,518,581	10,574,946	48,093,527
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	654,686	-	654,686
User fees	-	114,097	114,097
Special assessments	5,908	661,300	667,208
Intergovernmental	1,625,334	-	1,625,334
Other assets	857,957	-	857,957
Capital assets:			
Land and construction in progress	22,183,541	10,310,083	32,493,624
Other capital assets, net of accumulated depreciation	<u>72,665,700</u>	<u>24,920,819</u>	<u>97,586,519</u>
Total Noncurrent Assets	<u>97,993,126</u>	<u>36,006,299</u>	<u>133,999,425</u>
Total Assets	135,511,707	46,581,245	182,092,952
Deferred Outflows of Resources			
Related to pensions	4,410,000	610,000	5,020,000
Related to OPEB	<u>4,010,532</u>	<u>162,190</u>	<u>4,172,722</u>
Total Deferred Outflows of Resources	8,420,532	772,190	9,192,722

(continued)

TOWN OF FAIRHAVEN, MASSACHUSETTS

Statement of Net Position
June 30, 2020

(continued)

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current:			
Warrants and accounts payable	1,996,773	92,257	2,089,030
Accrued liabilities	1,115,706	63,899	1,179,605
Notes payable	638,000	700,000	1,338,000
Tax refunds payable	378,452	-	378,452
Other current liabilities	407,316	21,342	428,658
Current portion of long-term liabilities:			
Bonds and loans payable	792,000	562,400	1,354,400
Compensated absences	163,349	28,752	192,101
Landfill liability	25,000	-	25,000
Total Current Liabilities	5,516,596	1,468,650	6,985,246
Noncurrent:			
Bonds and loans payable, net of current portion	7,885,000	8,646,918	16,531,918
Net pension liability	16,840,000	2,180,000	19,020,000
Net OPEB liability	36,497,187	1,475,983	37,973,170
Compensated absences	1,470,142	258,760	1,728,902
Landfill liability	225,000	-	225,000
Total Noncurrent Liabilities	62,917,329	12,561,661	75,478,990
Total Liabilities	68,433,925	14,030,311	82,464,236
Deferred Inflows of Resources			
Related to pensions	3,022,000	609,000	3,631,000
Related to OPEB	10,203,916	412,656	10,616,572
Total Deferred Inflows of Resources	13,225,916	1,021,656	14,247,572
Net Position			
Net investment in capital assets	85,576,940	26,046,166	111,623,106
Restricted for:			
Grants and other statutory restrictions	6,540,810	-	6,540,810
Permanent funds:			
Nonexpendable	2,546,488	-	2,546,488
Expendable	470,109	-	470,109
Unrestricted	(32,861,949)	6,255,302	(26,606,647)
Total Net Position	\$ 62,272,398	\$ 32,301,468	\$ 94,573,866

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
						Total
Governmental Activities	Expenses					
General government	\$ 5,643,599	\$ 635,113	\$ 711,970	\$ 300	\$ (4,296,216)	\$ (4,296,216)
Public safety	11,273,396	1,725,144	254,725	-	(9,293,527)	(9,293,527)
Education	33,416,981	3,444,052	15,876,542	-	(14,096,387)	(14,096,387)
Public works	5,587,359	80,449	4,703	-	(5,502,207)	(5,502,207)
Human services	1,512,173	431	869,718	-	(642,024)	(642,024)
Culture and recreation	1,616,211	233,579	10,816	-	(1,371,816)	(1,371,816)
Interest on long-term debt	276,215	-	-	-	(276,215)	(276,215)
Intergovernmental	617,370	-	-	-	(617,370)	(617,370)
Total Governmental Activities	59,943,304	6,118,768	17,728,474	300	(36,095,762)	(36,095,762)
Business-Type Activities						
Sewer	4,275,874	3,681,357	-	57,164	-	(537,353)
Water	2,911,030	3,009,498	-	-	-	98,468
Total Business-Type Activities	7,186,904	6,690,855	-	57,164	-	(438,885)
Total	\$ 67,130,208	\$ 12,809,623	\$ 17,728,474	\$ 57,464	(36,095,762)	(36,534,647)
General Revenues and Transfers						
Property taxes					30,307,796	30,307,796
Excises					2,209,431	2,209,431
Penalties, interest and other taxes					284,273	284,273
Grants and contributions not restricted to specific programs					3,411,005	3,411,005
Investment income					19,897	19,897
Miscellaneous					610,485	610,485
Transfers, net					(6,711)	6,711
Total general revenues and transfers					37,291,035	37,325,939
Change in Net Position					1,195,273	(403,981)
Net Position						
Beginning of year					61,077,125	32,705,449
End of year					\$ 62,272,398	\$ 32,301,468
						\$ 94,573,866

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and short-term investments	\$ 11,913,235	\$ 6,216,774	\$ 18,130,009
Investments	9,182,889	3,395,442	12,578,331
Receivables:			
Property taxes	1,659,889	17,136	1,677,025
Excises	364,206	-	364,206
User fees	-	15,597	15,597
Departmental and other	123,604	516,344	639,948
Special assessments	-	6,171	6,171
Intergovernmental	238,283	1,625,334	1,863,617
Notes receivable	-	848,985	848,985
Prepaid items	886,580	-	886,580
Total Assets	<u>\$ 24,368,686</u>	<u>\$ 12,641,783</u>	<u>\$ 37,010,469</u>
Liabilities			
Warrants payable	\$ 1,679,925	\$ 266,178	\$ 1,946,103
Accrued liabilities	503,311	5,423	508,734
Notes payable	-	638,000	638,000
Other liabilities	407,315	-	407,315
Total Liabilities	2,590,551	909,601	3,500,152
Deferred Inflows of Resources			
Unavailable revenues	1,719,095	3,024,071	4,743,166
Fund Balances			
Nonspendable	886,580	2,546,488	3,433,068
Restricted	-	7,011,380	7,011,380
Committed	8,003,883	-	8,003,883
Assigned	3,302,958	-	3,302,958
Unassigned	7,865,619	(849,757)	7,015,862
Total Fund Balances	<u>20,059,040</u>	<u>8,708,111</u>	<u>28,767,151</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,368,686</u>	<u>\$ 12,641,783</u>	<u>\$ 37,010,469</u>

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
in the Statement of Net Position
June 30, 2020

Total governmental fund balances	\$ 28,767,151
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	94,849,241
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	5,292,840
Internal service funds are used by management to account for health and dental insurance activities. The assets and liabilities of the internal service funds are included with governmental activities in the Statement of Net Assets.	2,444,682
Long-term liabilities, including bonds payable, net pension liability, net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds Payable	(8,677,000)
Net pension liability	(16,840,000)
Total OPEB liability	(36,497,187)
Other	(1,883,491)
Deferred outflows and (inflows) of resources related to pensions to be recognized in pension expense in future periods	1,388,000
Deferred outflows and (inflows) of resources related to OPEB to be recognized in OPEB expense in future periods	(6,193,384)
Other differences	<u>(378,454)</u>
Net position of governmental activities	\$ <u>62,272,398</u>

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2020

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ 29,187,048	\$ 420,260	\$ 29,607,308
Excises	2,112,410	-	2,112,410
Penalties, interest and other taxes	282,043	2,235	284,278
Charges for services	3,520,418	2,471,060	5,991,478
Licenses and permits	442,790	-	442,790
Intergovernmental	14,757,041	3,401,464	18,158,505
Fines and forfeitures	1,850	-	1,850
Investment income	458,093	10,520	468,613
Contributions	-	95,001	95,001
Miscellaneous	<u>669,813</u>	<u>15,106</u>	<u>684,919</u>
Total Revenues	51,431,506	6,415,646	57,847,152
Expenditures			
General government	2,929,966	1,244,822	4,174,788
Public safety	8,286,528	194,446	8,480,974
Education	25,043,946	2,990,933	28,034,879
Public works	3,793,110	171,209	3,964,319
Human services	1,129,799	244,461	1,374,260
Culture and recreation	1,139,228	232,801	1,372,029
Employee benefits	7,592,601	48,351	7,640,952
Debt service			
Principal	797,000	-	797,000
Interest	322,640	-	322,640
Intergovernmental	617,370	-	617,370
Capital outlay	<u>-</u>	<u>5,799</u>	<u>5,799</u>
Total Expenditures	<u>51,652,188</u>	<u>5,132,822</u>	<u>56,785,010</u>
Excess (Deficiency) of revenues over expenditures	(220,682)	1,282,824	1,062,142
Other Financing Sources (Uses)			
Transfers in	1,478,040	55,249	1,533,289
Transfers out	<u>(61,960)</u>	<u>(1,478,040)</u>	<u>(1,540,000)</u>
Total Other Financing Sources (Uses)	<u>1,416,080</u>	<u>(1,422,791)</u>	<u>(6,711)</u>
Change in fund balance	1,195,398	(139,967)	1,055,431
Fund Balance, at Beginning of Year	<u>18,863,642</u>	<u>8,848,078</u>	<u>27,711,720</u>
Fund Balance, at End of Year	\$ <u><u>20,059,040</u></u>	\$ <u><u>8,708,111</u></u>	\$ <u><u>28,767,151</u></u>

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2020

Net changes in fund balances - total governmental funds	\$ 1,055,431
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>	
Capital outlay	1,043,463
Depreciation	(4,076,820)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>	
Repayments of debt	797,000
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.</p>	
	484,680
<p>Internal service funds are used by management to account for health and dental insurance activities. The net activity of internal service funds is reported with governmental activities in the Statement of Net Position.</p>	
	990,453
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>	
Net pension liability and related deferred outflows and inflows of resources	(355,000)
Net OPEB liability and related deferred outflows and inflows of resources	1,497,084
Other	46,425
Other differences	<u>(287,443)</u>
Change in net position of governmental activities	\$ <u>1,195,273</u>

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Sewer Fund	Water Fund	Total	
Assets				
Current:				
Cash and short-term investments	\$ 5,689,091	\$ 2,238,925	\$ 7,928,016	\$ 2,076,923
Investments	907,176	-	907,176	-
Deposits held by others	-	-	-	1,025,400
Receivables, net of allowance for uncollectibles:				
User fees	297,269	240,130	537,399	-
Special assessments	220,533	-	220,533	-
Intergovernmental	981,822	-	981,822	-
Total Current Assets	8,095,891	2,479,055	10,574,946	3,102,323
Noncurrent:				
Receivables, net of allowance for uncollectibles:				
User fees	72,110	41,987	114,097	-
Special assessments	661,300	-	661,300	-
Capital assets:				
Land and construction in progress	9,017,982	1,292,101	10,310,083	-
Other capital assets, net of accumulated depreciation	21,660,032	3,260,787	24,920,819	-
Total Noncurrent Assets	31,411,424	4,594,875	36,006,299	-
Total Assets	39,507,315	7,073,930	46,581,245	3,102,323
Deferred Outflows of Resources				
Related to pensions	358,000	252,000	610,000	-
Related to OPEB	118,712	43,478	162,190	-
Total Deferred Outflows of Resources	476,712	295,478	772,190	-
Liabilities				
Current:				
Accounts payable	62,278	29,979	92,257	356,927
Accrued liabilities	39,208	24,691	63,899	300,714
Notes payable	700,000	-	700,000	-
Other current liabilities	20,467	875	21,342	-
Current portion of long-term liabilities:				
Bonds and loans payable	514,111	48,289	562,400	-
Compensated absences	19,913	8,839	28,752	-
Total Current Liabilities	1,355,977	112,673	1,468,650	657,641
Noncurrent:				
Bonds and loans payable, net of current portion	8,067,264	579,654	8,646,918	-
Net pension liability	1,426,000	754,000	2,180,000	-
Net OPEB liability	1,080,318	395,665	1,475,983	-
Compensated absences	179,213	79,547	258,760	-
Total Noncurrent Liabilities	10,752,795	1,808,866	12,561,661	-
Total Liabilities	12,108,772	1,921,539	14,030,311	657,641
Deferred Inflows of Resources				
Related to pensions	318,000	291,000	609,000	-
Related to OPEB	302,036	110,620	412,656	-
Total Deferred Inflows of Resources	620,036	401,620	1,021,656	-
Net Position				
Net investment in capital assets	22,120,327	3,925,839	26,046,166	-
Unrestricted	5,134,892	1,120,410	6,255,302	2,444,682
Total Net Position	\$ 27,255,219	\$ 5,046,249	\$ 32,301,468	\$ 2,444,682

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 3,681,357	\$ 3,004,918	\$ 6,686,275	\$ -
Employee and employer contributions	-	-	-	7,416,184
Other	-	4,580	4,580	-
Total Operating Revenues	3,681,357	3,009,498	6,690,855	7,416,184
Operating Expenses				
Personnel services	1,688,994	1,104,149	2,793,143	6,431,997
Other operating expenses	1,176,210	333,426	1,509,636	-
Depreciation	1,115,082	188,197	1,303,279	-
Intergovernmental assessments	-	1,277,367	1,277,367	-
Total Operating Expenses	3,980,286	2,903,139	6,883,425	6,431,997
Operating Income (Loss)	(298,929)	106,359	(192,570)	984,187
Nonoperating Revenues (Expenses)				
Investment income	19,059	838	19,897	6,266
Miscellaneous	8,296	-	8,296	-
Interest expense	(295,588)	(7,891)	(303,479)	-
Total Nonoperating Revenues (Expenses), Net	(268,233)	(7,053)	(275,286)	6,266
Income (Loss) Before Transfers and Capital Contributions	(567,162)	99,306	(467,856)	990,453
Transfers in	6,711	-	6,711	-
Capital contributions	57,164	-	57,164	-
Change in Net Position	(503,287)	99,306	(403,981)	990,453
Net Position at Beginning of Year	27,758,506	4,946,943	32,705,449	1,454,229
Net Position at End of Year	\$ 27,255,219	\$ 5,046,249	\$ 32,301,468	\$ 2,444,682

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 3,686,395	\$ 2,993,502	\$ 6,679,897	\$ 7,416,184
Payments to employees	(1,679,772)	(1,021,032)	(2,700,804)	-
Payments to vendors	<u>(1,475,350)</u>	<u>(1,653,864)</u>	<u>(3,129,214)</u>	<u>(7,387,619)</u>
Net Cash Provided By Operating Activities	531,273	318,606	849,879	28,565
Cash Flows From Noncapital Financing Activities				
Transfers in	<u>6,711</u>	-	<u>6,711</u>	-
Net Cash Provided By Noncapital Financing Activities	6,711	-	6,711	-
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(869,962)	(419,497)	(1,289,459)	-
Proceeds of notes	700,000	-	700,000	-
Principal payments on bonds and loans	(512,821)	(47,581)	(560,402)	-
Payments on notes	(700,000)	-	(700,000)	-
Interest expense	(302,868)	(13,773)	(316,641)	-
Capital contributions	297,798	-	297,798	-
Other	<u>87,624</u>	-	<u>87,624</u>	-
Net Cash (Used For) Capital and Related Financing Activities	(1,300,229)	(480,851)	(1,781,080)	-
Cash Flows From Investing Activities				
Investments	(280,110)	-	(280,110)	-
Investment income	<u>19,059</u>	<u>838</u>	<u>19,897</u>	<u>6,266</u>
Net Cash Provided By (Used For) Investing Activities	<u>(261,051)</u>	<u>838</u>	<u>(260,213)</u>	<u>6,266</u>
Net Change in Cash and Short-Term Investments	(1,023,296)	(161,407)	(1,184,703)	34,831
Cash and Short-Term Investments, Beginning of Year	<u>6,712,387</u>	<u>2,400,332</u>	<u>9,112,719</u>	<u>2,042,092</u>
Cash and Short-Term Investments, End of Year	\$ <u><u>5,689,091</u></u>	\$ <u><u>2,238,925</u></u>	\$ <u><u>7,928,016</u></u>	\$ <u><u>2,076,923</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (298,929)	\$ 106,359	\$ (192,570)	\$ 984,187
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,115,082	188,197	1,303,279	-
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees	(7,537)	(16,871)	(24,408)	-
Deposits held by others	-	-	-	(86,600)
Deferred outflows - related to pensions	60,000	98,000	158,000	-
Deferred outflows - related to OPEB	33,268	12,386	45,654	-
Accounts payable	(299,141)	(43,070)	(342,211)	(786,012)
Accrued liabilities	9,802	4,792	14,594	(83,010)
Other liabilities	44,860	9,101	53,961	-
Net pension liability	(184,000)	(247,000)	(431,000)	-
Net OPEB liability	(35,219)	(14,378)	(49,597)	-
Deferred inflows - related to pensions	138,000	238,000	376,000	-
Deferred inflows - related to OPEB	<u>(44,913)</u>	<u>(16,910)</u>	<u>(61,823)</u>	-
Net Cash Provided By Operating Activities	\$ <u><u>531,273</u></u>	\$ <u><u>318,606</u></u>	\$ <u><u>849,879</u></u>	\$ <u><u>28,565</u></u>

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
Assets			
Cash and short-term investments	\$ 391,120	\$ 155,642	\$ 1,625,435
Investments:			-
Certificates of deposits	142,836	116,796	-
Commodities	2,218	1,814	
Federal agency securities	242,204	198,047	-
Corporate bonds	293,301	239,830	-
Corporate equities	257,135	210,257	-
Equity mutual funds	88,047	71,994	-
External investment pool	<u>70,340,991</u>	<u>-</u>	<u>-</u>
Total Investments	71,366,732	838,738	-
Accounts receivable	<u>110,148</u>	<u>-</u>	<u>-</u>
Total Assets	71,868,000	994,380	\$ <u><u>1,625,435</u></u>
Liabilities			
Warrants and accounts payable	-	-	\$ 145,053
Accrued liabilities	-	-	5,630
Other liabilities	<u>-</u>	<u>-</u>	<u>1,474,752</u>
Total Liabilities	<u>-</u>	<u>-</u>	\$ <u><u>1,625,435</u></u>
Net Position			
Restricted for pension purposes	70,837,274	-	
Restricted for OPEB purposes	1,030,726	-	
Restricted for individual organizations and other governments	<u>-</u>	<u>994,380</u>	
Total Net Position	\$ <u><u>71,868,000</u></u>	\$ <u><u>994,380</u></u>	

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>
Additions		
Contributions:		
Employers	\$ 5,475,955	\$ -
Plan members	1,401,391	-
Other systems and Commonwealth of Massachusetts	128,480	-
Other	<u>18,600</u>	<u>10,505</u>
Total contributions	7,024,426	10,505
Investment Income (Loss):		
Investment income	24,646	16,793
Increase (decrease) in fair value of investments	10,155,765	(58,538)
Less: management fees	<u>(340,076)</u>	<u>-</u>
Net investment income (loss)	<u>9,840,335</u>	<u>(41,745)</u>
Total additions (loss)	16,864,761	(31,240)
Deductions		
Benefit payments to plan members, beneficiaries, and other systems	6,857,194	-
Member refunds and transfers to other systems	362,221	-
Administrative expenses	113,475	-
Other	<u>-</u>	<u>18,250</u>
Total deductions	<u>7,332,890</u>	<u>18,250</u>
Net increase (decrease)	9,531,871	(49,490)
Net position restricted for pensions and other purposes		
Beginning of year	<u>62,336,129</u>	<u>1,043,870</u>
End of year	<u>\$ 71,868,000</u>	<u>\$ 994,380</u>

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

TOWN OF FAIRHAVEN, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Fairhaven, Massachusetts (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The Town is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable.

The Fairhaven Contributory Retirement System (the System) was established to provide retirement benefits primarily to employees and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. Additional financial information for the System can be obtained by contacting the System's retirement administrator, located at Town of Fairhaven, 40 Center Street, Fairhaven, MA 02719.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial

statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The Town reports the following major governmental fund:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing

and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- The *Sewer Fund* is used to account for the Town's sewer enterprise fund operations.
- The *Water Fund* is used to account for the Town's water enterprise fund operations.

The self-insured medical and dental claims trust is reported as an *Internal Service Fund* in the accompanying financial statements.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The *Post-employment Benefits* and *OPEB Trust Funds* are used to accumulate resources for retiree post-employment benefits.
- The *Private-Purpose Trust Fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Agency Fund* accounts for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, and therefore, have no measurement focus.

Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, money markets, MMDT, and savings accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments".

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

Investments are carried at fair value.

Property Tax Limitations

Legislation known as "Proposition 2½" has limited the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted. The actual fiscal year 2020 tax levy reflected an excess capacity of \$90,758. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40 - 50
Improvements	20 - 40
Infrastructure	30 - 60
Machinery and equipment	5 - 10

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary funds financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance

Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors,

grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

Budgetary Information

At the annual town meeting, the Finance Committee presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by town meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance Committee is empowered to transfer funds from the reserve fund (a contingency appropriation) to a departmental appropriation. "Extraordinary" includes expenses which are not in the usual line, or are great or exceptional. "Unforeseen" includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

Departments are limited to the line items as voted. Certain items may exceed the line item budget as approved if it is for an emergency and for the safety of the general public. These items are limited by the Massachusetts General Laws and must be raised in the next year's tax rate.

Formal budgetary integration is employed as a management control device during the year for the general fund and proprietary funds.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

Budgetary Basis

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

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2020.

It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, grant revenues, and bond proceeds.

3. Deposits and Investments

State statutes (MGL Chapter 44, Section 55) place certain limitation on the nature of deposits and investments available to the Town. Investments may be made in unconditionally guaranteed U.S. government obligations have maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consists of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, Certain External Investment Pools and Pool Participants, to report its investments at amortized cost, which approximates the net asset value of 1.00 per share. MMDT has a maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust and OPEB funds.

Town (Excluding the Pension Trust Fund)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the Town's deposits "in a bank or trust company or banking company to an amount not exceeding 60% of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." Neither the Town nor the Contributory Retirement System (System) has deposit policies for custodial credit risk.

As of June 30, 2020, \$1,947,942 of the Town's bank balance of \$26,027,612 was exposed to custodial credit risk as uninsured and/or uncollateralized.

Investment Summary

The following is a summary of the Town's (excluding Pension Trust Fund) investments as of June 30, 2020 (in thousands):

<u>Investment Type</u>	<u>Amount</u>
Market-linked certificates of deposits	\$ 2,137
Commodities	33
Corporate bonds	4,389
Corporate equities	3,848
Equity mutual funds	1,318
Federal agency securities	<u>3,625</u>
Total investments	<u>\$ 15,350</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments purchased using surplus revenues, Massachusetts General Law, Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs). The Town does not have formal investment policies related to credit risk.

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

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>						
		<u>AAA</u>	<u>AA3</u>	<u>A3</u>	<u>A2</u>	<u>A1</u>	<u>BAA1</u>	<u>BAA2</u>
Corporate bonds	\$ 4,389	\$ 503	\$ 448	\$ 195	\$ 787	\$ 1,209	\$ 680	\$ 567
Federal agency securities	<u>3,625</u>	<u>3,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,014</u>	<u>\$ 4,128</u>	<u>\$ 448</u>	<u>\$ 195</u>	<u>\$ 787</u>	<u>\$ 1,209</u>	<u>\$ 680</u>	<u>\$ 567</u>

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town does not have formal investment policies related to custodial credit risk.

As of June 30, 2020, all of the Town's total investments were not subject to custodial credit risk or held in the Town's name.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. The Town does not have formal investment policies related to concentration of credit risk exposure.

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure. The Town did not have investments in any one issuer that represents 5% or more of total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows (in thousands):

<u>Investment Type</u>	<u>Amount</u>	Investment Maturities (in Years)		
		Less		
		<u>Than 1</u>	<u>1-5</u>	<u>6-10</u>
Market-linked certificates of deposits	\$ 2,137	\$ 1,057	\$ 1,080	\$ -
Corporate bonds	4,389	1,656	2,733	-
Federal agency securities	3,625	882	2,347	396
Total	<u>\$ 10,151</u>	<u>\$ 3,595</u>	<u>\$ 6,160</u>	<u>\$ 396</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have formal investment policies related to foreign currency risk.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.

- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Town's OPEB Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Town has the following fair value measurements as of June 30, 2020 (in thousands):

		Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets	Significant observable inputs	Significant unobservable inputs
<u>Investment Type</u>	<u>Amount</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Investments by fair value level:				
Commodities	\$ 33	\$ -	\$ 33	\$ -
Corporate bonds	4,389	-	4,389	-
Corporate equities	3,848	3,848	-	-
Equity mutual funds	1,318	1,318	-	-
Federal agency securities	3,625	-	3,625	-
Market-linked certificates of deposit	<u>2,137</u>	-	2,137	-
Total	<u>\$ 15,350</u>			

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Pension Trust Fund (The System)

The following is a summary of the System's investments as of December 31, 2019:

<u>Investment Type</u>	<u>Amount</u>
External investment pool	\$ 70,340,991

**Fair value is the same as the value of the pool share. The Pension Reserves Investment Trust was created under Massachusetts general law, Chapter 32, Section 22, in December 1983. The Pension Reserves Investment Trust is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board. The Pension Reserves Investment Management Board shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts general law, chapter 30B.*

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Massachusetts General Law, Chapter 32, Section 23, limits the investment of System funds, to the extent not required for current disbursements, in the PRIT Fund or in securities, other than mortgages or collateral loans, which are legal for the investment of funds in savings banks under the laws of the Commonwealth, provided that no more than the established percentage of assets, is invested in any one security.

All of the System's investments are reported at fair value* and comprise shares in the PRIT fund, which is exempt from credit risk disclosure.

**Fair value is the same as the value of the pool share. The Pension Reserves Investment Trust was created under Massachusetts General Law, Chapter 32, Section 22 in December 1983. The Pension Reserves Investment Trust is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board. The Pension Reserves Investment Management Board shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts General Law, Chapter 30B.*

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The System's investment policy manages custodial credit risk through diversification and the "prudent person" principles outlined in PERAC guidelines.

The System's investments of \$70,340,991 comprise of pooled investment funds, which are exempt from custodial credit risk.

Concentration of Credit Risk

Massachusetts General Law Chapter 32, Section 23 limits the amount the System may invest in any one issuer or security type, with the exception of the PRIT Fund

All of the System's investments are in the PRIT fund.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the System's investments to market interest rate fluctuations is not applicable as all of the System's investments are immediately liquid.

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The System does not have policies for foreign currency risk.

Fair Value

The System categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The net asset value (NAV) per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period. Investments measured at the NAV for fair value are not subject to fair value hierarchy level classification.

The System has the following fair value measurements as of December 31, 2019:

<u>Investment Type</u>	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If currently eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at the net asset value (NAV):				
State Investment Pool (PRIT)	\$ 70,340,991	\$ -	Monthly	30 Days

4. Property Taxes and Excises Receivable

Real and personal property taxes are based on market values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the accrual and modified accrual basis of accounting on the government-wide and fund basis statements accordingly.

The Town bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2 ½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½% of the prior year's levy plus the taxes on property newly added to the tax rolls.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Boat excise taxes are assessed annually for all water vessels, including documented boats and ships, used or capable of being used for transportation on water. A boat excise is assessed by the community where the vessel is moored. July 1 is the assessing date for all vessels, and the boat excise due is calculated using a fixed rate of \$10 per \$1,000 of value.

Property taxes and excise receivables at June 30, 2020 consist of the following:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 21,296	\$ (73,898)	\$ (52,602)	\$ -
Personal property taxes	697,809	(4,328)	693,481	-
Community preservation act	17,136	(997)	16,139	-
Tax liens	928,297	(93,610)	185,808	648,879
Deferred taxes	12,487	(1,249)	5,431	5,807
Total property taxes	<u>\$ 1,677,025</u>	<u>\$ (174,082)</u>	<u>\$ 848,257</u>	<u>\$ 654,686</u>
Motor vehicle excise	\$ 347,047	\$ (127,548)	\$ 219,499	
Boat excise	17,159	(4,895)	12,264	
Total excises	<u>\$ 364,206</u>	<u>\$ (132,443)</u>	<u>\$ 231,763</u>	

5. User Fee Receivables

Receivables for user charges at June 30, 2020 consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Sewer	\$ 391,397	\$ (22,018)	\$ 369,379
Water	299,945	(17,828)	282,117
Waterways	<u>15,597</u>	<u>(1,759)</u>	<u>13,838</u>
Total	<u>\$ 706,939</u>	<u>\$ (41,605)</u>	<u>\$ 665,334</u>

6. Departmental and Other Receivables

This balance consists primarily of ambulance charges and stop-loss adjustments due from the Town's health insurance carrier for medical claims in excess of stop-loss limits in the Town's self-insured internal service fund.

7. Special Assessments Receivable

This balance represents Title V and sewer special assessment receivables.

8. Intergovernmental Receivables

This represents reimbursements requested from federal, state, and local agencies for expenditures incurred in fiscal year 2020.

9. Interfund Transfers

The Town reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of major interfund transfers.

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 1,478,040	\$ 61,960
Nonmajor Funds:		
Special revenue funds:		
Ambulance	-	1,065,000
Waterways	-	320,000
Other	55,249	93,040
Subtotal - Nonmajor Funds	55,249	1,478,040
Business-Type Funds		
Sewer Fund	6,711	-
Subtotal - Business-Type Funds	6,711	-
Total	<u>\$ 1,540,000</u>	<u>\$ 1,540,000</u>

Of the transfers into the general fund, \$1,065,000 was transferred from the ambulance receipts reserve for appropriation fund were for the annual reimbursement of the general fund for EMT-related expenses and \$320,000 was transferred from waterways revolving fund for salaries and capital items. The transfer made from the ambulance receipts reserved for appropriation fund to the general fund was made from a recurring revenue source.

10. Deposits Held by Others

This balance represents the total working deposit held by the Town's self-insured health administrator for ongoing medical and dental claims.

11. Notes Receivable

This balance represents the outstanding balance of home rehabilitation loans funded by Community Development Block Grants.

12. Prepaid Items

This balance represents payments made to collaboratives for fiscal year 2021 tuition.

13. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Buildings	\$ 67,446	\$ -	\$ -	\$ 67,446
Improvements	15,481	896	-	16,377
Machinery and equipment	8,608	148	-	8,756
Infrastructure	35,919	-	-	35,919
Total capital assets, being depreciated	127,454	1,044	-	128,498
Less accumulated depreciation for:				
Buildings	(25,254)	(1,651)	-	(26,905)
Improvements	(6,518)	(625)	-	(7,143)
Machinery and equipment	(4,377)	(667)	-	(5,044)
Infrastructure	(15,606)	(1,134)	-	(16,740)
Total accumulated depreciation	(51,755)	(4,077)	-	(55,832)
Total capital assets, being depreciated, net	75,699	(3,033)	-	72,666
Capital assets, not being depreciated:				
Land	22,184	-	-	22,184
Total capital assets, not being depreciated	22,184	-	-	22,184
Governmental activities capital assets, net	\$ 97,883	\$ (3,033)	\$ -	\$ 94,850
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and system	\$ 36,528	\$ -	\$ -	\$ 36,528
Improvements other than buildings	23,344	-	-	23,344
Machinery and equipment	3,947	53	-	4,000
Total capital assets, being depreciated	63,819	53	-	63,872
Less accumulated depreciation for:				
Buildings and system	(23,335)	(734)	-	(24,069)
Improvements other than buildings	(11,145)	(456)	-	(11,601)
Machinery and equipment	(3,168)	(113)	-	(3,281)
Total accumulated depreciation	(37,648)	(1,303)	-	(38,951)
Total capital assets, being depreciated, net	26,171	(1,250)	-	24,921
Capital assets, not being depreciated:				
Land	989	-	-	989
Construction in progress	8,085	1,236	-	9,321
Total capital assets, not being depreciated	9,074	1,236	-	10,310
Business-type activities capital assets, net	\$ 35,245	\$ (14)	\$ -	\$ 35,231

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

Governmental Activities	
General government	\$ 405
Public safety	426
Education	1,803
Public works	1,316
Culture and recreation	<u>127</u>
Total governmental activities	\$ <u>4,077</u>
Business-Type Activities	
Sewer fund	\$ 1,115
Water fund	<u>188</u>
Total business-type activities	\$ <u>1,303</u>

14. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

15. Warrants and Accounts Payable

Warrants payable represent 2020 expenditures paid by July 15, 2020. Accounts payable represent additional 2020 expenses paid after July 15, 2020.

16. Accrued Liabilities

Accrued liabilities consist primarily of year-end payroll and withholdings, self-insured health and dental claims incurred but not yet recorded, and accrued interest on long-term debt.

17. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the state Appellate Tax Board.

18. Notes Payable

The Town had the following notes outstanding at June 30, 2020:

	Interest Rate	Date of Issue	Date of Maturity	Balance at 6/30/20
<u>Governmental Activities</u>				
Fiber Optic Connectivity	0.75%	06/26/20	06/26/20	\$ 155,000
High School Gym Dehumidification	0.08%	06/27/19	06/26/20	283,000
Senior Center HVAC	0.75%	06/27/19	06/26/20	200,000
Total				<u>\$ 638,000</u>
<u>Business-Type Activities</u>				
West Island Sewer	1.90%	06/27/19	06/26/20	<u>\$ 700,000</u>

The following summarizes activity in notes payable during fiscal year 2020:

	Balance Beginning of Year	Rollover	Balance End of Year
<u>Governmental Activities</u>			
Fiber Optic Connectivity	\$ 155,000	\$ (155,000)	\$ -
High School Gym Dehumidification	283,000	(283,000)	-
Senior Center HVAC	200,000	(200,000)	-
Fiber Optic Connectivity	-	155,000	155,000
High School Gym Dehumidification	-	283,000	283,000
Senior Center HVAC	-	200,000	200,000
Total	<u>\$ 638,000</u>	<u>\$ -</u>	<u>\$ 638,000</u>
<u>Business-Type Activities</u>			
West Island Sewer	\$ 700,000	\$ (700,000)	\$ -
West Island Sewer	-	700,000	700,000
Total	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ 700,000</u>

19. Long-Term Debt

Long-Term Debt Supporting Activities

The Town issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. Direct borrowings have

been issued for only business-type activities. General obligation bonds and direct borrowings currently outstanding are as follows:

	Serial Maturities	Interest	Amount Outstanding as of
<u>Governmental Activities</u>	<u>Through</u>	<u>Rate(s) %</u>	<u>6/30/20</u>
General obligation bonds:			
Elementary school	11/01/33	3.0 - 4.0%	\$ 6,330,000
High school - refunding	12/15/24	2.0 - 5.0%	232,000
Elementary and high school - refunding	03/15/27	2.0 - 3.0%	1,320,000
General obligation - ladder truck	06/30/29	3.0 - 5.0%	795,000
Total general obligation bonds			<u>\$ 8,677,000</u>
	Serial Maturities	Interest	Amount Outstanding as of
<u>Business-Type Activities</u>	<u>Through</u>	<u>Rate(s) %</u>	<u>6/30/20</u>
Sewer - UV Disinfection refunding	12/15/24	2.0 - 5.0%	\$ 347,000
Sewer - Sconticut Neck refunding	12/15/24	2.0 - 5.0%	497,892
Sewer - General obligation	06/30/39	3.0 - 5.0%	7,145,000
Water - Boston Hill Water Tank	11/01/22	3.0 - 4.0%	45,000
Subtotal bonds			<u>8,034,892</u>
Sewer - Title V MWPAT	02/01/21	0.0%	6,847
Sewer - USDA Rural Development	02/02/26	4.5%	85,085
Sewer Digester	01/15/33	2.0%	499,551
Water - MCWT Boston Hill Water Tank	07/15/35	2.0%	582,943
Subtotal loans payable (direct borrowings)			<u>1,174,426</u>
Total Business-Type Activities			<u>\$ 9,209,318</u>

Future Debt Service

The annual payments to retire all general obligation and direct borrowings long-term debt outstanding as of June 30, 2020 are as follows:

	Bonds				Total
	Governmental	Principal	Interest		
2021	\$	792,000	\$	273,412	\$ 1,065,412
2022		787,000		252,320	1,039,320
2023		782,000		228,860	1,010,860
2024		781,000		207,315	988,315
2025		775,000		193,400	968,400
2026		725,000		162,000	887,000
2027		715,000		131,700	846,700
2028		535,000		108,000	643,000
2029		535,000		92,250	627,250
2030		450,000		76,500	526,500
2031 - 2034		<u>1,800,000</u>		<u>138,938</u>	<u>1,938,938</u>
Total	\$	<u>8,677,000</u>	\$	<u>1,864,695</u>	<u>\$ 10,541,695</u>

Business-Type	Bonds		Loans Payable (Direct Borrowings)		Total
	Principal	Interest	Principal	Interest	
2021	\$ 473,000	\$ 271,313	\$ 89,400	\$ 25,756	\$ 859,469
2022	479,892	255,355	84,710	23,714	843,671
2023	473,000	235,640	86,931	21,612	817,183
2024	459,000	221,810	89,216	20,549	790,575
2025	460,000	202,250	91,326	21,886	775,462
2026	330,000	184,325	74,555	14,656	603,536
2027	340,000	174,425	76,176	13,165	603,766
2028	350,000	164,225	77,831	11,641	603,697
2029	360,000	153,725	79,522	10,085	603,332
2030	370,000	142,925	81,251	8,495	602,671
2031 - 2035	2,045,000	534,113	343,508	18,274	2,940,895
2036 - 2039	<u>1,895,000</u>	<u>168,700</u>	<u>-</u>	<u>-</u>	<u>2,063,700</u>
Total	<u>\$ 8,034,892</u>	<u>\$ 2,708,806</u>	<u>\$ 1,174,426</u>	<u>\$ 189,833</u>	<u>\$ 12,107,957</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable	\$ 9,474	\$ -	\$ (797)	\$ 8,677	\$ (792)	\$ 7,885
Net pension liability	18,846	-	(2,006)	16,840	-	16,840
Net OPEB liability	37,614	-	(1,117)	36,497	-	36,497
Compensated absences	1,497	139	(2)	1,634	(164)	1,470
Landfill liability	275	-	(25)	250	(25)	225
Totals	<u>\$ 67,706</u>	<u>\$ 139</u>	<u>\$ (3,947)</u>	<u>\$ 63,898</u>	<u>\$ (981)</u>	<u>\$ 62,917</u>
Business-Type Activities						
Bonds payable	\$ 8,508	\$ -	\$ (473)	\$ 8,035	\$ (89)	\$ 7,946
Loans payable (direct borrowings)	1,262	-	(88)	1,174	(473)	701
Subtotal	9,770	-	(561)	9,209	(562)	8,647
Net pension liability	2,611	-	(431)	2,180	-	2,180
Net OPEB liability	1,526	-	(50)	1,476	-	1,476
Compensated absences	247	41	-	288	(29)	259
Totals	<u>\$ 14,154</u>	<u>\$ 41</u>	<u>\$ (1,042)</u>	<u>\$ 13,153</u>	<u>\$ (591)</u>	<u>\$ 12,562</u>

Long-Term Debt Supporting Governmental and Business-Type Activities

General obligation bonds and direct borrowings issued by the Town for various municipal projects are approved by Town Meeting and repaid with revenues recorded in the general fund and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost relates to, primarily the general fund and enterprise funds.

20. Landfill Post-Closure Care Costs

State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

The \$250,000 reported as landfill postclosure care liability at June 30, 2020 represents the estimated future monitoring costs of the Town's former landfill, which was closed and capped in 1999. These costs will be captured annually as part of the Town's budget. Actual cost may be higher than estimated due to inflation, changes in technology, or changes in regulations.

21. Deferred Inflows of Resources

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

pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

22. Governmental Funds - Balances

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

The Town has implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2020:

Nonspendable

Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes nonmajor governmental funds reserves for the principal portion of permanent trust funds.

Restricted

Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes the unspent balance of capital projects funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing special article appropriations approved at Town Meeting.

Assigned

Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose as established by management. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, fund balance voted to be used for the subsequent year's budget, and funds reserved by Town management for future debt service payments.

Unassigned

Represents amounts that are available to be spent in future periods.

The following is a breakdown of the Town's fund balances at June 30, 2020:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Nonexpendable permanent funds	\$ -	\$ 2,546,488	\$ 2,546,488
Prepaid expenditures	886,580	-	886,580
Total Nonspendable	886,580	2,546,488	3,433,068
Restricted			
Bonded projects	-	461	461
Special revenue funds:			
Community preservation act	-	1,377,688	1,377,688
School lunch	-	260,175	260,175
Chapter 90 highway	-	154,846	154,846
Social day	-	109,353	109,353
Ambulance	-	1,544,556	1,544,556
Stormwater maintenance fees	-	92,906	92,906
Trash fees	-	94,001	94,001
Circuit breaker	-	398,149	398,149
PEG access - Town	-	803,090	803,090
PEG access - School	-	413,775	413,775
School rental property	-	106,182	106,182
Preschool tuition	-	115,150	115,150
Waterway	-	145,218	145,218
Police law enforcement	-	110,245	110,245
Other	-	815,476	815,476
Expendable permanent funds	-	470,109	470,109
Total Restricted	-	7,011,380	7,011,380
Committed			
Carryover articles:			
General government	430,080	-	430,080
Public safety	625,494	-	625,494
Public works	546,341	-	546,341
Culture and recreation	53,323	-	53,323
Ambulance stabilization	175,094	-	175,094
Capital stabilization	5,743,342	-	5,743,342
Special education reserve stabilization	430,209	-	430,209
Total Committed	8,003,883	-	8,003,883

(continued)

(continued)

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assigned			
Encumbrances:			
General government	104,508	-	104,508
Public safety	47,272	-	47,272
Education	282,365	-	282,365
Public works	249,187	-	249,187
Health and human services	20,015	-	20,015
Culture and recreation	3,955	-	3,955
Employee benefits	79,408	-	79,408
Reserve for expenditure:			
Operations	7,290	-	7,290
Reduce tax levy	428,273	-	428,273
Capital	1,994,700	-	1,994,700
Future debt service	<u>85,985</u>	<u>-</u>	<u>85,985</u>
Total Assigned	3,302,958	-	3,302,958
Unassigned			
General fund	4,725,938	-	4,725,938
General stabilization funds	3,139,681	-	3,139,681
Capital project fund deficits	-	(595,301)	(595,301)
Special revenue fund deficits	<u>-</u>	<u>(254,456)</u>	<u>(254,456)</u>
Total Unassigned	<u>7,865,619</u>	<u>(849,757)</u>	<u>7,015,862</u>
Total Fund Balance	<u>\$ 20,059,040</u>	<u>\$ 8,708,111</u>	<u>\$ 28,767,151</u>

23. Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees' retirement funds.

Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Fairhaven Contributory Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages, and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports, which are publicly available at the System's administrative offices at 40 Centre Street, Fairhaven, Massachusetts 02719.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering a Massachusetts System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.

- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the members death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree,

the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town’s contribution to the System for the year ended June 30, 2020 was \$3,227,999, which was equal to its required contribution.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the System, and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At June 30, 2020, the Town reported a liability of \$19,020,000 for its proportionate share of the System’s total net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town’s proportion of the net pension liability was based on an actuarially determined projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2019, the Town’s proportion was 96.41%.

For the year ended June 30, 2020, the Town recognized total pension expense of \$3,696,000. In addition, the Town reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 1,837,000	\$ (739,000)
Changes of assumptions	2,936,000	-
Net difference between projected and actual earnings on pension plan investments	-	(2,573,000)
Changes in proportion and differences between contributions and proportionate share of contributions	<u>247,000</u>	<u>(319,000)</u>
Total	<u>\$ 5,020,000</u>	<u>\$ (3,631,000)</u>

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

Year ended June 30:

2021	\$ 590,000
2022	210,000
2023	832,000
2024	(340,000)
2025	<u>97,000</u>
Total	<u>\$ 1,389,000</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement that was updated to a measurement date of December 31, 2019:

Valuation date	January 1, 2020
Actuarial cost methods	Entry Age Normal Cost
Actuarial assumptions:	
Investment rate of return	7.15%
Projected salary increases	4.25% for Group 1 and 4.75% for Group 4
Inflation rate	Not explicitly assumed
Post-retirement cost-of-living adjustment	3% of first \$14,000

Mortality rates were based on:

- Pre-Retirement Mortality: RP-2014 Blue Collar Employees table projected generationally with Scale MP-2018 (gender distinct).
- Post-Retirement Mortality: RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2018 (gender distinct).
- Disabled Mortality: RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected generationally with Scale MP-2018 (gender distinct).

Target Allocations

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	13.00%	7.62%
Int'l Equities	13.00%	7.80%
Emerging Int'l Equities	5.00%	7.31%
Hedged Equity	8.00%	6.89%
Core Bonds	6.00%	4.37%
Short-Term Fixed Income	2.00%	4.01%
20+ Yr. Treasury STRIPS	3.00%	3.50%
TIPS	4.00%	4.00%
Value-Added Fixed Income	8.00%	7.58%
Private Equity	13.00%	11.15%
Real Estate	10.00%	6.43%
Timberland	4.00%	7.00%
Portfolio Completions (PCS)	<u>11.00%</u>	6.76%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions at the current contribution rate and that employer contributions will be

made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability and Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease	Current Discount Rate	1% Increase
<u>6.15%</u>	<u>(7.15%)</u>	<u>(8.15%)</u>
\$27,840,316	\$19,020,000	\$10,296,588

Pension Plan Fiduciary Net Position

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

24. Massachusetts Teachers' Retirement System (MTRS)

Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer, defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establish uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

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

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2019. This valuation used the following assumptions:

- (a) 7.25% investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.

- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality through January 1, 2017.
- Mortality rates were as follows:
 - Pre-retirement - reflects RP-2014 White Collar Employees table projected generationally with Scale MP-2016 (gender distinct).
 - Post-retirement - reflects RP-2014 White Collar Healthy Annuitant table projected generationally with Scale MP-2016 (gender distinct).
 - Disability – assumed to be in accordance with RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2016 (gender distinct).

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.90%
Portfolio completion strategies	11.00%	3.90%
Core fixed income	15.00%	1.30%
Private equity	13.00%	8.20%
Real estate	10.00%	3.60%
Value added fixed income	8.00%	4.70%
Timber/natural resources	4.00%	4.10%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

1% Decrease to 6.25%	Current Discount Rate 7.25%	1% Increase to 8.25%
\$ 31,232,100	\$ 25,214,020	\$ 20,062,500

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* (GASB 68) and the Commonwealth is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2019 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was approximately \$46,594,344 based on a proportionate share of 0.184795%. As required by GASB 68, the Town has recognized its portion of the Commonwealth's contribution of approximately \$2,667,909 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$2,982,464 as both a revenue and expense in the governmental activities.

25. Other Post-Employment Benefits (GASB 74 and GASB 75)

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of *Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2012, the Government established an OPEB Trust Fund to provide funding for future employee health care costs.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The

Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2020.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town's plan. The Town provides health insurance coverage through Blue Cross/Blue Shield of Massachusetts. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws.

Benefits Provided

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

Funding Policy

The Town's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget authorizations.

Plan Membership

At July 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	366
Active employees	<u>409</u>
Total	<u><u>775</u></u>

Investments

The OPEB trust fund investments consist of certificates of deposit, federal agency securities, corporate bonds, corporate equities, and mutual funds.

Rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3%, average, including inflation
Investment rate of return	6.73%, net of OPEB plan investment expense
Municipal bond rate	2.66%
Discount rate	6.75% (previously 6.25%)
Healthcare cost trend rates	4.50% for 2020
Retirees' share of benefit-related costs	40% of medical premiums, 50% of dental premiums, and 45% of life insurance premiums
Funding Assumption	OPEB trust funding assumption to contribute \$300,000 - \$800,000 for the next 11 years and then contribute an additional \$3.5M annually (increasing by \$50,000 annually) once pension is fully funded.
Participation rate	80% of employees eligible to receive retirement benefits for both medical and life insurance

Mortality rates were based on:

- Pre-Retirement Mortality: RP-2014 Mortality Table for Blue Collar employees projected generationally with scale MP-2016 for males and females
- Post-Retirement Mortality: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females
- Disabled Mortality: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study as of January 1, 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of

return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity - Large Cap	17.25%	4.80%
Domestic Equity - Small/Mid Cap	18.25%	5.29%
International Equity - Developed Market	12.25%	5.45%
International Equity - Emerging Market	3.75%	6.42%
Domestic Fixed Income	25.50%	2.05%
International Fixed Income	6.50%	3.00%
Alternatives	16.25%	6.50%
Real estate	0.00%	6.25%
Cash & Cash Equivalents	0.25%	0.00%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the net OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2020, were as follows:

Total OPEB liability	\$ 39,003,896
Plan fiduciary net position	<u>1,030,726</u>
Net OPEB liability	<u>\$ 37,973,170</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.64%

The fiduciary net position has been determined on the same basis used by the OPEB Plan. For this purpose, the Plan recognizes benefit payments when due and payable.

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 39,890,690	\$ 751,440	\$ 39,139,250
Changes for the year:			
Service cost	732,744	-	732,744
Interest	2,481,174	-	2,481,174
Contributions - employer	-	2,127,756	(2,127,756)
Net investment income	-	29,286	(29,286)
Changes in assumptions or other inputs	(2,222,956)	-	(2,222,956)
Benefit payments	(1,877,756)	(1,877,756)	-
Net Changes	(886,794)	279,286	(1,166,080)
Balances, end of year	\$ 39,003,896	\$ 1,030,726	\$ 37,973,170

Changes of assumptions and other inputs reflect a change in the discount rate from 6.25% in 2019 to 6.75% in 2020.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 42,802,390	\$ 37,973,170	\$ 33,397,329

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 33,812,325	\$ 37,973,170	\$ 43,037,591

OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized an OPEB expense of \$564,906. At June 30, 2020, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ (76,501)
Change in assumptions	4,142,069	(10,540,071)
Net difference between projected and actual OPEB investment earnings	<u>30,653</u>	<u>-</u>
Total	<u>\$ 4,172,722</u>	<u>\$ (10,616,572)</u>

Other amounts reported as deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2020	\$ (2,590,165)
2021	(2,590,165)
2022	(1,250,962)
2023	193,198
2024	<u>(205,756)</u>
Total	<u>\$ (6,443,850)</u>

26. Consolidation of Pension and OPEB Trust Funds

The Fairhaven Contributory Retirement System and the OPEB Trust Fund are presented in a single column in the accompanying fiduciary fund financial statements. Details of the financial position and changes in net position are as follows:

	Pension Trust Fund (December 31, 2019)	Other Post-Employment Benefits Trust Fund	Pension and OPEB Trust Funds
Assets			
Cash and short-term investments	\$ 386,135	\$ 4,985	\$ 391,120
Investments:			
Certificates of deposits	-	142,836	142,836
Commodities	-	2,218	2,218
Federal agency securities	-	242,204	242,204
Corporate bonds	-	293,301	293,301
Corporate equities	-	257,135	257,135
Mutual funds	-	88,047	88,047
External investment pool	<u>70,340,991</u>	<u>-</u>	<u>70,340,991</u>
Total investments	70,340,991	1,025,741	71,366,732
Accounts receivable	<u>110,148</u>	<u>-</u>	<u>110,148</u>
Total Assets	<u>\$ 70,837,274</u>	<u>\$ 1,030,726</u>	<u>\$ 71,868,000</u>
Net Position			
Restricted for pension purposes	\$ 70,837,274	\$ -	\$ 70,837,274
Restricted for OPEB purposes	<u>-</u>	<u>1,030,726</u>	<u>1,030,726</u>
Total Net Position	<u>\$ 70,837,274</u>	<u>\$ 1,030,726</u>	<u>\$ 71,868,000</u>

	Pension Trust Fund (year ended December 31, 2019)	Other Post-Employment Benefits Trust Fund	Pension and OPEB Trust Funds
Additions			
Contributions:			
Employers	\$ 3,348,199	\$ 2,127,756	\$ 5,475,955
Plan members	1,401,391	-	1,401,391
Other systems and Commonwealth of Massachusetts	128,480	-	128,480
Other	18,600	-	18,600
Total contributions	4,896,670	2,127,756	7,024,426
Investment Income (Loss):			
Investment income	-	24,646	24,646
Increase (decrease) in fair value of investments	10,151,125	4,640	10,155,765
Less: management fees	(340,076)	-	(340,076)
Net investment income (loss)	9,811,049	29,286	9,840,335
Total additions	14,707,719	2,157,042	16,864,761
Deductions			
Benefit payments to plan members, beneficiaries, and other systems	4,979,438	1,877,756	6,857,194
Member refunds and transfers to other systems	362,221	-	362,221
Administrative expenses	113,475	-	113,475
Total deductions	5,455,134	1,877,756	7,332,890
Net increase (decrease)	9,252,585	279,286	9,531,871
Net position restricted for pensions and OPEB purposes:			
Beginning of year	61,584,689	751,440	62,336,129
End of year	\$ 70,837,274	\$ 1,030,726	\$ 71,868,000

27. Self-Insurance

The Town self-insures against claims for employee health coverage. Annual estimated requirements for claims are provided in the Town's annual operating budget.

Health Insurance

The Town contracts with an insurance carrier for excess liability coverage and an insurance consultant for claims processing. Under the terms of its insurance coverage, the Town is liable for claims up to \$110,000 per individual. The claims liability represents an estimate of claims incurred but unpaid at year-end, based on past historical costs and claims paid subsequent to year-end.

Changes in the aggregate liability for claims for the year ended June 30, 2020 are as follows:

	<u>Health Coverage</u>
Claims liability, beginning of year	\$ 383,724
Claims incurred/recognized in fiscal year 2020	6,431,997
Claims paid in fiscal year 2020	<u>(6,515,007)</u>
Claims liability, end of year	<u>\$ 300,714</u>

28. Subsequent Events

Management has evaluated subsequent events through March 25, 2021 which is the date of the financial statements were available to be issued.

29. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the Town, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Commitments

The Town built a sewer treatment plant several years ago that met the environmental pollutant discharge regulations at the time, however, pollutant discharge regulations have

since changed. When the Town applied for a license renewal, the Environmental Protection Agency (EPA) and the Department of Environmental Protection (DEP) agreed to renew the license if improvements were made to reduce the amount of nitrogen discharged. The Town, EPA, and DEP have agreed upon a plan to reduce the amount nitrogen discharged from the Plant. The plan will involve planning, design and capital improvements that commenced in FY2019 and will be completed by 2026 at an estimated total cost of \$25 million to be funded by future debt borrowings.

Encumbrances

At year-end, the Town's general fund has \$786,710 in encumbrances that will be honored in the next fiscal year.

30. Leases

The Town is the lessor in an agreement with Southeastern Massachusetts Educational Collaborative to lease the Tripp School building. The lease agreement is for a term of five years beginning November 1, 2016 and terminating on October 31, 2021. Following is the future minimum rental income to be received by the Town under the terms of this lease for the year ending June 30:

<u>Fiscal Year</u>	
2021	\$ 38,712
2022	<u>12,989</u>
Total	<u>\$ 51,701</u>

31. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*, effective for the Town beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported, and may require reclassification of certain funds.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the Town beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

TOWN OF FAIRHAVEN, MASSACHUSETTS

Required Supplementary Information

General Fund

Schedule of Revenues and Other Sources, and Expenditures and Other Uses - Budget and Actual

For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Positive (Negative)</u>
Revenues				
Property taxes	\$ 29,049,840	\$ 29,049,840	\$ 29,187,048	\$ 137,208
Excises	2,030,000	2,030,000	2,112,410	82,410
Penalties, interest and other taxes	350,000	350,000	282,043	(67,957)
Charges for services	4,300,000	4,300,000	4,519,425	219,425
Licenses and permits	410,000	410,000	442,790	32,790
Intergovernmental	12,083,958	12,083,958	12,089,132	5,174
Fines and forfeitures	5,000	5,000	1,850	(3,150)
Investment income	210,000	210,000	279,241	69,241
Miscellaneous	<u>181,258</u>	<u>181,258</u>	<u>351,829</u>	<u>170,571</u>
Total Revenues	48,620,056	48,620,056	49,265,768	645,712
Expenditures				
General government	6,415,558	6,415,558	6,099,211	316,347
Public safety	9,239,714	9,239,714	9,024,294	215,420
Education	23,608,422	23,608,422	23,563,382	45,040
Public works	4,732,178	4,732,178	4,588,638	143,540
Human services	1,319,589	1,319,589	1,149,814	169,775
Culture and recreation	1,291,041	1,291,041	1,196,507	94,534
Employee benefits	8,993,706	8,993,706	8,813,016	180,690
Debt service	1,257,327	1,257,327	1,126,351	130,976
Intergovernmental	<u>501,922</u>	<u>501,922</u>	<u>617,370</u>	<u>(115,448)</u>
Total Expenditures	<u>57,359,457</u>	<u>57,359,457</u>	<u>56,178,583</u>	<u>1,180,874</u>
Excess (deficiency) of revenues over expenditures	(8,739,401)	(8,739,401)	(6,912,815)	1,826,586
Other Financing Sources (Uses)				
Transfers in	2,597,503	2,597,503	2,619,696	22,193
Use of free cash	4,160,107	4,160,107	4,160,107	-
Use of prior year assigned fund balance (carryforwards)	1,832,791	1,832,791	1,832,791	-
Use of overlay surplus	<u>149,000</u>	<u>149,000</u>	<u>149,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>8,739,401</u>	<u>8,739,401</u>	<u>8,761,594</u>	<u>22,193</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,848,779</u>	\$ <u>1,848,779</u>

See Independent Auditors' Report.

**Notes to the Required Supplemental Information
for General Fund Budget**

Budgetary Basis

The general fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Total</u>
Revenues/expenditures/other financing sources/uses (GAAP Basis)	\$ 51,431,506	\$ 51,652,188	\$ 1,416,080	\$ 1,195,398
Record use of prior year assigned fund balance			1,832,791	1,832,791
Add end-of-year appropriation carryforwards from expenditures		2,441,948		(2,441,948)
Record use of free cash			4,160,107	4,160,107
Record use of overlay surplus			149,000	149,000
Reverse MTRS on behalf payment	(2,667,909)	(2,667,909)		-
Reclassification of indirect costs	20,366	1,141,008	1,120,642	-
Reclassification of sewer bond payments		6,711	6,711	-
Reclassification of budgeted transfers to stabilization funds	-	2,008,400	2,008,400	-
Reclassification of wind turbine expenditures	709,657	709,657		-
Reverse effect of combining stabilization funds with general fund per GASB 54	(178,852)		(2,008,400)	(2,187,252)
Reclassification of transfers	(49,000)		49,000	-
Reclassification of prepaid tuition	-	886,580	-	(886,580)
Other	-	-	27,263	27,263
Budgetary Basis	<u>\$ 49,265,768</u>	<u>\$ 56,178,583</u>	<u>\$ 8,761,594</u>	<u>\$ 1,848,779</u>

See Independent Auditors' Report.

TOWN OF FAIRHAVEN, MASSACHUSETTS

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability (Unaudited)

Fairhaven Contributory Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	December 31, 2019	96.41%	\$19,020,000	\$ 12,565,115	151.37%	78.20%
June 30, 2019	December 31, 2018	96.49%	\$21,457,000	\$ 11,357,838	188.92%	73.50%
June 30, 2018	December 31, 2017	96.96%	\$16,953,000	\$ 11,413,162	148.54%	78.40%
June 30, 2017	December 31, 2016	96.71%	\$21,500,000	\$ 10,759,955	199.81%	71.00%
June 30, 2016	December 31, 2015	96.56%	\$18,463,000	\$ 10,200,598	181.00%	72.70%
June 30, 2015	December 31, 2014	96.46%	\$16,607,000	\$ 10,190,034	162.97%	75.49%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	June 30, 2019	0.184795%	-	\$ 46,594,344	\$46,594,344	\$13,475,265	-	53.95%
June 30, 2019	June 30, 2018	0.182095%	-	\$ 43,176,990	\$43,176,990	\$12,808,086	-	54.84%
June 30, 2018	June 30, 2017	0.179119%	-	\$ 40,992,054	\$40,992,054	\$12,197,384	-	54.25%
June 30, 2017	June 30, 2016	0.176155%	-	\$ 39,384,609	\$39,384,609	\$11,619,221	-	52.73%
June 30, 2016	June 30, 2015	0.180847%	-	\$ 37,054,975	\$37,054,975	\$11,486,110	-	55.38%
June 30, 2015	June 30, 2014	0.184015%	-	\$ 29,251,667	\$29,251,667	\$10,910,853	-	61.64%

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

See Independent Auditors' Report.

TOWN OF FAIRHAVEN, MASSACHUSETTS
Required Supplementary Information
Schedule of Pension Contributions
(Unaudited)

Fairhaven Contributory Retirement System							
Fiscal Year	Measurement Date	Contributions in Relation to the		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
		Actuarially Determined Contribution	Actuarially Determined Contribution				
June 30, 2020	December 31, 2019	\$ 3,227,999	\$ 3,227,999	\$ -	\$ 12,184,816	26.49%	
June 30, 2019	December 31, 2018	\$ 3,079,385	\$ 3,079,385	\$ -	\$ 11,526,006	26.72%	
June 30, 2018	December 31, 2017	\$ 2,946,801	\$ 2,946,801	\$ -	\$ 10,590,589	27.82%	
June 30, 2017	December 31, 2016	\$ 2,799,586	\$ 2,859,586	\$ (60,000)	\$ 10,059,131	28.43%	
June 30, 2016	December 31, 2015	\$ 2,662,396	\$ 2,679,322	\$ (16,926)	\$ 9,247,527	28.97%	
June 30, 2015	December 31, 2014	\$ 2,533,204	\$ 2,533,204	\$ -	\$ 9,518,418	26.61%	

Massachusetts Teachers' Retirement System							
Fiscal Year	Measurement Date	Contributions in Relation to the		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
		Actuarially Determined Contribution Provided by Commonwealth	Actuarially Determined Contribution				
June 30, 2020	June 30, 2019	\$ 2,667,909	\$ 2,667,909	\$ -	\$ 13,872,578	19.23%	
June 30, 2019	June 30, 2018	\$ 2,394,150	\$ 2,394,150	\$ -	\$ 13,475,265	17.77%	
June 30, 2018	June 30, 2017	\$ 2,213,041	\$ 2,213,041	\$ -	\$ 12,808,086	17.28%	
June 30, 2017	June 30, 2016	\$ 1,981,009	\$ 1,981,009	\$ -	\$ 12,197,384	16.24%	
June 30, 2016	June 30, 2015	\$ 1,848,133	\$ 1,848,133	\$ -	\$ 11,619,221	15.91%	
June 30, 2015	June 30, 2014	\$ 1,724,918	\$ 1,724,918	\$ -	\$ 11,486,110	15.02%	

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

See Independent Auditors' Report.

TOWN OF FAIRHAVEN, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Changes in Net OPEB Liability

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 732,744	\$ 780,352	\$ 724,378	\$ 1,596,309
Interest	2,481,174	2,250,986	3,380,596	1,763,894
Differences between expected and actual experience	-	(120,091)	-	-
Changes of assumptions	(2,222,956)	6,502,221	(18,782,732)	-
Benefit payments, including refunds of member contributions	<u>(1,877,756)</u>	<u>(1,768,831)</u>	<u>(1,270,582)</u>	<u>(1,202,254)</u>
Net change in total OPEB liability	(886,794)	7,644,637	(15,948,340)	2,157,949
Total OPEB liability - beginning	<u>39,890,690</u>	<u>32,246,053</u>	<u>48,194,393</u>	<u>46,036,444</u>
Total OPEB liability - ending (a)	39,003,896	39,890,690	32,246,053	48,194,393
Plan Fiduciary Net Position				
Contributions - employer	2,127,756	1,968,831	1,420,582	1,302,254
Net investment income	29,286	37,589	16,779	24,778
Benefit payments, including refunds of member contributions	<u>(1,877,756)</u>	<u>(1,768,831)</u>	<u>(1,270,582)</u>	<u>(1,202,254)</u>
Net change in plan fiduciary net position	279,286	237,589	166,779	124,778
Plan fiduciary net position - beginning	<u>751,440</u>	<u>513,851</u>	<u>347,072</u>	<u>222,294</u>
Plan fiduciary net position - ending (b)	<u>1,030,726</u>	<u>751,440</u>	<u>513,851</u>	<u>347,072</u>
Net OPEB liability - ending (a-b)	\$ <u><u>37,973,170</u></u>	\$ <u><u>39,139,250</u></u>	\$ <u><u>31,732,202</u></u>	\$ <u><u>47,847,321</u></u>

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

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF FAIRHAVEN, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedules of Net OPEB Liability, Contributions, and Investment Returns

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Net OPEB Liability				
Total OPEB liability	\$ 39,003,896	\$ 39,890,690	\$ 32,246,053	\$ 48,194,393
Plan fiduciary net position	<u>1,030,726</u>	<u>751,440</u>	<u>513,851</u>	<u>347,072</u>
Net OPEB liability	<u>\$ 37,973,170</u>	<u>\$ 39,139,250</u>	<u>\$ 31,732,202</u>	<u>\$ 47,847,321</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.64%	1.88%	1.59%	0.72%
Covered employee payroll	\$ 28,110,619	\$ 27,291,862	\$ 27,807,179	\$ 26,997,261
Net OPEB liability as a percentage of covered employee payroll	135.08%	143.41%	114.12%	177.23%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions				
Actuarially determined contribution	\$ 3,527,717	\$ 3,528,492	\$ 4,327,970	\$ 4,143,844
Contributions in relation to the actuarially determined contribution	<u>2,127,756</u>	<u>1,968,831</u>	<u>1,420,582</u>	<u>1,302,254</u>
Contribution deficiency (excess)	<u>\$ 1,399,961</u>	<u>\$ 1,559,661</u>	<u>\$ 2,907,388</u>	<u>\$ 2,841,590</u>
Covered employee payroll	\$ 28,110,619	\$ 27,291,862	\$ 27,807,179	\$ 26,997,261
Contributions as a percentage of covered employee payroll	7.57%	7.21%	5.11%	4.82%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns				
Annual money weighted rate of return, net of investment expense	3.19%	5.82%	3.98%	9.14%

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

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.



TOWN OF FAIRHAVEN, MASSACHUSETTS

Management Letter
For the Year Ended June 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY LETTER	1
RECOMMENDATIONS:	
1. Expand Chart of Accounts	3
2. Prepare for GASB Statements 84 and 87	3



To the Board of Selectmen
Town of Fairhaven, Massachusetts

In planning and performing our audit of the basic financial statements of the Town of Fairhaven, Massachusetts (the Town) as of and for the year ended June 30, 2020 (except for the Fairhaven Contributory Retirement System, which is as of and for the year ended December 31, 2019), in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

During our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

800.282.2440 | melansoncpas.com



The Town's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the governing body, and others within the Town, and is not intended to be, and should not be, used by anyone other than these specified parties.

Andover, Massachusetts
March 25, 2021

RECOMMENDATIONS:

1. Expand Chart of Accounts

The Town currently records the activity associated with multiple opinion units within fund 084 in the general ledger. As a result, numerous reclassifying adjustments are required to properly present activity in the respective fund financial statements in accordance with Generally Accepted Accounting Principles.

The following accounts should be recorded as separate funds in the general fund:

- Internal service fund (proprietary funds)
- Stabilization fund (governmental funds)
- Sewer stabilization fund (proprietary funds)
- Various special revenue funds (governmental funds)

Additionally, the expendable portion of trust funds is reported in fund 082 and the nonexpendable portion is reported in fund 081 in the general ledger. As a result, numerous reclassifying adjustment are required to properly present activity in permanent trust fund (governmental funds) and private purpose trust fund (fiduciary funds) financial statements. These accounts should be classified in the general ledger based on the type of each trust fund, instead of expendable versus nonexpendable portions.

We recommend the Town expand the general ledger chart of accounts to eliminate the need for these reclassifying adjustments. Implementation of these recommendations will result in the proper presentation of the above noted funds.

Town's Response:

Due to the Covid-19 pandemic we were unable to implement this recommendation for fiscal year 2020. The Town plans to implement in fiscal year 2021.

2. Prepare for GASB Statements 84 and 87

GASB Statements 84 and 87 will apply to the Town in fiscal years 2021 and 2022 respectively. Statement 84 addressed Fiduciary Activities and may require change in how the Town accounts and reports these activities. Statement 87 addressed leases and significantly changes the accounting standards for leases and will not require various leases to be reported on the Town's balance sheet.

We recommend the Finance Department prepare for these accounting changes by ensuring all other Departments are aware of the pending changes. The Finance Department should also consider establishing a lease accounting policy to ensure all material leases are properly identified.

Town's Response:

The Town will implement a new lease accounting policy to properly identify material leases in fiscal year 2021.



GREATER NEW BEDFORD REGIONAL VOCATIONAL TECHNICAL HIGH SCHOOL

E3

cc Selectmen

1121 Ashley Boulevard, New Bedford, MA 02745-2496

Tel. 508-998-3321 Fax 508-995-7268 www.gnbvt.edu

Preparation • Passion • Perseverance

March 12, 2021

Dear Mr. Freitas,

As the incoming Superintendent/Director of Greater New Bedford Regional Vocational Technical High School (GNBVT), I am writing to introduce myself and suggest that we schedule an opportunity to meet in person next month to discuss how we can partner together to benefit the children of Fairhaven.

For the past five years, I have been the academic principal at GNBVT. Prior to that, I spent 17 years as a classroom teacher. Working with and supporting students to achieve their greatest potential is in my DNA. I am proud to be a part of the team that has helped GNBVT students improve academically, while at the same time has provided them with career and technical skills for the 21st century. Yet, I believe there is still much work to be done at our school. Education must be about innovation.

A strong future in career and technical education for our region requires us to build upon our current successes and identify ways to improve. In order to achieve this, we must acknowledge what Voc-Tech education used to be and what it needs to be moving forward. Today, here in the Commonwealth, 44% of all jobs require some skills training, but not necessarily a four-year college degree. Many of these jobs require skills that our students acquire here at our school. These are skills in fields such as nursing, dental hygienics, computer support specialization, and advanced manufacturing -- all skills that fall directly into the Southeastern Massachusetts Labor Market Blueprint.

Before I take over as Superintendent/Director, I would very much appreciate your thoughts and insights into how our school can better serve the students, business and industry of Fairhaven as well as Dartmouth and New Bedford. I look forward to talking with you about my plans for our school as well.

Our Executive Assistant to the Superintendent, Maria Fredette, will be contacting you to discuss scheduling some time together this Spring. In the meantime, please know that I am always available to discuss how we at GNBVT can be of assistance to you in Fairhaven. I urge you not to hesitate to reach out to me directly. For your convenience, my contact information is as follows: my mobile number is 508-493-5552; my office number is 508-998-3321 x 670; and my email is michael.watson@gnbvt.edu.

I look forward to meeting you in person and working together in the coming years.

Sincerely,

Michael Watson

Greater New Bedford Regional Vocational Technical High School is committed to ensuring equal opportunities for all students. The school does not discriminate on the basis of race, color, national origin, sex, disability, religion, sexual orientation, gender identity, age, homelessness, immigration status or veteran status in its education programs and activities, including admission to or employment in such programs or activities.

James L. O'Brien
Superintendent-Director

Michael P. Watson
Principal

Robert J. Watt
Principal

Pamela Stuart
School Business Administrator

Proudly Serving the Towns of Dartmouth and Fairhaven and the City of New Bedford

April 22, 2021

Fairhaven Board of Selectmen
40 Center Street
Fairhaven, MA 02719

Dear Chairman Freitas, Selectman Silvia and Selectman Espindola:

Due to Governor Baker's state of emergency regarding the COVID-19 pandemic, in consultation with the Town Administrator, Health Agent, Town Meeting Precinct Chairs and other town and local officials and pursuant to Chapter 92 of the Acts of 2020 (the Act) I have determined that it is not possible to safely assemble the town meeting members and interested members of the public in a common location while complying with any applicable state or local orders, directives or guidance concerning public assemblies.

I hereby request that the Board of Selectmen call for the Town of Fairhaven's June 12, 2021 annual representative town meeting to be held through remote participation, via web-based video and audio conferencing, specifically the Zoom platform.

I have consulted with the Town of Fairhaven's Disability Coordinator, Interim Town Administrator Wendy Graves and can confirm that the Zoom platform complies with the Americans with Disabilities Act.

I certify that I have tested the video conferencing platform on multiple occasions with the assistance of the Town's Technology Department and local Cable Access and therefore have determined that the platform satisfactorily enables the town meeting to be conducted in substantially the same manner as if the meeting occurred in person at a physical location and in accordance with the operational and functional requirements set forth in the Act. Moreover, we have utilized this video conferencing platform successfully to conduct the 2020 Annual and Special Town Meetings.

I will work with all six Town Meeting Precinct Chairs, the Town Clerk, Interim Town Administrator, Town Counsel, the Superintendent of Schools, Technology Department, local Cable Access and other local officials to ensure the virtual meeting is implemented properly. We will notify all Town Meeting Members as we have done in the past and provide the necessary accessibility support and training/instruction materials.

Finally, due to the Governor's state of emergency and pursuant to the Act, I request that the Board of Selectmen, in consultation with me and with my approval, as required under the Act, prescribe the number of voters necessary to constitute a quorum for the virtual Annual Town Meeting, provided that the number of voters necessary to constitute a quorum shall not be less than 10 per cent of the number that would otherwise be required. Our existing quorum is set at 100 by town bylaw. Out of an abundance of caution, and to ensure that town meeting is able to act on those articles deemed time sensitive/critical, having this mechanism available will ensure such action will be taken. Every effort will be taken to encourage maximum participation.

These remain challenging times and although great progress has been made by our citizens and at all levels of government to combat the challenges of COVID-19 it remains critical that we take every

Fairhaven Board of Selectmen
April 22, 2021
Page Two

precaution now to ensure that large government/public assemblies are able to meet in person in the future. Ensuring the continuation of governmental services and protecting the health and safety of our citizens are both critically important and are not mutually exclusive of each other. While a traditional in person town meeting following existing rules and procedures would enable us to conduct our legislative responsibilities, such an in person meeting still cannot currently be done in a safe and healthy way that ensures proper social distancing, appropriate hygiene practices and that protects town meeting members, town officials and the members of the public that may attend. A virtual meeting remains our only option. My hope is this will be the last instance of a remote town meeting.

Thank you for your time and consideration. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark D. Sylvia', written in a cursive style.

Mark D. Sylvia
TOWN MODERATOR

Cc: Precinct Chairs
Town Clerk
Finance Committee Chair
Interim Town Administrator
Health Agent



RE: Elevation Host agreement

1 message

Thomas P. Crotty <tomcrotty@tcrottylaw.com>

Wed, Apr 21, 2021 at 10:18 AM

Reply-To: tomcrotty@tcrottylaw.com

To: Wendy Graves <wgraves@fairhaven-ma.gov>

Cc: Anne Carreiro <acarreiro@fairhaven-ma.gov>, Bob Espindola <selectmanbobespindola@gmail.com>, Vicki Oliveira <vloliveira@fairhaven-ma.gov>

Wendy

The last redraft has not gone to Elevation yet. I need to hear back from you, Bob and Anne that you are all ok with the form.(attached)

In the meantime, go ahead and put the item on the agenda for the Board's approval and signature.

By then we should have Elevation's approval and a final draft for signature. If we can get Elevation's signature by Monday we will do that, otherwise the Board can sign and then submit it to Elevation.

Tom

From: Wendy Graves [mailto:wgraves@fairhaven-ma.gov]

Sent: Wednesday, April 21, 2021 9:36 AM

To: Thomas P. Crotty


Subject: Elevation Host agreement


Hi Tom,

Will you have the Elevation host agreement to be signed by tomorrow so that I can put it on the agenda for Monday?

Wendy

2 attachments

 **TPC Comm Host Agreement Clean Draft ver 2 20210415.docx**
50K

 **TPC Comm Host Agreement Elevation draft Ver 2 20210415.docx**
52K

TOWN OF FAIRHAVEN
ELEVATION RETAIL

tpc 4.15.21

HOST COMMUNITY AGREEMENT

FOR THE SITING OF A MARIJUANA ESTABLISHMENT IN THE TOWN OF FAIRHAVEN

This Host Community Agreement (the "**Agreement**") is entered into this day of _____, 2021 (the "**Effective Date**") by and between the Town of Fairhaven acting by and through its Board of Selectmen, with a principal address of 40 Center Street, Fairhaven, MA -02719 (hereinafter the "**Town**") and Elevation Retail II, LLC, a Massachusetts Limited Liability Corporation, with a principal office address of 385 Great Road, Bedford, MA 01730 (hereinafter "**Company**") (Municipality and Company, collectively the "**Parties**").

RECITALS

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment for the purposes of engaging in Retail Sale of Adult Use marijuana (the "Facility") at 240 Bridge St., Fairhaven, Massachusetts 02719 in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.000, and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations, as may be amended; and

WHEREAS, the Town recognizes this Facility will benefit the Town and its citizens through increased economic development, additional employment opportunities for residents, and a strengthened local tax base; and

WHEREAS, the Company recognizes that the Town will incur expenses, including professional fees, related to the undertaking of this Agreement, and to public hearings and permitting for the proposed Facility prior to the state licensing of the Facility; and

WHEREAS, the Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the Town; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Cannabis Control Commission or such other state licensing or monitoring authority, as the case may be, to operate the Facility and receives all required local permits and approvals from the Town; and

WHEREAS, the Company intends to make regular, periodic contributions to not-for-profit organizations providing services to the Fairhaven community including, but not necessarily limited to services, education, counseling and treatment for substance abuse and mental health; and

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the Facility, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Payments

A. Community Impact Fee

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts, both quantifiable and unquantifiable, on the Town. In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town. Accordingly, the Company agrees to pay a Community Impact Fee to the Town, in the amount and under the terms provided herein. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources.

1. Company shall annually pay a Community Impact Fee in an amount equal to three percent (3%) of Gross Sales from marijuana and marijuana product sales at the Facility. The term "Gross Sales" shall mean the total of all retail sales transactions of the Facility without limitation, and shall include but not be limited to all adult use marijuana and medical marijuana sales occurring at the Facility, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility directly to consumers or wholesale to other Marijuana Establishments.

2. The Community Impact Fee shall be paid quarterly, on or by the 20 days following the end of each quarter of operation, commencing on the first day of the first full calendar month after the commencement of sales for any part of the Facility, and continuing for a period of five (5) years. The Facility shall be deemed to have commenced operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a Final Certificate of Registration and/or a Final License from the CCC (“Commencement of Operations”). At least 90 days prior to the conclusion of each of the respective five-year terms, the Parties shall meet to negotiate in good faith the terms of a new Community Impact Fee as an Amendment to this Agreement. Provided, however, that if the Parties are unable to reach an agreement on a successor Community Impact Fee, the Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall renew for a successive five year term, and at not less than the amount set forth above, until such time as the Parties negotiate a successor Community Impact Fee.
3. The Town shall use the above referenced payments in its sole discretion but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services, and permitting and consulting services, as well as unforeseen impacts upon the Town.
4. Pursuant to M.G.L. c. 94G, §3(d), a “community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment...” Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual Town costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to Town costs and waives any claims to the contrary.

B. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town’s usual building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
2. Payment of Town Expenses At the time of the execution of this Agreement, the Company shall make an initial payment to the Town of \$20,000 which the Town is hereby authorized to credit toward Town expenses described in the following paragraphs. The Town shall provide an itemized statement to the Company of all charges made to the funds so paid by the Company. In the event the funds are reduced to less than \$10,000, the Company shall within 30 days’ notice pay an additional amount to return the funds to \$20,000. Any funds remaining unused by the Town upon the permanent cessation of operations of the Facility shall be returned within thirty (30) days to the Company.

3. Pre-operations Fees and Costs: In addition to the Community Impact Fee, the Company shall reimburse the Town for any and all costs incurred by the Town prior to the commencement of Facility operations, including, but not limited to, reasonable consulting costs and fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility, training of staff, public relations and educational expenses.
4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted to discussing the Facility and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors, and legal fees.
5. Police Officer Training: The Company shall reimburse the Town for the actual cost incurred for a local police officer to complete Advanced Roadside Impairment Driving Enforcement training program and for certification and recertification of a Drug Recognition Expert.
6. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made within ten (10) days of the date they are due; the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

C. Charitable Contributions

The parties hereby recognize and agree that the charitable contributions which the Company has pledged to make are purely voluntary, are not part of the consideration for this Agreement, and the failure of the Company to make any such contributions shall not be considered a breach of this Agreement.

D. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company shall submit annual financial statements to the Town within 60 days after the payment of its fourth quarter payment of the Community Impact Fee with a certification of its annual sales. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable

regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility

During the term of this Agreement and for three years following the termination of this Agreement the Company agrees that in the event the Town is unable to verify the Company's Gross Sales and the payment of the required amount of the Community Impact Fee, the Town may require the Company to have its financial records examined, copied and audited by an Independent Financial Auditor chosen by the Town. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Payments are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment and shall include a certification of itemized Gross Sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes; however, nothing in this provision shall prohibit the Company from appealing any assessment made on its property.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no

abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

5. Security and Safety

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in reviewing and approving all security plans prior to the implementation and Commencement of Operations, including determining the placement of exterior security cameras, but in no event will the Police Department's review override the requirements of the CCC.

The Company agrees to comply with requirements outlined in Exhibit A and cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, immediate access and transfer of video footage from any video surveillance system of the establishment's interior or exterior when so requested by the Police Department (which request may be made when the Police Department has a reason to believe such footage may be of assistance in an ongoing investigation related or non-related to the Establishment's business) and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures to ensure that marijuana and marijuana products produced by the Facility are not being transferred to the illegal market or to minors.

If requested, the Company shall implement a comprehensive diversion prevention plan to prevent diversion of medical marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any reasonable changes, amendments or modifications to address local concerns.

The Company shall promptly report the discovery of the following to Town Police within 24 hours or forthwith as defined in Exhibit A of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security. The Licensee shall promptly copy the Town's Chief of Police on any notifications and submissions it makes to the Massachusetts Department of Public Health pursuant to 105 CMR 725.110 (F) and/or 935 CMR 500.110(7) or other provisions of law relating to the Establishment ("Incident Reporting").

In the event of accidental activation of a panic alarm, the Licensee will notify the Police Department that the activation was accidental. The Police Department may conduct a check of the facility in the event of an accidental activation.

The Company agrees and acknowledges that periodic inspections of the Facility by the Town's Police Department, Town's Fire Department, Building Department and Board of Health to ensure compliance with local bylaws, rules and regulations shall be a condition of continued operation in Town and agrees to cooperate with the Town's Police Department, Town's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility.

6. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any reasonable concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all reasonable concerns or issues raised at the Company's required Community Outreach Meeting relative to the operation of the Facility; said written policies and procedures, as may be amended from time to time by the Company or at the request of the Select Board, shall be reviewed and approved annually by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

7. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a Final license and/or Final Certificate of Registration from the CCC, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the Facility in the Town.

This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable licenses, permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws and regulations. The Town, by entering into this Agreement, is not hereby required or obligated to issue such licenses, permits and approvals as may be necessary for the Facility to operate in the Town, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

8. Traffic Management

The Company shall at its own expense, employ a police detail, if deemed necessary by the Town, to manage traffic at the site. In the event there is traffic queuing at the Facility which cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the Facility to alleviate traffic issues.

9. Electrical Usage and Renewable Energy Requirements

The Company shall (a) satisfy all minimum energy efficiency and equipment standards established by the Cannabis Control Commission and meet all applicable environmental laws, regulations, permits, and other applicable approvals; (b) adopt and use best management practices as determined by the Cannabis Control Commission to reduce energy usage and consumption and engage in energy conservation; and (c) ensure that lighting power densities for cultivation spaces does not exceed an average of 36 watts per gross square foot of active and growing canopy.

The Company shall report to the Select Board annually on its energy use and shall include in its annual report a summary of its ongoing strategies to further reduce electrical demand.

10. Water Consumption

The Company shall follow the CCC's Best Management Practices for Water Use. In addition the Company shall install water meters, conduct regular water audits to determine the amount and location of water use, and develop and implement a water savings strategy. The Company shall report to the Select Board annually on its water use, and shall include in its annual report a summary of its ongoing strategies to further reduce water use.

11. Waste and Waste Water Controls

The Company shall ensure that all recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations and comply with the CCC's Waste Management Requirements.

The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and groundwater. Company shall utilize cultivation processes such as hand watering of plants and use of dehumidification systems to ensure that there is no wastewater discharged as part of the cultivation at the Facility. Company agrees to consult with the Fairhaven Water and Sewer Division regarding its cultivation methods and wastewater plan prior to commencing cultivation at the Establishment or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Establishment. The Company shall comply with all reasonable requests of the Fairhaven Water and Sewer Division, including, but not limited to, testing requirements and tank holding requirements if necessary.

The Company will ensure that no fewer than two agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105(12). When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three years.

12. Odor Control Technology

The Company shall ensure that odor from the Establishment is not released so as to constitute a nuisance to surrounding properties. The Company shall utilize a commercial air handling system comparable to, and sufficient for, Retail Sales establishment use.

In the event the Town receives three or more complaints from citizens representing separate households within a two-week period with respect to odor impacts in relation to the operation of the Establishment, the Company shall be required to meet with the Select Board, which may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the complaints.

Nothing set forth herein, shall limit the authority or jurisdiction of the Building Inspector, Board of Health, or any other local enforcement official from enforcing applicable state laws and regulations, the Town's local bylaws and regulations, or the conditions of the Special Permit and/or Site Plan Approval, with respect to odor violations.

13. Support

The Town agrees to submit to the CCC, or such other state licensing, registering or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license or certificate of registration to operate the Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Facility, in any particular way other than by the Town's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

14. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall continue in effect for as long as the Company, or its successor or assignee, operates the Facility in the Town, and subject to Section 2.A.2, hereof with respect to the renewal of the Community Impact Fee.

In the event the Company has not secured a final license and certificate of registration from the CCC and all necessary local permits from the Town for the Facility and has not commenced the use/operations at the Facility within two years from the date this Agreement is signed, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Select Board, in its discretion, may agree to an extension of the two-year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

15. Annual Reporting

The Company shall file an annual written report with the Town in connection with its annual financial submissions each year for purposes of reporting on compliance with each of the terms of this

Agreement and shall, at the request of the Select Board, appear at a regularly scheduled meeting to discuss the Company's Annual Report.

16. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, not unreasonably withheld, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

17. Notices

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To the Town:

Town of Fairhaven,
Attn: Town Administrator
40 Center Street
Fairhaven, MA 02719

To the Company:
Attn: Andre Arzumanyan
Elevation Retail II LLC.
240 Bridge St.
Fairhaven, MA 02719

18. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and

enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless the Town would be substantially or materially prejudiced. For the purposes hereof, substantial or material prejudice shall include, without limitation, reduction or termination of the payments required hereunder. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

19. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

20. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

21. Amendments/Waiver

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

22. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

23. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

24. Signatures

Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

25. No Joint Venture

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

26. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Facility in the Town or relocates the Facility out of the Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Payments due to the Town hereunder shall be calculated based upon the period of occupation of the Facility within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

27. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

28. Third-Parties

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

EXHIBIT A

Marijuana Retail Establishment Requirements

In addition to all requirements under 935 CMR 500.000 and its specific subsections addressing security and other areas (500.110, 500.105, 500.100) of the Cannabis Control Commission, the Fairhaven Police Department requires the following:

- Commercial grade video system recording and monitoring of:
 - all points of entry and exit, exit doors
 - overhead doors
 - all parking areas
 - Vault areas
 - Delivery/Receiving Areas
 - Panic Alarms

Video shall be able to provide clear, identifying still photos and video of faces, vehicles and license plates.

- Fairhaven Police having remote access to the video as necessary
- Monitored alarm system to include all exterior doors, windows and other access points. The system shall include glass break and interior motion sensors
- Commercial grade exterior locks, doors and windows
- Limited access security, such as key card or biometric readers
- Roof access deterrent to include physical barriers and interior motion alarms
- Physical deterrents to unauthorized vault wall access (masonry, mesh lining etc)
- Currency Scanners for larger bills (Policy of Scanning \$20.00 bills and higher)
- Exterior parking lot shall allow for sufficient light to facilitate video surveillance and still photos
- Exterior windows shall have shatterproof film
- Traffic Study and or mitigation, if required by Chief of Police
- Detail Officer(s), as necessary, at the discretion and direction of the Chief of Police for safety and/or traffic concerns
- Any diversion, theft, loss or breach of security shall be reported to the Fairhaven Police forthwith. A final report concerning the matter shall be sent to the Fairhaven Police within 10 days.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF FAIRHAVEN

, Chairperson

President

, Vice Chairperson

Clerk

TOWN OF FAIRHAVEN
ELEVATION RETAIL

tpc 4.15.21

HOST COMMUNITY AGREEMENT

FOR THE SITING OF A MARIJUANA ESTABLISHMENT IN THE TOWN OF FAIRHAVEN

This Host Community Agreement (the "**Agreement**") is entered into this day of _____, 2021 (the "**Effective Date**") by and between the Town of Fairhaven acting by and through its Board of Selectmen, with a principal address of 40 Center Street, Fairhaven, MA -02719 (hereinafter the "**Town**") and Elevation Retail II, LLC, a Massachusetts Limited Liability Corporation, with a principal office address of 385 Great Road, Bedford, MA 01730 (hereinafter "**Company**") (Municipality and Company, collectively the "Parties").

RECITALS

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment for the purposes of engaging in Retail Sale of Adult Use marijuana (the "Facility") at 240 Bridge St., Fairhaven, Massachusetts 02719 in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.000, and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations, as may be amended; and

WHEREAS, the Town recognizes this Facility will benefit the Town and its citizens through increased economic development, additional employment opportunities for residents, and a strengthened local tax base; and

WHEREAS, the Company recognizes that the Town will incur expenses, including professional fees, related to the undertaking of this Agreement, and to public hearings and permitting for the proposed Facility prior to the state licensing of the Facility; and

WHEREAS, the Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the Town; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Cannabis Control Commission or such other state licensing or monitoring authority, as the case may be, to operate the Facility and receives all required local permits and approvals from the Town; and

WHEREAS, the Company intends to make regular, periodic contributions to not-for-profit organizations providing services to the Fairhaven community including, but not necessarily limited to services, education, counseling and treatment for substance abuse and mental health; and

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the Facility, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Payments

~~In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town, then the Company agrees to provide the following Payments:-~~

A. Community Impact Fee

~~In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town, then the Company agrees to provide the following Payments:-~~

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts, both quantifiable and unquantifiable, on the Town.—, In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town. Accordingly, the Company agrees to pay a Community Impact Fee to the Town, in the amount and under the terms provided herein. the Company agrees to provide the following Payments:-

Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, ~~the Company agrees to pay a Community Impact Fee to the Town, in the amount and under the terms provided herein.~~

1. Company shall annually pay a Community Impact Fee in an amount equal to three percent (3%) of Gross Sales from marijuana and marijuana product sales at the Facility. The term "Gross Sales" shall mean the total of all retail sales transactions of the Facility without limitation, and shall include but not be limited to all adult use marijuana and medical marijuana sales occurring at the Facility, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility directly to consumers or wholesale to other Marijuana Establishments.
2. The Community Impact Fee shall be paid quarterly, on or by the 20 days following the end of each quarter of operation, commencing on the first day of the first full calendar month after the commencement of sales for any part of the Facility, and continuing for a period of five (5) years. The Facility shall be deemed to have commenced operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a Final Certificate of Registration and/or a Final License from the CCC ("Commencement of Operations"). At least 90 days prior to the conclusion of each of the respective five-year terms, the Parties shall meet to negotiate in good faith the terms of a new Community Impact Fee as an Amendment to this Agreement. Provided, however, that if the Parties are unable to reach an agreement on a successor Community Impact Fee, the Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall renew for a successive five year term, and at not less than the amount set forth above, until such time as the Parties negotiate a successor Community Impact Fee.
3. The Town shall use the above referenced payments in its sole discretion but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services, and permitting and consulting services, as well as unforeseen impacts upon the Town.
4. Pursuant to M.G.L. c. 94G, §3(d), a "community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment..." Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual Town costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to Town costs and waives any claims to the contrary.

B. ~~Annual Community Benefit Program~~

~~In addition to the Community Impact Fee, the Company shall additionally pay an Annual Community Benefit Payment in accordance with the following:~~

~~Annual Community Benefit Payments: For as long as the Facility is in operation, the Company shall pay to the Town the sum of \$15,000.00 _____ annually for purposes of funding substance abuse and mental health services in the Town, including, but not limited to school substance abuse and counseling services.~~

- ~~a. The Annual Community Benefit Payment shall be paid annually within 30 days following the end of each 12 months of operation, commencing on the first day of the first full calendar month after the Commencement of Operations for any part of the Facility.~~

- ~~5. The parties hereby recognize and agree that the Annual Community Benefit Payment to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).~~

C. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's usual building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
2. Payment of Town Expenses At the time of the execution of this Agreement, the Company shall make an initial payment to the Town of \$20,000 which the Town is hereby authorized to credit toward Town expenses described in the following paragraphs. The Town shall provide an itemized statement to the Company of all charges made to the funds so paid by the Company. In the event the funds are reduced to less than \$10,000, the Company shall within 30 days' notice pay an additional amount to return the funds to \$20,000. Any funds remaining unused by the Town upon the permanent cessation of operations of the Facility shall be returned within thirty (30) days to the Company.
3. Facility ConsultingPre-operations Fees and Costs: In addition to the Community Impact Fee, the Company shall reimburse the Town for any and all costs incurred by the Town prior to the commencement of Facility operations, including, but not limited to, reasonable consulting costs and fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility, training of staff, public relations and educational expenses.
4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted

to discussing the Facility and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors, and legal fees.

5. Police Officer Training: The Company shall reimburse the Town for the actual cost incurred for a local police officer to complete Advanced Roadside Impairment Driving Enforcement training program and for certification and recertification of a Drug Recognition Expert.
6. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made within ten (10) days of the date they are due; the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

D. Charitable Contributions

The parties hereby recognize and agree that the charitable contributions which the Company has pledged to make are purely voluntary, are not part of the consideration for this Agreement, and the failure of the Company to make any such contributions shall not be considered a breach of this Agreement.

E. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company shall submit annual financial statements to the Town within 60 days after the payment of its fourth quarter payment of the Community Impact Fee with a certification of its annual sales. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility

During the term of this Agreement and for three years following the termination of this Agreement the Company agrees that in the event the Town is unable to verify the Company's Gross Sales and the payment of the required amount of the Community Impact Fee, the Town may require the Company to have its financial records examined, copied and audited by an Independent Financial Auditor chosen by the Town. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Payments are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those

parts of the Company's books and financial records which relate to the payment and shall include a certification of itemized Gross Sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes; however, nothing in this provision shall prohibit the Company from appealing any assessment made on its property.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

5. Security and Safety

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in reviewing and approving all security plans prior to the implementation and Commencement of Operations, including determining the placement of exterior security cameras, but in no event will the Police Department's review override the requirements of the CCC.

The Company agrees to comply with requirements outlined in Exhibit A and cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, immediate access and

transfer of video footage from any video surveillance system of the establishment's interior or exterior when so requested by the Police Department (which request may be made when the Police Department has a reason to believe such footage may be of assistance in an ongoing investigation related or non-related to the Establishment's business) and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures to ensure that marijuana and marijuana products produced by the Facility are not being transferred to the illegal market or to minors.

If requested, the Company shall implement a comprehensive diversion prevention plan to prevent diversion of medical marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any reasonable changes, amendments or modifications to address local concerns.

The Company shall promptly report the discovery of the following to Town Police within 24 hours or forthwith as defined in Exhibit A of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security. The Licensee shall promptly copy the Town's Chief of Police on any notifications and submissions it makes to the Massachusetts Department of Public Health pursuant to 105 CMR 725.110 (F) and/or 935 CMR 500.110(7) or other provisions of law relating to the Establishment ("Incident Reporting").

In the event of accidental activation of a panic alarm, the Licensee will notify the Police Department that the activation was accidental. The Police Department may conduct a check of the facility in the event of an accidental activation.

The Company agrees and acknowledges that periodic inspections of the Facility by the Town's Police Department, Town's Fire Department, Building Department and Board of Health to ensure compliance with local bylaws, rules and regulations shall be a condition of continued operation in Town and agrees to cooperate with the Town's Police Department, Town's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility.

6. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any reasonable concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all reasonable concerns or issues raised at the Company's required Community

Outreach Meeting relative to the operation of the Facility; said written policies and procedures, as may be amended from time to time by the Company or at the request of the Select Board, shall be reviewed and approved annually by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

7. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a Final license and/or Final Certificate of Registration from the CCC, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the Facility in the Town.

This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable licenses, permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws and regulations. The Town, by entering into this Agreement, is not hereby required or obligated to issue such licenses, permits and approvals as may be necessary for the Facility to operate in the Town, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

8. Traffic Management

The Company shall at its own expense, employ a police detail, if deemed necessary by the Town, to manage traffic at the site. In the event there is traffic queuing at the Facility which cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the Facility to alleviate traffic issues.

9. Electrical Usage and Renewable Energy Requirements

The Company shall (a) satisfy all minimum energy efficiency and equipment standards established by the Cannabis Control Commission and meet all applicable environmental laws, regulations, permits, and other applicable approvals; (b) adopt and use best management practices as determined by the Cannabis Control Commission to reduce energy usage and consumption and engage in energy conservation; and (c) ensure that lighting power densities for cultivation spaces does not exceed an average of 36 watts per gross square foot of active and growing canopy.

The Company shall report to the Select Board annually on its energy use and shall include in its annual report a summary of its ongoing strategies to further reduce electrical demand.

10. Water Consumption

The Company shall follow the CCC's Best Management Practices for Water Use. In addition the Company shall install water meters, conduct regular water audits to determine the amount and location of water use, and develop and implement a water savings strategy. The Company shall report to the Select Board annually on its water use, and shall include in its annual report a summary of its

ongoing strategies to further reduce water use.

11. Waste and Waste Water Controls

The Company shall ensure that all recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations and comply with the CCC's Waste Management Requirements.

The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and groundwater. Company shall utilize cultivation processes such as hand watering of plants and use of dehumidification systems to ensure that there is no wastewater discharged as part of the cultivation at the Facility. Company agrees to consult with the Fairhaven Water and Sewer Division regarding its cultivation methods and wastewater plan prior to commencing cultivation at the Establishment or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Establishment. The Company shall comply with all reasonable requests of the Fairhaven Water and Sewer Division, including, but not limited to, testing requirements and tank holding requirements if necessary.

The Company will ensure that no fewer than two agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105(12). When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three years.

12. Odor Control Technology

The Company shall ensure that odor from the Establishment is not released so as to constitute a nuisance to surrounding properties. The Company shall utilize a commercial air handling system comparable to, and sufficient for, Retail Sales establishment use.

In the event the Town receives three or more complaints from citizens representing separate households within a two-week period with respect to odor impacts in relation to the operation of the Establishment, the Company shall be required to meet with the Select Board, which may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the complaints.

Nothing set forth herein, shall limit the authority or jurisdiction of the Building Inspector, Board of Health, or any other local enforcement official from enforcing applicable state laws and regulations, the Town's local bylaws and regulations, or the conditions of the Special Permit and/or Site Plan Approval, with respect to odor violations.

13. Support

The Town agrees to submit to the CCC, or such other state licensing, registering or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license or certificate of registration to operate the Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Facility, in any particular way other than by the Town's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

14. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall continue in effect for as long as the Company, or its successor or assignee, operates the Facility in the Town, and subject to Section 2.A.2, hereof with respect to the renewal of the Community Impact Fee.

In the event the Company has not secured a final license and certificate of registration from the CCC and all necessary local permits from the Town for the Facility and has not commenced the use/operations at the Facility within two years from the date this Agreement is signed, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Select Board, in its discretion, may agree to an extension of the two-year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

15. Annual Reporting

The Company shall file an annual written report with the Town in connection with its annual financial submissions each year for purposes of reporting on compliance with each of the terms of this Agreement and shall, at the request of the Select Board, appear at a regularly scheduled meeting to discuss the Company's Annual Report.

16. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, not unreasonably withheld, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

17. Notices

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To the Town:

Town of Fairhaven,
Attn: Town Administrator
40 Center Street
Fairhaven, MA 02719

To the Company:

Attn: Andre Arzumanyan
Elevation Retail II LLC.
240 Bridge St.
Fairhaven, MA 02719

18. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless the Town would be substantially or materially prejudiced. For the purposes hereof, substantial or material prejudice shall include, without limitation, reduction or termination of the payments required hereunder. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

19. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

20. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

21. Amendments/Waiver

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

22. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

23. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

24. Signatures

Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

25. No Joint Venture

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

26. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Facility in the Town or relocates the Facility out of the Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Payments due to the Town hereunder shall be calculated based upon the period of occupation of the Facility within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

27. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials,

employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

28. Third-Parties

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

EXHIBIT A

Marijuana Retail Establishment Requirements

In addition to all requirements under 935 CMR 500.000 and its specific subsections addressing security and other areas (500.110, 500.105, 500.100) of the Cannabis Control Commission, the Fairhaven Police Department requires the following:

- Commercial grade video system recording and monitoring of:
 - all points of entry and exit, exit doors
 - overhead doors
 - all parking areas
 - Vault areas
 - Delivery/Receiving Areas
 - Panic Alarms

Video shall be able to provide clear, identifying still photos and video of faces, vehicles and license plates.

- Fairhaven Police having remote access to the video as necessary
- Monitored alarm system to include all exterior doors, windows and other access points. The system shall include glass break and interior motion sensors
- Commercial grade exterior locks, doors and windows
- Limited access security, such as key card or biometric readers
- Roof access deterrent to include physical barriers and interior motion alarms
- Physical deterrents to unauthorized vault wall access (masonry, mesh lining etc)
- Currency Scanners for larger bills (Policy of Scanning \$20.00 bills and higher)
- Exterior parking lot shall allow for sufficient light to facilitate video surveillance and still photos
- Exterior windows shall have shatterproof film
- Traffic Study and or mitigation, if required by Chief of Police
- Detail Officer(s), as necessary, at the discretion and direction of the Chief of Police for safety and/or traffic concerns
- Any diversion, theft, loss or breach of security shall be reported to the Fairhaven Police forthwith. A final report concerning the matter shall be sent to the Fairhaven Police within 10 days.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF FAIRHAVEN

_____	_____
, Chairperson	President

, Vice Chairperson	

Clerk	

TOWN OF FAIRHAVEN
ELEVATION RETAIL

tpc 4.15.21

HOST COMMUNITY AGREEMENT

FOR THE SITING OF A MARIJUANA ESTABLISHMENT IN THE TOWN OF FAIRHAVEN

This Host Community Agreement (the "**Agreement**") is entered into this day of _____, 2021 (the "**Effective Date**") by and between the Town of Fairhaven acting by and through its Board of Selectmen, with a principal address of 40 Center Street, Fairhaven, MA -02719 (hereinafter the "**Town**") and Elevation Retail II, LLC, a Massachusetts Limited Liability Corporation, with a principal office address of 385 Great Road, Bedford, MA 01730 (hereinafter "**Company**") (Municipality and Company, collectively the "**Parties**").

RECITALS

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment for the purposes of engaging in Retail Sale of Adult Use marijuana (the "Facility") at 240 Bridge St., Fairhaven, Massachusetts 02719 in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.000, and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations, as may be amended; and

WHEREAS, the Town recognizes this Facility will benefit the Town and its citizens through increased economic development, additional employment opportunities for residents, and a strengthened local tax base; and

WHEREAS, the Company recognizes that the Town will incur expenses, including professional fees, related to the undertaking of this Agreement, and to public hearings and permitting for the proposed Facility prior to the state licensing of the Facility; and

WHEREAS, the Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the Town; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Cannabis Control Commission or such other state licensing or monitoring authority, as the case may be, to operate the Facility and receives all required local permits and approvals from the Town; and

WHEREAS, the Company intends to make regular, periodic contributions to not-for-profit organizations providing services to the Fairhaven community including, but not necessarily limited to services, education, counseling and treatment for substance abuse and mental health; and

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the Facility, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Payments

A. Community Impact Fee

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts, both quantifiable and unquantifiable, on the Town. In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town. Accordingly, the Company agrees to pay a Community Impact Fee to the Town, in the amount and under the terms provided herein. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources.

1. Company shall annually pay a Community Impact Fee in an amount equal to three percent (3%) of Gross Sales from marijuana and marijuana product sales at the Facility. The term "Gross Sales" shall mean the total of all retail sales transactions of the Facility without limitation, and shall include but not be limited to all adult use marijuana and medical marijuana sales occurring at the Facility, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility directly to consumers or wholesale to other Marijuana Establishments.

2. The Community Impact Fee shall be paid quarterly, on or by the 20 days following the end of each quarter of operation, commencing on the first day of the first full calendar month after the commencement of sales for any part of the Facility, and continuing for a period of five (5) years. The Facility shall be deemed to have commenced operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a Final Certificate of Registration and/or a Final License from the CCC ("Commencement of Operations"). At least 90 days prior to the conclusion of each of the respective five-year terms, the Parties shall meet to negotiate in good faith the terms of a new Community Impact Fee as an Amendment to this Agreement. Provided, however, that if the Parties are unable to reach an agreement on a successor Community Impact Fee, the Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall renew for a successive five year term, and at not less than the amount set forth above, until such time as the Parties negotiate a successor Community Impact Fee.
3. The Town shall use the above referenced payments in its sole discretion but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services, and permitting and consulting services, as well as unforeseen impacts upon the Town.
4. Pursuant to M.G.L. c. 94G, §3(d), a "community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment..." Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual Town costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to Town costs and waives any claims to the contrary.

B. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's usual building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
2. Payment of Town Expenses At the time of the execution of this Agreement, the Company shall make an initial payment to the Town of \$20,000 which the Town is hereby authorized to credit toward Town expenses described in the following paragraphs. The Town shall provide an itemized statement to the Company of all charges made to the funds so paid by the Company. In the event the funds are reduced to less than \$10,000, the Company shall within 30 days' notice pay an additional amount to return the funds to \$20,000. Any funds remaining unused by the Town upon the permanent cessation of operations of the Facility shall be returned within thirty (30) days to the Company.

3. Pre-operations Fees and Costs: In addition to the Community Impact Fee, the Company shall reimburse the Town for any and all costs incurred by the Town prior to the commencement of Facility operations, including, but not limited to, reasonable consulting costs and fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility, training of staff, public relations and educational expenses.
4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted to discussing the Facility and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors, and legal fees.
5. Police Officer Training: The Company shall reimburse the Town for the actual cost incurred for a local police officer to complete Advanced Roadside Impairment Driving Enforcement training program and for certification and recertification of a Drug Recognition Expert.
6. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made within ten (10) days of the date they are due; the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

C. Charitable Contributions

The parties hereby recognize and agree that the charitable contributions which the Company has pledged to make are purely voluntary, are not part of the consideration for this Agreement, and the failure of the Company to make any such contributions shall not be considered a breach of this Agreement.

D. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company shall submit annual financial statements to the Town within 60 days after the payment of its fourth quarter payment of the Community Impact Fee with a certification of its annual sales. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable

regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility

During the term of this Agreement and for three years following the termination of this Agreement the Company agrees that in the event the Town is unable to verify the Company's Gross Sales and the payment of the required amount of the Community Impact Fee, the Town may require the Company to have its financial records examined, copied and audited by an Independent Financial Auditor chosen by the Town. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Payments are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment and shall include a certification of itemized Gross Sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes; however, nothing in this provision shall prohibit the Company from appealing any assessment made on its property.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no

abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

5. Security and Safety

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in reviewing and approving all security plans prior to the implementation and Commencement of Operations, including determining the placement of exterior security cameras, but in no event will the Police Department's review override the requirements of the CCC.

The Company agrees to comply with requirements outlined in Exhibit A and cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, immediate access and transfer of video footage from any video surveillance system of the establishment's interior or exterior when so requested by the Police Department (which request may be made when the Police Department has a reason to believe such footage may be of assistance in an ongoing investigation related or non-related to the Establishment's business) and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures to ensure that marijuana and marijuana products produced by the Facility are not being transferred to the illegal market or to minors.

If requested, the Company shall implement a comprehensive diversion prevention plan to prevent diversion of medical marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any reasonable changes, amendments or modifications to address local concerns.

The Company shall promptly report the discovery of the following to Town Police within 24 hours or forthwith as defined in Exhibit A of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security. The Licensee shall promptly copy the Town's Chief of Police on any notifications and submissions it makes to the Massachusetts Department of Public Health pursuant to 105 CMR 725.110 (F) and/or 935 CMR 500.110(7) or other provisions of law relating to the Establishment ("Incident Reporting").

In the event of accidental activation of a panic alarm, the Licensee will notify the Police Department that the activation was accidental. The Police Department may conduct a check of the facility in the event of an accidental activation.

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6. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any reasonable concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all reasonable concerns or issues raised at the Company's required Community Outreach Meeting relative to the operation of the Facility; said written policies and procedures, as may be amended from time to time by the Company or at the request of the Select Board, shall be reviewed and approved annually by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

7. Additional Obligations

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This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable licenses, permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws and regulations. The Town, by entering into this Agreement, is not hereby required or obligated to issue such licenses, permits and approvals as may be necessary for the Facility to operate in the Town, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

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The Company shall at its own expense, employ a police detail, if deemed necessary by the Town, to manage traffic at the site. In the event there is traffic queuing at the Facility which cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the Facility to alleviate traffic issues.

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The Company shall (a) satisfy all minimum energy efficiency and equipment standards established by the Cannabis Control Commission and meet all applicable environmental laws, regulations, permits, and other applicable approvals; (b) adopt and use best management practices as determined by the Cannabis Control Commission to reduce energy usage and consumption and engage in energy conservation; and (c) ensure that lighting power densities for cultivation spaces does not exceed an average of 36 watts per gross square foot of active and growing canopy.

The Company shall report to the Select Board annually on its energy use and shall include in its annual report a summary of its ongoing strategies to further reduce electrical demand.

10. Water Consumption

The Company shall follow the CCC's Best Management Practices for Water Use. In addition the Company shall install water meters, conduct regular water audits to determine the amount and location of water use, and develop and implement a water savings strategy. The Company shall report to the Select Board annually on its water use, and shall include in its annual report a summary of its ongoing strategies to further reduce water use.

11. Waste and Waste Water Controls

The Company shall ensure that all recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations and comply with the CCC's Waste Management Requirements.

The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and groundwater. Company shall utilize cultivation processes such as hand watering of plants and use of dehumidification systems to ensure that there is no wastewater discharged as part of the cultivation at the Facility. Company agrees to consult with the Fairhaven Water and Sewer Division regarding its cultivation methods and wastewater plan prior to commencing cultivation at the Establishment or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Establishment. The Company shall comply with all reasonable requests of the Fairhaven Water and Sewer Division, including, but not limited to, testing requirements and tank holding requirements if necessary.

The Company will ensure that no fewer than two agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105(12). When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three years.

12. Odor Control Technology

The Company shall ensure that odor from the Establishment is not released so as to constitute a nuisance to surrounding properties. The Company shall utilize a commercial air handling system comparable to, and sufficient for, Retail Sales establishment use.

In the event the Town receives three or more complaints from citizens representing separate households within a two-week period with respect to odor impacts in relation to the operation of the Establishment, the Company shall be required to meet with the Select Board, which may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the complaints.

Nothing set forth herein, shall limit the authority or jurisdiction of the Building Inspector, Board of Health, or any other local enforcement official from enforcing applicable state laws and regulations, the Town's local bylaws and regulations, or the conditions of the Special Permit and/or Site Plan Approval, with respect to odor violations.

13. Support

The Town agrees to submit to the CCC, or such other state licensing, registering or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license or certificate of registration to operate the Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Facility, in any particular way other than by the Town's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

14. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall continue in effect for as long as the Company, or its successor or assignee, operates the Facility in the Town, and subject to Section 2.A.2, hereof with respect to the renewal of the Community Impact Fee.

In the event the Company has not secured a final license and certificate of registration from the CCC and all necessary local permits from the Town for the Facility and has not commenced the use/operations at the Facility within two years from the date this Agreement is signed, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Select Board, in its discretion, may agree to an extension of the two-year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

15. Annual Reporting

The Company shall file an annual written report with the Town in connection with its annual financial submissions each year for purposes of reporting on compliance with each of the terms of this

Agreement and shall, at the request of the Select Board, appear at a regularly scheduled meeting to discuss the Company's Annual Report.

16. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, not unreasonably withheld, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

17. Notices

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To the Town:

Town of Fairhaven,
Attn: Town Administrator
40 Center Street
Fairhaven, MA 02719

To the Company:

Attn: Andre Arzumanyan
Elevation Retail II LLC.
240 Bridge St.
Fairhaven, MA 02719

18. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and

enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless the Town would be substantially or materially prejudiced. For the purposes hereof, substantial or material prejudice shall include, without limitation, reduction or termination of the payments required hereunder. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

19. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

20. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

21. Amendments/Waiver

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

22. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

23. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

24. Signatures

Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

25. No Joint Venture

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

26. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Facility in the Town or relocates the Facility out of the Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Payments due to the Town hereunder shall be calculated based upon the period of occupation of the Facility within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

27. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

28. Third-Parties

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

EXHIBIT A

Marijuana Retail Establishment Requirements

In addition to all requirements under 935 CMR 500.000 and its specific subsections addressing security and other areas (500.110, 500.105, 500.100) of the Cannabis Control Commission, the Fairhaven Police Department requires the following:

- Commercial grade video system recording and monitoring of:
 - all points of entry and exit, exit doors
 - overhead doors
 - all parking areas
 - Vault areas
 - Delivery/Receiving Areas
 - Panic Alarms

Video shall be able to provide clear, identifying still photos and video of faces, vehicles and license plates.

- Fairhaven Police having remote access to the video as necessary
- Monitored alarm system to include all exterior doors, windows and other access points. The system shall include glass break and interior motion sensors
- Commercial grade exterior locks, doors and windows
- Limited access security, such as key card or biometric readers
- Roof access deterrent to include physical barriers and interior motion alarms
- Physical deterrents to unauthorized vault wall access (masonry, mesh lining etc)
- Currency Scanners for larger bills (Policy of Scanning \$20.00 bills and higher)
- Exterior parking lot shall allow for sufficient light to facilitate video surveillance and still photos
- Exterior windows shall have shatterproof film
- Traffic Study and or mitigation, if required by Chief of Police
- Detail Officer(s), as necessary, at the discretion and direction of the Chief of Police for safety and/or traffic concerns
- Any diversion, theft, loss or breach of security shall be reported to the Fairhaven Police forthwith. A final report concerning the matter shall be sent to the Fairhaven Police within 10 days.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF FAIRHAVEN

, Chairperson

President

, Vice Chairperson

Clerk

TOWN OF FAIRHAVEN
ELEVATION RETAIL

tpc 4.15.21

HOST COMMUNITY AGREEMENT

FOR THE SITING OF A MARIJUANA ESTABLISHMENT IN THE TOWN OF FAIRHAVEN

This Host Community Agreement (the "**Agreement**") is entered into this day of _____, 2021 (the "**Effective Date**") by and between the Town of Fairhaven acting by and through its Board of Selectmen, with a principal address of 40 Center Street, Fairhaven, MA -02719 (hereinafter the "**Town**") and Elevation Retail II, LLC, a Massachusetts Limited Liability Corporation, with a principal office address of 385 Great Road, Bedford, MA 01730 (hereinafter "**Company**") (Municipality and Company, collectively the "Parties").

RECITALS

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment for the purposes of engaging in Retail Sale of Adult Use marijuana (the "Facility") at 240 Bridge St., Fairhaven, Massachusetts 02719 in accordance with and pursuant to applicable state laws and regulations, including, but not limited to G.L. c.94G and 935 CMR 500.000, and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations, as may be amended; and

WHEREAS, the Town recognizes this Facility will benefit the Town and its citizens through increased economic development, additional employment opportunities for residents, and a strengthened local tax base; and

WHEREAS, the Company recognizes that the Town will incur expenses, including professional fees, related to the undertaking of this Agreement, and to public hearings and permitting for the proposed Facility prior to the state licensing of the Facility; and

WHEREAS, the Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the Town; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Cannabis Control Commission or such other state licensing or monitoring authority, as the case may be, to operate the Facility and receives all required local permits and approvals from the Town; and

WHEREAS, the Company intends to make regular, periodic contributions to not-for-profit organizations providing services to the Fairhaven community including, but not necessarily limited to services, education, counseling and treatment for substance abuse and mental health; and

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the Facility, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Payments

~~In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town, then the Company agrees to provide the following Payments:~~

A. Community Impact Fee

~~In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town, then the Company agrees to provide the following Payments:~~

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts, both quantifiable and unquantifiable, on the Town.—, In the event that the Company obtains the requisite license and/or approvals as may be required for the operation of the Facility, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, which permits and/or licenses allow the Company to locate, occupy and operate the Facility in the Town. Accordingly, the Company agrees to pay a Community Impact Fee to the Town, in the amount and under the terms provided herein. the Company agrees to provide the following Payments:

Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, ~~the Company agrees to pay a Community Impact Fee to the Town, in the amount and under the terms provided herein.~~

1. Company shall annually pay a Community Impact Fee in an amount equal to three percent (3%) of Gross Sales from marijuana and marijuana product sales at the Facility. The term "Gross Sales" shall mean the total of all retail sales transactions of the Facility without limitation, and shall include but not be limited to all adult use marijuana and medical marijuana sales occurring at the Facility, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Facility directly to consumers or wholesale to other Marijuana Establishments.
2. The Community Impact Fee shall be paid quarterly, on or by the 20 days following the end of each quarter of operation, commencing on the first day of the first full calendar month after the commencement of sales for any part of the Facility, and continuing for a period of five (5) years. The Facility shall be deemed to have commenced operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a Final Certificate of Registration and/or a Final License from the CCC ("Commencement of Operations"). At least 90 days prior to the conclusion of each of the respective five-year terms, the Parties shall meet to negotiate in good faith the terms of a new Community Impact Fee as an Amendment to this Agreement. Provided, however, that if the Parties are unable to reach an agreement on a successor Community Impact Fee, the Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall renew for a successive five year term, and at not less than the amount set forth above, until such time as the Parties negotiate a successor Community Impact Fee.
3. The Town shall use the above referenced payments in its sole discretion but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services, and permitting and consulting services, as well as unforeseen impacts upon the Town.
4. Pursuant to M.G.L. c. 94G, §3(d), a "community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment..." Notwithstanding the foregoing, the Parties hereby acknowledge the difficulty in computing actual Town costs and agree that impacts may result in municipal budgetary increases that cannot be separately identified or precisely quantified. Consequently, the Company agrees that the payments due under this Agreement are reasonably related to Town costs and waives any claims to the contrary.

A. Annual Community Benefit Program

In addition to the Community Impact Fee, the Company shall additionally pay an Annual Community Benefit Payment in accordance with the following:

Annual Community Benefit Payments: For as long as the Facility is in operation, the Company shall pay to the Town the sum of \$15,000.00 annually for purposes of funding substance abuse and mental health services in the Town, including, but not limited to school substance abuse and counseling services.

a. ~~The Annual Community Benefit Payment shall be paid annually within 30 days following the end of each 12 months of operation, commencing on the first day of the first full calendar month after the Commencement of Operations for any part of the Facility.~~

5. ~~The parties hereby recognize and agree that the Annual Community Benefit Payment to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).~~

B. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's usual building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.

2. Payment of Town Expenses At the time of the execution of this Agreement, the Company shall make an initial payment to the Town of \$20,000 which the Town is hereby authorized to credit toward Town expenses described in the following paragraphs. The Town shall provide an itemized statement to the Company of all charges made to the funds so paid by the Company. In the event the funds are reduced to less than \$10,000, the Company shall within 30 days' notice pay an additional amount to return the funds to \$20,000. Any funds remaining unused by the Town upon the permanent cessation of operations of the Facility shall be returned within thirty (30) days to the Company.

3. ~~Facility Consulting~~Pre-operations Fees and Costs: In addition to the Community Impact Fee, the Company shall reimburse the Town for any and all costs incurred by the Town prior to the commencement of Facility operations, including, but not limited to, reasonable consulting costs and fees related to any land use applications concerning the Facility, negotiation of this and any other related agreements, and any review concerning the Facility, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Facility, training of staff, public relations and educational expenses.

4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted

to discussing the Facility and/or reviewing the Facility and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors, and legal fees.

5. Police Officer Training: The Company shall reimburse the Town for the actual cost incurred for a local police officer to complete Advanced Roadside Impairment Driving Enforcement training program and for certification and recertification of a Drug Recognition Expert.
6. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made within ten (10) days of the date they are due; the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

C. Charitable Contributions

The parties hereby recognize and agree that the charitable contributions which the Company has pledged to make are purely voluntary, are not part of the consideration for this Agreement, and the failure of the Company to make any such contributions shall not be considered a breach of this Agreement.

C.D. Annual Reporting for Host Community Impact Fees and Benefit Payments

The Company shall submit annual financial statements to the Town within 60 days after the payment of its fourth quarter payment of the Community Impact Fee with a certification of its annual sales. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Facility

During the term of this Agreement and for three years following the termination of this Agreement the Company agrees that in the event the Town is unable to verify the Company's Gross Sales and the payment of the required amount of the Community Impact Fee, the Town may require the Company to have its financial records examined, copied and audited by an Independent Financial Auditor chosen by the Town. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Payments are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those

parts of the Company's books and financial records which relate to the payment and shall include a certification of itemized Gross Sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility when such contractors and suppliers are properly qualified and price competitive and shall use good faith efforts to hire Town residents.

4. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes; however, nothing in this provision shall prohibit the Company from appealing any assessment made on its property.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

5. Security and Safety

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in reviewing and approving all security plans prior to the implementation and Commencement of Operations, including determining the placement of exterior security cameras, but in no event will the Police Department's review override the requirements of the CCC.

The Company agrees to comply with requirements outlined in Exhibit A and cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, immediate access and

transfer of video footage from any video surveillance system of the establishment's interior or exterior when so requested by the Police Department (which request may be made when the Police Department has a reason to believe such footage may be of assistance in an ongoing investigation related or non-related to the Establishment's business) and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures to ensure that marijuana and marijuana products produced by the Facility are not being transferred to the illegal market or to minors.

If requested, the Company shall implement a comprehensive diversion prevention plan to prevent diversion of medical marijuana and marijuana products into the illicit market and to minors, such plan to be in place prior to the Commencement of Operations at the Facility. The Company shall present the diversion plan to the Police Department for its review and feedback and, to the extent required by the Police Department, work collaboratively to implement any reasonable changes, amendments or modifications to address local concerns.

The Company shall promptly report the discovery of the following to Town Police within 24 hours or forthwith as defined in Exhibit A of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security. The Licensee shall promptly copy the Town's Chief of Police on any notifications and submissions it makes to the Massachusetts Department of Public Health pursuant to 105 CMR 725.110 (F) and/or 935 CMR 500.110(7) or other provisions of law relating to the Establishment ("Incident Reporting").

In the event of accidental activation of a panic alarm, the Licensee will notify the Police Department that the activation was accidental. The Police Department may conduct a check of the facility in the event of an accidental activation.

The Company agrees and acknowledges that periodic inspections of the Facility by the Town's Police Department, Town's Fire Department, Building Department and Board of Health to ensure compliance with local bylaws, rules and regulations shall be a condition of continued operation in Town and agrees to cooperate with the Town's Police Department, Town's Fire Department and Board of Health in providing access for scheduled and unscheduled inspections of the Facility.

6. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any reasonable concerns or issues that may arise through its operation of the Facility, including, but not limited to any and all reasonable concerns or issues raised at the Company's required Community

Outreach Meeting relative to the operation of the Facility; said written policies and procedures, as may be amended from time to time by the Company or at the request of the Select Board, shall be reviewed and approved annually by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

7. Additional Obligations

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a Final license and/or Final Certificate of Registration from the CCC, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the Facility in the Town.

This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable licenses, permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws and regulations. The Town, by entering into this Agreement, is not hereby required or obligated to issue such licenses, permits and approvals as may be necessary for the Facility to operate in the Town, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

8. Traffic Management

The Company shall at its own expense, employ a police detail, if deemed necessary by the Town, to manage traffic at the site. In the event there is traffic queuing at the Facility which cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the Facility to alleviate traffic issues.

9. Electrical Usage and Renewable Energy Requirements

The Company shall (a) satisfy all minimum energy efficiency and equipment standards established by the Cannabis Control Commission and meet all applicable environmental laws, regulations, permits, and other applicable approvals; (b) adopt and use best management practices as determined by the Cannabis Control Commission to reduce energy usage and consumption and engage in energy conservation; and (c) ensure that lighting power densities for cultivation spaces does not exceed an average of 36 watts per gross square foot of active and growing canopy.

The Company shall report to the Select Board annually on its energy use and shall include in its annual report a summary of its ongoing strategies to further reduce electrical demand.

10. Water Consumption

The Company shall follow the CCC's Best Management Practices for Water Use. In addition the Company shall install water meters, conduct regular water audits to determine the amount and location of water use, and develop and implement a water savings strategy. The Company shall report to the Select Board annually on its water use, and shall include in its annual report a summary of its

ongoing strategies to further reduce water use.

11. Waste and Waste Water Controls

The Company shall ensure that all recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations and comply with the CCC's Waste Management Requirements.

The Company shall exclusively use organic or natural cultivation processes to limit the risk of cultivation-related pollutants and contaminants from being discharged into surface water and groundwater. Company shall utilize cultivation processes such as hand watering of plants and use of dehumidification systems to ensure that there is no wastewater discharged as part of the cultivation at the Facility. Company agrees to consult with the Fairhaven Water and Sewer Division regarding its cultivation methods and wastewater plan prior to commencing cultivation at the Establishment or in the event of a change of the Company's cultivation practices that may result in wastewater discharge at the Establishment. The Company shall comply with all reasonable requests of the Fairhaven Water and Sewer Division, including, but not limited to, testing requirements and tank holding requirements if necessary.

The Company will ensure that no fewer than two agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105(12). When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three years.

12. Odor Control Technology

The Company shall ensure that odor from the Establishment is not released so as to constitute a nuisance to surrounding properties. The Company shall utilize a commercial air handling system comparable to, and sufficient for, Retail Sales establishment use.

In the event the Town receives three or more complaints from citizens representing separate households within a two-week period with respect to odor impacts in relation to the operation of the Establishment, the Company shall be required to meet with the Select Board, which may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the complaints.

Nothing set forth herein, shall limit the authority or jurisdiction of the Building Inspector, Board of Health, or any other local enforcement official from enforcing applicable state laws and regulations, the Town's local bylaws and regulations, or the conditions of the Special Permit and/or Site Plan Approval, with respect to odor violations.

13. Support

The Town agrees to submit to the CCC, or such other state licensing, registering or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license or certificate of registration to operate the Facility where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the Facility, in any particular way other than by the Town's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

14. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall continue in effect for as long as the Company, or its successor or assignee, operates the Facility in the Town, and subject to Section 2.A.2, hereof with respect to the renewal of the Community Impact Fee.

In the event the Company has not secured a final license and certificate of registration from the CCC and all necessary local permits from the Town for the Facility and has not commenced the use/operations at the Facility within two years from the date this Agreement is signed, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Facility within the Town. The Select Board, in its discretion, may agree to an extension of the two-year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

15. Annual Reporting

The Company shall file an annual written report with the Town in connection with its annual financial submissions each year for purposes of reporting on compliance with each of the terms of this Agreement and shall, at the request of the Select Board, appear at a regularly scheduled meeting to discuss the Company's Annual Report.

16. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, not unreasonably withheld, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

17. Notices

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To the Town:

Town of Fairhaven,
Attn: Town Administrator
40 Center Street
Fairhaven, MA 02719

To the Company:

Attn: Andre Arzumanyan
Elevation Retail II LLC.
240 Bridge St.
Fairhaven, MA 02719

18. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless the Town would be substantially or materially prejudiced. For the purposes hereof, substantial or material prejudice shall include, without limitation, reduction or termination of the payments required hereunder. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

19. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

20. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

21. Amendments/Waiver

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

22. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

23. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

24. Signatures

Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

25. No Joint Venture

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

26. Nullity

This Agreement shall be null and void in the event that the Company does not locate the Facility in the Town or relocates the Facility out of the Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Payments due to the Town hereunder shall be calculated based upon the period of occupation of the Facility within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

27. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials,

employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Facility. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand.

28. Third-Parties

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

EXHIBIT A

Marijuana Retail Establishment Requirements

In addition to all requirements under 935 CMR 500.000 and its specific subsections addressing security and other areas (500.110, 500.105, 500.100) of the Cannabis Control Commission, the Fairhaven Police Department requires the following:

- Commercial grade video system recording and monitoring of:
 - all points of entry and exit, exit doors
 - overhead doors
 - all parking areas
 - Vault areas
 - Delivery/Receiving Areas
 - Panic Alarms

Video shall be able to provide clear, identifying still photos and video of faces, vehicles and license plates.

- Fairhaven Police having remote access to the video as necessary
- Monitored alarm system to include all exterior doors, windows and other access points. The system shall include glass break and interior motion sensors
- Commercial grade exterior locks, doors and windows
- Limited access security, such as key card or biometric readers
- Roof access deterrent to include physical barriers and interior motion alarms
- Physical deterrents to unauthorized vault wall access (masonry, mesh lining etc)
- Currency Scanners for larger bills (Policy of Scanning \$20.00 bills and higher)
- Exterior parking lot shall allow for sufficient light to facilitate video surveillance and still photos
- Exterior windows shall have shatterproof film
- Traffic Study and or mitigation, if required by Chief of Police
- Detail Officer(s), as necessary, at the discretion and direction of the Chief of Police for safety and/or traffic concerns
- Any diversion, theft, loss or breach of security shall be reported to the Fairhaven Police forthwith. A final report concerning the matter shall be sent to the Fairhaven Police within 10 days.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF FAIRHAVEN

, Chairperson

President

, Vice Chairperson

Clerk

March __, 2021

Via U.S. Certified Mail

Fairhaven Board of Assessors and Board of Selectmen
ATTN: Delfino R. Garcia
40 Center St.
Fairhaven, MA 02719

RECEIVED
2021 APR -9 P 3:16
TOWN OF FAIRHAVEN

Re: Notice of Intent to Convert Land to Other Use

Dear Mr. Garcia,

Please allow this letter to serve as a Notice of Intent to convert for other uses and to remove the Assessment and Taxation of Agricultural and Horticultural Land (M.G.L.A. 61A) classification from 4.24 +/- of additional acres of property, located at 279 Mill Road, Town of Fairhaven, Bristol County, MA 02719 (Map 38, Lot 5; Map 38, Lot 6; and Map 39 Lot 32).

Portions of the aforementioned property will be developed as a large-scale solar project, as such project is depicted on the survey attached hereto as Exhibit "A" (the "**Survey**"). Such portions of property to be converted are described and depicted on the Survey as the (1) Temporary Construction Access Easement area, (2) Access, Utility, Stormwater and Wetland Replication Easement Area, and (3) Stormwater Easement Area (collectively consisting of 4.02 +/- acres), as well as those portions of property within those areas described and depicted on the Survey as Solar Lease Area #1 and/or Solar Lease Area #2 that were not previously removed from the Chapter 61A classification on September 17, 2020 (with such remaining acreage consisting of 0.22 +/- acres).

Therefore, the subject 4.24 +/- acres of land may no longer be valued, assessed and taxed under the provisions of Chapter 61A, and the liability for conveyance or roll back taxes should govern such land in accordance with the Assessment and Taxation Laws of Massachusetts.

Furthermore, the remaining land, except for the 10.18 acres previously removed on September 17, 2020, continues to qualify under the usage, minimum acreage and other provisions thereof. Consequently, such separation shall not impair the right of the remainder of such land to continuance, valuation, assessments and taxation, pursuant to Massachusetts General Laws Annotated, Chapter 61A, Section 17.

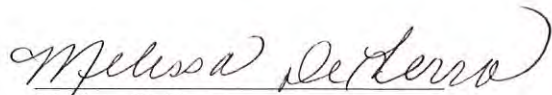
Wherefore, we, Peter DeTerra and Melissa DeTerra, as landowners of the aforementioned property, respectfully give notice of our intent to convert said portion of land to other use, specifically described herein, and request for your approval is requested to remove the Assessment and Taxation of Agricultural Land (61A) from the portion of property as described.

Should you have any questions regarding this request, please contact Kyle Martin at 828.233.8117.

IN WITNESS WHEREOF, the parties have executed and delivered this estoppel certificate as of the Effective Date.

LANDLORD:


Peter DeTerra


Melissa DeTerra



Protecting Wetlands and Open Space: MACC's Environmental Handbook

Page: 8.1.4. Right of First Refusal

[Navigation
Menu](#)
[Table of
Contents](#)
[Page
Notes](#)
[Contact Us](#)
[Word Search](#)
[◀ Back](#)
[Next ▶](#)

Although the three Chapter 61 laws differ in many respects, each contains an identical right of first refusal for local governments. Before converting the land currently in any of the three programs to other uses or selling it for development, the owner must send a notice by registered mail to the mayor/council, [selectboard](#), assessors, planning board, and conservation commission. The notice must identify the property, the owner(s) and, if a sale is involved, the purchase price offered by a bona fide potential buyer. These are the minimum requirements for a first-refusal offer, as approved by the state *Supreme Judicial Court* in [Roy v. George W. Greene, Inc.](#), 404 Mass. 67 (1989).

At any time during the option period (120 days, running from the postmark date of the notice), the mayor or selectboard can:

- Exercise the option: (1) by meeting a bona fide offer (made in good faith, without intent of fraud) to purchase the land or (2) if the owner plans development without a sale, agreeing to purchase at full market value, as determined by an independent appraisal, or
- Notify the owner that the [municipality](#) does not intend to buy the land, or
- Formally assign the option to a private non-profit conservation organization which will then make its own decision whether to buy the property.

The best way to identify these "current use" or "chapter" lands is through the open space planning process. A commission should have an Open Space and Recreation Plan (HB 5.3) or other planning document showing parcels or priority natural resource areas it wishes to acquire (some municipalities prefer not to map specific parcels). When these "current use" lands are offered to a city/town under the first refusal option, the commission should immediately request the mayor/selectboard not to release them, so that a study of their potential conservation values can be conducted. Some communities have developed formal procedures for the processing of a notice to convert or sell such lands to ensure that adequate consideration is given to each opportunity.

The option is exercised by written notice to the landowner, sent by certified mail, and recorded at the [Registry of Deeds](#). After the option is exercised, the municipality or land trust need not actually purchase the land during the 120-day period (see the [Meachen](#) case explained below). However, the exercise of the option is legally binding, and the land must be purchased within a reasonable time thereafter, in accordance with the terms of any bona fide sales contract. These laws contain highly technical provisions for notice to various boards, and advice of [counsel](#) is desirable. Since the seller and, particularly, the bona fide buyer may well be looking for reasons to invalidate the first-refusal effort, municipalities and land trusts must adhere "by the book" to all legal requirements. The laws also contain loopholes, pitfalls, and ambiguities, in part because there are few state Department of Revenue [regulations](#) clarifying terms and procedures. Among the contentious issues decided by some state courts are the following:

- The 120-day period does not commence until the city or town has received all material terms of the offer ([Meachen v. Hayden](#), 6 LCR 235 (1998)).
- The landowner can withdraw the notice where the buyer intends to keep the land in the Ch. 61A program; but his intention to do so is subject to scrutiny by the court ([Town of Sudbury v. Scott](#), 439 Mass. 288 (2003)).
- The landowner cannot withdraw the notice after the city or town formally exercises its option ([Town of Billerica v. Card](#), 11 LCR 195 (2003) and 12 LCR 418 (2004)).
- Time spent negotiating the appraisal of the property does not hold up the 120-day limit ([Wareham Land Trust v. A.D. Makepeace Co.](#), 12 LCR 204 (2004)).
- The landowner cannot demand the city or town acquire more than the particular parcel of land at issue, lest it be forced into a choice between "surrendering all its right to keep land free of construction development" and incurring "more expenditure for land than it can prudently tolerate" ([Plante v. Town of Grafton](#), 56 Mass. App. Ct. 213 (2002)).

[◀ Back](#)
[Next ▶](#)

Part I

ADMINISTRATION OF THE GOVERNMENT

Title IX

TAXATION

Chapter 61A

ASSESSMENT AND TAXATION OF AGRICULTURAL AND HORTICULTURAL LAND

Section 14

SALE FOR OR CONVERSION TO RESIDENTIAL OR COMMERCIAL USE; NOTICE OF INTENT TO CITY OR TOWN; OPTION TO PURCHASE; ASSIGNMENT OF OPTION

Section 14. Land taxed under this chapter shall not be sold for, or converted to, residential, industrial or commercial use while so taxed or within 1 year after that time unless the city or town in which the land is located has been notified of the intent to sell for, or to convert to, that other use.

The discontinuance of agricultural or horticultural use shall not, in itself, for the purposes of this section, be considered a conversion. Specific use of land for a residence for the owner, the owner's spouse or a parent, grandparent, child, grandchild, or brother or sister of the owner, or surviving husband or wife of any deceased such relative, or for living quarters for any persons actively employed full-time in the agricultural or horticultural use of such land, shall not be a conversion for the purposes of this section, and a certificate of the board of assessors, recorded with the registry of deeds, shall conclusively establish that particular use.

Any notice of intent to sell for other use shall be accompanied by a statement of intent to sell, a statement of proposed use of the land, the location and acreage of land as shown on a map drawn at the scale of the assessors map in the city or town in which the land is situated, and the name, address and telephone number of the landowner.

Any notice of intent to sell for other use shall be accompanied by a certified copy of an executed purchase and sale agreement specifying the purchase price and all terms and conditions of the proposed sale, which is limited to only the property classified under this chapter, and which shall be a bona fide offer as described below.

Any notice of intent to sell for other use shall also be accompanied by any additional agreements or a statement of any additional consideration for any contiguous land under the same ownership, and not classified under this chapter, but sold or to be sold contemporaneously with the proposed sale.

For the purposes of this chapter, a bona fide offer to purchase shall mean a good faith offer, not dependent upon potential changes to current zoning or conditions or contingencies relating to the potential for, or the potential extent of, subdivision of the property for residential use or the potential for, or the potential extent of development of the property for industrial or commercial use, made by a party unaffiliated with the landowner for a fixed consideration payable upon delivery of the deed.

Any notice of intent to convert to other use shall be accompanied by a statement of intent to convert, a statement of proposed use of the land, the location and acreage of land as shown on a map drawn at the scale of the

assessors map in the city or town in which the land is situated, the name, address and telephone number of the landowner and the landowner's attorney, if any.

The notice of intent to sell or convert shall be sent by the landowner by certified mail or hand delivered to the mayor and city council of a city, or board of selectmen of a town, and in the case of either a city or a town, to its board of assessors, to its planning board and conservation commission, if any, and to the state forester.

A notarized affidavit that the landowner has mailed or delivered a notice of intent to sell or convert shall be conclusive evidence that the landowner has mailed the notice in the manner and at the time specified. Each affidavit shall have attached to it a copy of the notice of intent to which it relates.

The notice of intent to sell or convert shall be considered to have been duly mailed if addressed to the mayor and city council or board of selectmen in care of the city or town clerk; to the planning board and conservation commission if addressed to them directly; to the state forester if addressed to the commissioner of the department of conservation and recreation; and to the assessors if addressed to them directly.

If the notice of intent to sell or convert does not contain all of the material described above, then the town or city, within 30 days after receipt, shall notify the landowner in writing that notice is insufficient and does not comply.

For a period of 120 days after the day following the latest date of deposit in the United States mail of any notice which complies with this section, the city or town shall have, in the case of intended sale, a first refusal

option to meet a bona fide offer to purchase the land.

In the case of intended or determined conversion not involving sale, the municipality shall have an option to purchase the land at full and fair market value to be determined by an impartial appraisal performed by a certified appraiser hired at the expense of the municipality or its assignee, the original appraisal to be completed and delivered to the landowner within 30 days after the notice of conversion to the municipality. In the event that the landowner is dissatisfied with the original appraisal, the landowner may, at the landowner's expense, contract for a second appraisal, to be completed within 60 days after the delivery of the notice to convert. If, after completion of the second appraisal, the parties cannot agree on a consideration, the parties will contract with a mutually acceptable appraiser for a third appraisal whose cost will be borne equally by both parties. The third appraisal shall be delivered to both parties within 90 days after the notice of conversion to the municipality and shall be the final determination of consideration. Upon agreement of a consideration, the city or town shall then have 120 days to exercise its option. During the appraisal process, the landowner may revoke the intent to convert at any time and with no recourse to either party.

The option may be exercised only after a public hearing followed by written notice signed by the mayor or board of selectmen, mailed to the landowner by certified mail at the address that is specified in the notice of intent. Notice of public hearing shall be given in accordance with section 23B of chapter 39.

The notice of exercise shall also be recorded at the registry of deeds and shall contain the name of the record owner of the land and description of the premises adequate for identification of them.

The notice to the landowner of the city or town's election to exercise its option shall be accompanied by a proposed purchase and sale contract or other agreement between the city or town and the landowner which, if executed, shall be fulfilled within a period of not more than 90 days after the date the contract or agreement, endorsed by the landowner, is returned by certified mail to the mayor or board of selectmen, or upon expiration of any extended period that the landowner has agreed to in writing, whichever is later.

At the public hearing or a further public hearing, the city or town may assign its option to a nonprofit conservation organization or to the commonwealth or any of its political subdivisions under the terms and conditions that the mayor or board of selectmen may consider appropriate. Notice of public hearing shall be given in accordance with section 23B of chapter 39.

The assignment shall be for the purpose of maintaining no less than 70 per cent of the land in use as forest land as defined in section 1, as agricultural and horticultural land as defined in sections 1 and 2 of chapter 61A or as recreation land as defined in section 1 of chapter 61B, and in no case shall the assignee develop a greater proportion of the land than was proposed by the developer whose offer gave rise to the assignment. All land other than land that is to be developed shall then be bound by a permanent deed restriction that meets the requirements of chapter 184.

If the first refusal option has been assigned to a nonprofit conservation organization or to the commonwealth or any of its political subdivisions as provided in this section, the mayor or board of selectmen shall provide written notice of assignment to the landowner.

The notice of assignment shall state the name and address of the organization or agency of the commonwealth which will exercise the option in addition to the terms and conditions of the assignment. The notice of assignment shall be recorded with the registry of deeds.

Failure to record either the notice of exercise or the notice of assignment within the 120 day period shall be conclusive evidence that the city or town has not exercised its option.

If the option has been assigned to a nonprofit conservation organization or to the commonwealth or any of its political subdivisions, the option may be exercised by the assignee only by written notice to the landowner signed by the assignee, mailed to the landowner by certified mail at the address that is specified in the notice of intent. The notice of exercise shall also be recorded with the registry of deeds and shall contain the name of the record owner of the land and description of the premises adequate for identification of them.

The notice of exercise to the landowner shall be accompanied by a proposed purchase and sale contract or other agreement between the assignee and landowner which, if executed, shall be fulfilled within a period of not more than 90 days, or upon expiration of any extended period the landowner has agreed to in writing, from the date the contract or agreement, endorsed by the landowner, is returned by certified mail to the assignee.

During the 120 day period, the city or town or its assignees, shall have the right, at reasonable times and upon reasonable notice, to enter upon the land for the purpose of surveying and inspecting the land, including, but not limited to, soil testing for purposes of Title V and the taking of water samples.

The city or town or its assignee shall have all rights assigned to the buyer in the purchase and sale agreement contained in the notice of intent.

If the city or town elects not to exercise the option, and not to assign its right to exercise the option, the city or town shall send written notice of nonexercise, signed by the mayor or board of selectmen, to the landowner by certified mail at the address that is specified in the notice of intent.

The notice of nonexercise shall contain the name of the owner of record of the land and description of the premises adequate for identification of them and shall be recorded with the registry of deeds.

No sale or conversion of the land shall be consummated until the option period has expired or the notice of nonexercise has been recorded with the registry of deeds, and no sale of the land shall be consummated if the terms of the sale differ in any material way from the terms of the purchase and sale agreement which accompanied the bona fide offer to purchase as described in the notice of intent to sell except as provided in this section.

This section shall not apply to a mortgage foreclosure sale, but the holder of a mortgage shall, at least 90 days before a foreclosure sale, send written notice of the time and place of the sale to the parties in the manner described in this section for notice of intent to sell or convert, and the giving of notice may be established by an affidavit as described in this section.



Wendy Graves <wgraves@fairhaven-ma.gov>

follow-up

2 messages

Aleksandra Stapczynski <hrsconsulting@comcast.net>

Wed, Apr 21, 2021 at 6:11 PM

To: wgraves@fairhaven-ma.gov, Vicki Oliveira <vloliveira@fairhaven-ma.gov>

Hi Wendy,

Thank you for your phone call today. We can conduct the compensation/classification review of the position of Tree Laborer for \$650.00. Services will include:

1. Position Analysis Questionnaire/Interview – with Supervisor
2. Updated job description
3. Pay rate comparison to market
4. Rating and classification of position
5. Memo recommendation

If this sounds good, we will begin the engagement on May 3 and expect to complete the services in approximately 2 weeks.

Please confirm by responding in the affirmative with an email.

Thank you,

Sandy

Sandy Stapczynski, President**Human Resources Services, Inc.**

9 Bartlet Street, Suite 186

Andover, MA 01810

Voice: 978-474-0200

Cell: 978-430-2061

Fax: 978-475-7925

Email: hrsconsulting@comcast.net

Web: www.hrsconsultinginc.com

16 APR-21

To: Fairhaven Board of Selectman

From: Don Carlos Collasius Fairhaven Tree warden

COPY

Re: 26 APR-21 BOS Agenda

Dear Board

I would like to appear before you during the 26 April BOS meeting to discuss the past and present issues regarding being able to pay 2 part time tree workers \$18.30 and \$17.50 respectively. I would like this put onto the agenda in such a way that public opinion can be presented as well as my own remarks. I am also requesting that the BPW Superintendent also be given a chance to speak. My intent is to put this pay issue to rest and show the town we can work together to fix a broken system.

Respectfully submitted,

Don C. Collasius

Town of Fairhaven Tree Warden

RECEIVED
2021 APR 16 AM 11:47
TOWN OF FAIRHAVEN

- orig. in Wendy Graves' inbox 4-16-21 @ 11:48 AM
- cc: Lou P.



HEALTH PLAN RENEWAL WORKSHEET

FOR THE PERIOD OF JULY 2021 THROUGH JUNE 2022

HEADCOUNTS	ORIGINAL PROJECTION	REVISED		RENEWAL		BCBS		As of 4/21/21 FINAL PROJECTION		Large Losses
		PROJECTION	%	PROJECTION	%	PROJECTION	%	%		
PAID CLAIMS	4,821,160	4,925,994	8%	5,282,490	8%	5,039,460		8%	5,282,490	12987
ADMIN FEE	250,238	240,939	1%	239,918	1%	239,918		1%	239,918	18021
REINSURANCE	591,386	569,039	20%	669,115	20%	669,115		20%	669,115	3,791
OTHER COSTS	0	(64,106)		0		0			0	34,799
TOTAL	5,662,784	5,671,866		6,191,523		5,948,493			6,191,523	243,030
TRUST CONTRIBUTION	5,517,975	5,304,549	19%	6,239,583	13.5%	5,948,634		9%	5,715,248	
SUB TOTAL	-144,810	-367,317		48,060		141			-476,275	
MEDEX SUB TOTAL	78,620	66,968	0%	66,968	0%	66,968		0%	66,968	
DENTAL SUB TOTAL	3,437	6,244	3%	4,474	4.5%	4,474		3%	4,474	
PRIOR BALANCE	2,444,682	2,444,682		2,150,577		2,150,577			2,150,577	
TOTAL TRUST	2,381,930	2,150,577		2,270,079		2,222,161			1,745,744	
MEDEX IBNR	29,064	30,023		30,023		30,023			30,023	
DENTAL IBNR	30,286	29,615		30,503		30,503			30,503	
IBNR	337,481	344,820		369,774		352,762			369,774	
UNCOMMITTED RESERVE	2,043,227	1,746,120		1,839,778		1,808,872			1,315,444	

HEADCOUNTS	ORIGINAL PROJECTION		RENEWAL PROJECTION		FINAL PROJECTION	
	IND	FAM	IND	FAM	IND	FAM
NETWORK BLUE HMO	98	113	99	112	96	114
BCEP PPO	61	42	36	34	36	34
DENTAL	403	248	410	235	410	233
MEDEX (Renews January)	311		312		309	

FUNDING RATES		IN FORCE	
NETWORK BLUE HMO	\$836.63	\$2,057.77	
BCEP PPO	\$1,058.32	\$2,516.16	
DENTAL	\$40.00	\$99.00	
MEDEX	\$325.00		

NETWORK BLUE HMO	
BCEP PPO	
DENTAL	
MEDEX	

RENEWAL CALCULATION		FINAL RATE CALCULATION			
19%	\$995.59	\$2,448.75	9%	\$911.93	\$2,242.97
19%	\$1,259.40	\$2,994.23	9%	\$1,153.57	\$2,742.61
3%	\$41.20	\$101.97	3%	\$41.20	\$101.97

BCBS RECOMMENDED RATES	
	\$986.71
	\$1,121.56
	\$42.34
4.7%	\$102.27

4/21/2021

Notes- FY21 Recommended 9% increase. Town Budgeted 5%.
Started the year with 9% deficiency



F6

**Town of Fairhaven
Marine Resource Department
40 Center Street
Fairhaven, MA 02719**

JCR Marine Inc d/b/a West Island Marina is donating one pontoon boat and one trailer to the Shellfish Department for Shellfish Propagation.

Sincerely,

**Richard Stanley
President**

Alpha	Article Title	Petitioner	Documents referenced	\$ requested	Board of Selectmen Recommendations	Finance Comm Recommendations
1	Measurer of Wood and Bark	TA/BOS	TRADITIONAL			
2	Town Report	TA/BOS	TRADITIONAL- REPORT IN PUBLICATION			
3	Report of Committees	TA/BOS	TRADITIONAL-NO REPORTS EXPECTED			
4	Setting Salaries of Town Officers-FY22	TA/BOS				
	A. Board of Selectmen			\$20,601		
	B. Town Clerk			\$66,961		
	C. Moderator			\$800		
	D. Tree Warden			\$7,321		
	E. Board of Health			\$5,170		
5	Bills of Prior Year	TA/BOS				
	A. SouthCoast Physicians Service			\$122,22		
	B. SMG Compass Medical			\$362.21		
	C. Corvel Corp			\$41.10		
	D. HKT Architects			\$1,333.16		
6	FY21 Budgets					
	A. Assessor's reval FY21	Assessor's	email from Wendy	\$9,000		
	B. Broken sewer pipe at Town Hall FY21	TA/BOS		\$50,000		
7	Roadwork FY21	BPW	article submission			
	A. Bellevue Street-Adams Street to Francis Street	BPW		\$88,800		
	B. Fisherman Road-Balsam Street to Fir Street	BPW		\$78,800		
	C. Massasoit Avenue-Adams Street to Francis Street	BPW		\$173,000		
8	Sewer Capital Improvements Revenue to Stabilization Fund	BPW	article submission	\$296,868		Adoption
9	FY22 General Fund Operating Budget	TA/BOS				
10	FY22 Water Enterprise Fund Operating Budget	BPW	article submission			
11	FY22 Sewer Enterprise Fund Operating Budget	BPW	article submission			
12	FY22 Town Cable Enterprise Fund Operating Budget	Cable	article submission			
13	FY22 School Cable Enterprise Fund Operating Budget	Cable	article submission			
14	General Fund Capital Plan	TA/BOS	article submission			
	A. SCBA Replacement			\$491,800		
	B. ACO Replacement Truck			\$51,459		
	C. Police Cruiser Replacements			\$120,500		
	D. Harbormaster/Shellfish Warden Truck Replacement			\$50,300		
	E. Computer Hardware Equipment Replacement			\$30,000		
	F. Fire Engine (Replaces Engine 2)			\$625,000		
	G. Plotter Scanner			\$20,000		
	H. Dashboard Cameras			\$69,000		
15	Water Enterprise Capital Plan	BPW	article submission			
	A. Akin Street Water main Replacement			\$150,000		Adoption
16	Sewer Enterprise Capital Plan	BPW	article submission			
	A. Pump Station Improvement Design			\$270,000		Adoption
	B. Inflow & Infiltration Study			\$250,000		Adoption
	C. New Pick-up Truck			\$75,000		Adoption
	D. Blower Building Roof			\$75,000		Adoption
17	Roadwork FY22	BPW	article submission			
	A. Cove Street-Hathaway to Beachwood			\$93,800		
	B. Eaton Road-Briercliffe to Waybridge			\$30,200		
	C. Fisherman Road-Balsam to Ebony			\$158,600		
	D. Pleasant Street-Washington to South			\$117,400		
18	State Aid to Highways FY22	BPW	article submission	\$512,050		Adoption
19	Funding Capital Stabilization Fund	TA/BOS	article submission	\$0		
20	Ambulance Stabilization	FIRE CHIEF	memo from fire chief	\$65,000		Adoption
21	Social Day Care Center	COA	MEMO FROM ANNE SILVIA	\$175,000		Adoption
22	Propagation of Shellfish FY22	HARBORMASTER	Memo from Harbormaster	\$15,000		Adoption
23	FY22 Community Preservation Program Appropriations	CPC	email from Paul Foley			

24	New Revolving Fund-Mooring Fees	Harbormaster				
25	Mass Historical Commission Grant match	PLANNING DEPT/BOARD	email from Paul Foley		\$30,000	
26	FEMA Grant- engine for engine 2 - 5 % match	FIRE CHIEF	memo from fire chief		\$31,250	
27	FEMA Grant- air packs 5% match	FIRE CHIEF	memo from fire chief		\$24,585	
28	Port Security Grant match-new engines on Harbormaster boat	HARBORMASTER	memo from harbormaster		\$10,905	
29	Fairhaven Public Schools contracts	School Dept	Article submission			Adoption
30	Floodplain by-law	PLANNING DEPT/BOARD	email from Paul Foley			Yield to petition
31	Waterways Rules and Regulations	Harbormaster	Memo from Harbormaster			
32	Revolving Funds	VARIOUS DEPT/BOARDS				
33	Land Acquisition & Engineering design for Public Safety Facility	TA/BOS				
34	Municipal Light Plant	Broadband Study				Yield to petition
35	Short term rentals create by law/ community impact fee of 3%	Planning Dept/Board	email from Paul Foley			
36	Amendment to BPWs by law- solid waste and recycling curbside	BPW	article submission			Yield to petition
37	Chapter 194 stormwater management amendment to by law	BPW	article submission			Yield to petition
38	Street acceptance: Robert Street	BPW	article submission			Yield to petition
39	Historic Town Hall Street lamps	Historical Commission	article submission from wayne		\$25,000	
40	Authorize BOS to petition to impose a checkout bag charge	Sustainability	email from Whitney			
41	Zoning by law change chapter 198-33	PLANNING DEPT/BOARD	email from Paul Foley			Yield to petition
42	Zoning by law change Chapter 198-29.6 - Solar Photovoltaic Energy Facilities	PLANNING DEPT/BOARD	email from Paul Foley			Yield to petition
43	Discontinue portion Dean St & Livesey Parkway	TA/BOS	email from Tom Crotty			Yield to petition
44	Tree Warden from elected to appointed	BPW	email from BPW			Yield to petition
45	Transfer from Surplus Revenue	TA/BOS				
46	Changing the name to Selectboard	Anne Richard	citizen petition			Yield to petition
47	Increase Board of Selectmen from 3 to 5	Donna McKenna	citizen petition		\$4,399	
48	Create nine member committee known as the Fairhaven Charter Committee	Kyle Bueno	citizen petition		\$10,000	
49	Establish an ethics committee	Mary Freire-Kellogg	citizen petition			Yield to petition
50	Establish term limits for Elected board members	Mary Freire-Kellogg	citizen petition			Yield to petition
51	Amend Town bylaw chapter 115 "Right to Farm"	Mary Freire-Kellogg	citizen petition			Yield to petition
52	Amend Town bylaw Chapter 516 "Recall Elections"	Mary Freire-Kellogg	citizen petition			Yield to petition
53	Amend Town bylaw Chapter 516 "Recall Elections"	John Farrell	citizen petition			Yield to petition
54	Rezone portions of 267 Huttleson Avenue	GB Knowles	citizen petition			Yield to petition
55	Street Lights					
	A. 16 Saltmarsh, move light from pole #179/12 to pole #179/11	Robert Hobson	citizen petition			
	B. 10 Saltmarsh-pole #179/13	Robert Hobson	citizen petition			
56	Amend Town bylaw Chapter 50-13 Part 2	Anne Morton Smith	citizen petition			
57	Rehab new wing Rogers School	Board of Selectmen	email from Rogers ReUse			
58	North street drainage		email from Tom Crotty- from last year			
59	Other Business	TA/BOS				

WARRANT
FOR THE ANNUAL TOWN MEETING
SATURDAY, JUNE 12, 2021 AT 9:00 AM
IN THE WALTER SILVEIRA AUDITORIUM
AT THE ELIZABETH I. HASTINGS MIDDLE SCHOOL

COMMONWEALTH OF MASSACHUSETTS BRISTOL, s.s

To the Constable of the Town of Fairhaven in said county:

GREETINGS:

In the name of the Commonwealth of Massachusetts you are hereby directed to notify and warn the inhabitants of the Town of Fairhaven qualified to vote on town affairs to meet as follows:

On Saturday, the twelfth day of June at 9:00 a.m. in the Walter Silveira Auditorium at the Elizabeth I. Hastings Middle School, then and there, to act upon the following articles:

ARTICLE 1: MEASURER OF WOOD AND BARK

To see if the Town will vote to instruct the Selectmen to appoint a Measurer of Wood and Bark.

Petitioned by: Board of Selectmen

ARTICLE 2: TOWN REPORT

To receive the Annual Report of Town Officers.

Petitioned by: Board of Selectmen

ARTICLE 3: REPORT OF COMMITTEES

To hear and act upon the reports of any committees, or committee appointed in Town Meeting and to choose any committees or committee the Town may think proper and to raise and appropriate a sum of money for the expense of same, or to take any other action with relation to either of said matters, as the Town may deem necessary and proper.

Petitioned by: Board of Selectmen

ARTICLE 4: SETTING SALARIES OF TOWN OFFICERS-FY22

To see if the Town will vote to fix the compensation of the Town's Elected Officers and that said compensation be effective July 1, 2021.

- A. Board of Selectmen (3 members)
- B. Town Clerk
- C. Moderator
- D. Tree Warden
- E. Board of Health

Or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 5: BILLS OF PRIOR YEAR – Paid from FY21 funds

<u>Vendor</u>	<u>Amount</u>	<u>Petitioner</u>
Southcoast Physicians Service	\$122.22	Fire Department
SMG Compass Medical	\$362.21	Fire Department
Corvel Corp	\$41.10	Fire Department
HKT Architects	\$1,333.16	Fire Department

and others that may be brought forward.

Petitioned by: Town Administrator

ARTICLE 6: FY21 GENERAL FUND OPERATING BUDGET ADJUSTMENTS

To see if the Town will vote to amend Article 4 of the October 10, 2020 Special Town Meeting “General Fund Operating Budget-FY21” as follows:

1. \$9,000 be transferred from Surplus Revenue (Free Cash) to Assessors, Contracted Services.
2. \$50,000 be transferred from Surplus Revenue (Free Cash) to Town Hall, Contracted Services.

Petitioned by: Town Administrator

ARTICLE 7: ROADWORK-FY21

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money not to cumulatively exceed \$340,600 in the aggregate without regards to individual line items to do roadwork, in the order of priority as determined by the Board of Public Works or take any other action relative thereto:

- A. Bellevue Street – Reconstruct, hard-surface and install drainage on Bellevue Street from Adams Street to Francis Street a distance of approximately 400 feet.
- B. Fisherman Road – Reconstruct, hard-surface and install drainage on Fisherman Road from Balsam Street to Ebony Street a distance of approximately 1,425 feet.

C. Massasoit Avenue– Reconstruct, hard-surface and install drainage on Massasoit Avenue from Adams Street to Francis Street a distance of approximately 400 feet.

Petitioned by: Board of Public Works

ARTICLE 8: SEWER CAPITAL FEE-FY21

To see if the Town will vote to transfer from the Sewer Retained Earnings of June 30, 2020 Sewer Capital Fee \$296,868 to the Sewer Capital Improvements Stabilization Fund or to take any other action relative thereto:

Petitioned by: Board of Public Works

ARTICLE 9: GENERAL FUND OPERATING BUDGET – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money to fund the balance of the FY22 General Fund Operating Budget or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 10: WATER ENTERPRISE FUND OPERATING BUDGET – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money to fund the balance of the FY22 Water Enterprise Fund Operating Budget or take any other action relative thereto:

Petitioned by: Board of Public Works

ARTICLE 11: SEWER ENTERPRISE FUND OPERATING BUDGET – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money to fund the balance of the FY22 Sewer Enterprise Fund Operating Budget or take any other action relative thereto:

Petitioned by: Board of Public Works

ARTICLE 12: TOWN CABLE TELEVISION ENTERPRISE FUND OPERATING BUDGET – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money to fund the balance of the FY22 Town Cable Television Enterprise Fund Operating Budget or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 13: SCHOOL CABLE TELEVISION ENTERPRISE FUND OPERATING BUDGET – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money to fund the balance of the FY22 School Cable Television Enterprise Fund Operating Budget or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 14: GENERAL FUND CAPITAL PLAN FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money to fund Capital Equipment/Projects in the General Fund or take any other action relative thereto:

A. SCBA Replacement	\$491,800
B. ACO Replacement Truck	\$51,479
C. Police Cruiser Replacements	\$120,500
D. Harbormaster/Shellfish Warden Truck Replacement	\$50,300
E. Computer Hardware Equipment Replacement	\$30,000
F. Fire Engine (Replaces Engine 2)	\$625,000
G. Plotter Scanner	\$20,000
H. Dashboard Cameras	\$69,000

Or other projects that may be presented at Town Meeting.

Petitioned by: Board of Selectmen and Capital Planning Committee

ARTICLE 15: WATER ENTERPRISE CAPITAL PLAN – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money from the Water Enterprise account to fund Capital Equipment/Projects or take any other action relative thereto:

A. Akin Street Water Main Replacement	\$150,000
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Petitioned by: Board of Public Works

ARTICLE 16: SEWER ENTERPRISE CAPITAL PLAN – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money from the Sewer Enterprise account to fund Capital Equipment/Projects or take any other action relative thereto:

A. Pump Station Improvement Design	\$270,000
B. Inflow & Infiltration Study	\$250,000
C. New Pick-Up Truck	\$75,000
D. Blower Building Roof	\$75,000

Petitioned by: Board of Public Works

ARTICLE 17: ROADWORK – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money not to cumulatively exceed \$400,000 in the aggregate without regards to individual line items to do roadwork, in the order of priority as determined by the Board of Public Works or take any other action relative thereto:

- A. Bonney Street – Reconstruct, hard-surface and install drainage on Bonney Street from #45 Bonney westerly to the end a distance of approximately 200 feet.

Petitioned by: Board of Public Works & Sherry Bettencourt

- B. Cove Street – Reconstruct, hard-surface and install drainage on Cove Street from Hathaway to Beachwood a distance of approximately 586 feet.

Petitioned by: Board of Public Works & David Rebello

- C. Eaton Road – Reconstruct, hard-surface and install drainage on Eaton Road from Briercliffe Road to Waybridge Road a distance of approximately 210 feet.

Petitioned by: Board of Public Works

- D. Littleneck Road – Reconstruct, hard-surface and install drainage on Littleneck Road from Balsam to Ebony Street a distance of approximately 1,060 feet.

Petitioned by: Board of Public Works

- E. Pleasant Street – Reconstruct, hard-surface and install drainage on Pleasant Street from Washington Street to South Street a distance of approximately 1,150 feet.

Petitioned by: Board of Public Works

ARTICLE 18: STATE AID TO HIGHWAYS – FY22

- A. To see if the Town will vote to authorize the Board of Public Works to accept and enter into contract for the expenditure of any funds allotted or to be allotted by the Commonwealth of Massachusetts for the construction, reconstruction and improvements of Town roads, or take any other action relative thereto:
- B. To see if the Town will vote to appropriate and transfer from available funds a sum of money for capital improvements on local roads, subject to the conditions detailed by the Massachusetts Highway Department pursuant to the MGLS and Transportation Department's Chapter 90 Guidelines, or to take any other action relative thereto:

Petitioned by: The Board of Public Works

ARTICLE 19: FUNDING CAPITAL STABILIZATION FUND – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds, including surplus revenue (Free Cash) to be deposited in the Capital Stabilization Fund as authorized by Chapter 40, Section 5B of the General Laws, or take any other action relative thereto:

Petitioned by: Town Administrator

ARTICLE 20: AMBULANCE STABILIZATION – FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money not to cumulatively exceed \$65,000 to be deposited in an Ambulance Stabilization Fund as authorized by Chapter 40 Section 5B of the General Laws, or take any other action relative thereto:

Petitioned by: Fire Chief

ARTICLE 21: SOCIAL DAY CARE CENTER – FY22

To see if the Town will vote to authorize the Fairhaven Council on Aging to expend in the Fiscal Year 2022 a sum of money not to cumulatively exceed \$175,000.00 from the Special Revenue Fund for Fairhaven Supportive Social Day Program” for the purpose of providing a Social Day Program for Senior Citizens or take any other action relative thereto:

Petitioned by: Council on Aging

ARTICLE 22: PROPAGATION OF SHELLFISH-FY22

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money for the propagation of shellfish, or take any other action relative thereto:

Petitioned by: Harbormaster/Shellfish Warden

**ARTICLE 23: COMMUNITY PRESERVATION PROGRAM APPROPRIATIONS –
FY22**

To see if the Town will vote to appropriate or to reserve for later appropriation, and to authorize the Community Preservation Committee to expend or reserve, from the Community Preservation Fund available funds and FY22 Estimated Receipts as set forth herein, the following amounts for community preservation purposes, with such expenditures to be subject to conditions to be specified in applications and award letters from the Community Preservation Committee, with each item considered a separate appropriation:

PROPOSED FISCAL YEAR 2022 COMMUNITY PRESERVATION BUDGET	
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APPROPRIATIONS	
Purpose	Recommended Amounts
Reserve for Future Appropriation	
A. Acquisition, creation, and preservation of Open Space, and its rehabilitation and restoration.	\$65,000
B. Acquisition, creation, and preservation of Historic Resources	\$65,000
C. Acquisition, creation, and preservation of Community Housing	\$65,000
Spending Appropriations	
C.DPW-Skate Board Park Resurface (reserved Open Space \$150,000 & Estimated Receipts \$50,000)	\$200,000
E.FHA-Green Meadow Roof (reserved Community Housing \$60,000 & Estimated Receipts \$5,000)	\$65,000
F.FHC-Academy Building Front Door (reserved Historic \$60,000 & Undesignated Fund Balance \$20,000)	\$80,000
G. FHC-Old Stone School Exterior (Undesignated Fund Balance)	\$15,000
H. FHS-High School Windows Phase 4 (Estimated Receipts)	\$70,313
I. Millicent Library Chimney (Undesignated Fund Balance)	\$136,360
J. Unitarian Church (Estimated Receipts)	\$193,439
K. Whitfield-Manjiro Carriage House Ext (Estimated Receipts \$50,000 & Undesignated Fund Balance \$10,000)	\$60,000
L. Library Sidewalk Walnut Street (Estimated Receipts)	\$92,000
Administrative Spending Appropriation	
M. To fund the Community Preservation Committee's annual expenses for; Personal Service; Purchase of Services; Supplies; Other charges/expenditures (Estimated Receipts)	\$ 15,000
Total Recommended Appropriations	\$927,112

And, whereas Massachusetts General Law, Chapter 44B requires that the Town appropriate for spending, or set-aside for future spending, from the fund balance at least 10% for open space, 10% for historic preservation, and 10% for community housing.

And, whereas the existing reserves and recommended appropriations for open space, historic preservation, and community housing each exceed 10% of the Community Preservation Fund Estimated Receipts.

And, whereas Town Meeting may vote to delete any of the recommended amounts.

Therefore, in the event that recommended amounts are deleted, vote to appropriate as a reserve for future spending from the FY 2022 Community Preservation Fund Estimated Receipts the minimum necessary amounts to allocate not less than 10% (\$65,000) for open space, not less than 10% (\$65,000) for historic preservation, and not less than 10% (\$65,000) for community housing.

, or take any other action relative thereto:

Petitioned by: Community Preservation Committee

ARTICLE 24: NEW REVOLVING FUND- MOORING FEES

To see if the Town will authorize a “Mooring Fee Revolving Account” under the provisions of Massachusetts General Law Chapter 44 Section 53E1/2, by adding the following paragraph to §2–6 of the Town bylaws: “G. Mooring Fee Revolving Fund. (1) Mooring Fee Revolving Fund. There shall be a separate fund called the “Mooring Fee Revolving Fund” authorized for use by the Harbor Master and the Town Administrator. (2) Revenues. The Town Accountant shall establish the Mooring Fee Revolving Fund as a separate account and credit to the fund all of the mooring fees charged and received by the Harbor Master. (3) Purposes and expenditures. During each fiscal year, the Harbor Master and/or the Town Administrator may incur liabilities against and spend monies from the Mooring Fee Revolving Fund to fund the promotion of small boat use and access to the coastal waterways of the Town. (4) Fiscal years. The Mooring Fee Revolving Fund shall operate for fiscal years that begin on or after July 1, 2021.” and to see if the Town will vote to authorize a total amount that may be expended from the Mooring Fee Revolving Fund for Fiscal Year 2022. or take any other action relative thereto:

Petitioned by: Harbormaster

ARTICLE 25: MASSACHUSETTS HISTORICAL COMMISSION GRANT MATCH

To see if the Town will vote to appropriate \$30,000.00 as a local match for a grant from the Massachusetts Historical Commission of \$15,000.00 to update 125 of the Historic Assets Surveys in the Town (of about 293 records) on the Massachusetts Cultural Resource Information System (MACRIS)

Petitioned by: Planning & Economic Development Committee

ARTICLE 26: FEMA GRANT-ENGINE TO ENGINE 2 – 5% MATCH

To see if the Town will vote to transfer from Surplus Revenue (Free Cash), \$31,250 for required 5% matching funds associated with FEMA Grant for the acquisition of a Fire Engine \$625,000 or to take any other action relative thereto:

Petitioned by: Fire Chief

ARTICLE 27: FEMA GRANT-AIR PACKS 5% MATCH

To see if the Town will vote to transfer from Surplus Revenue (Free Cash), \$24,585 for required 5% matching funds associated with FEMA Grant for the replacement of Fire SCBA Airpacks \$491,702 or to take any other action relative thereto:

Petitioned by: Fire Chief

ARTICLE 28: PORT AUTHORITY GRANT 25% MATCH-NEW ENGINES ON HARBORMASTER BOAT

To see if the Town will vote to transfer from Surplus Revenue (Free Cash), \$10,905 for required 25% matching funds associated with Port Security Grant for the replacement of two (2) engines \$43,617 for the Harbormaster Boat or to take any other action relative thereto:

Petitioned by: HarborMaster

ARTICLE 29: FAIRHAVEN PUBLIC SCHOOLS PROCUREMENT OFFICER CONTRACTS

To see if the Town will vote, pursuant to G.L. c. 30B, § 12(b), to authorize it's procurement officer to award contracts for Fairhaven Public Schools student transportation services, Fairhaven Public Schools food services, and Fairhaven Public Schools extended day services for a term not to exceed five years, including any renewals, extensions, or options.

Petitioned by: School Committee

ARTICLE 30: AMENDMENT TO ZONING MAP: FLOOD INSURANCE RATE MAP

To see if the Town will enact the following amendments to the Zoning Bylaw Chapter 198 Section 28, Floodplain and Nasketucket River Basin Districts to update the Flood Insurance Rate Maps (FIRM) and maintain currency with the National Flood Insurance Program (NFIP);

- 1) Add to 198-28.A panels: 25005C0391H, 25005C0392G, 25005C0394H, 25005C0411G, 25005C0413G dated July 6, 2021.
- 2) Delete from 198-28.A panels: 25005C0391F, 25005C0392F, 25005C0394F, 25005C0411F, 25005C0413F dated July 7, 2009.
- 3) In 198-28A revise the date of the Bristol County Flood Insurance Study (FIS) report date to July 6, 2021.
- 4) Add 198-28C as follows: The floodplain management regulations found in this Floodplain Overlay District section shall take precedence over any less restrictive conflicting local laws, ordinances or codes.

- 5) Add 198-28C as follows: If any section, provision or portion of this bylaw [ordinance] is deemed to be unconstitutional or invalid by a court, the remainder of the ordinance shall be effective.
- 6) Add 198-28C as follows: The Town of Fairhaven hereby designates the position of Building Commissioner to be the official floodplain administrator for the Town.
- 7) Add 198-28C(3) as follows: The Town will request from the State Building Code Appeals Board a written and/or audible copy of the portion of the hearing related to the variance, and will maintain this record in the community's files. The Town shall also issue a letter to the property owner regarding potential impacts to the annual premiums for the flood insurance policy covering that property, in writing over the signature of a community official that (i) the issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage and (ii) such construction below the base flood level increases risks to life and property. Such notification shall be maintained with the record of all variance actions for the referenced development in the floodplain overlay district.
- 8) Add 198-28C(4) as follows: Variances to local Zoning Bylaws related to community compliance with the National Flood Insurance Program (NFIP): A variance from these floodplain bylaws must meet the requirements set out by State law, and may only be granted if: 1) Good and sufficient cause and exceptional non-financial hardship exist; 2) the variance will not result in additional threats to public safety, extraordinary public expense, or fraud or victimization of the public; and 3) the variance is the minimum action necessary to afford relief.
- 9) Add 198-28C(5) as follows: Permits are required for all proposed development in the Floodplain Overlay District: The Town of Fairhaven requires a permit for all proposed construction or other development in the floodplain overlay district, including new construction or changes to existing buildings, placement of manufactured homes, placement of agricultural facilities, fences, sheds, storage facilities or drilling, mining, paving and any other development that might increase flooding or adversely impact flood risks to other properties.
- 10) Add 198-28C(6) as follows: Assure that all necessary permits are obtained: Fairhaven's permit review process includes the use of a checklist of all local, state and federal permits that will be necessary in order to carry out the proposed development in the floodplain overlay district. The proponent must acquire all necessary permits, and must submit the completed checklist demonstrating that all necessary permits have been acquired.
- 11) Add 198-28C(7) as follows: The degree of flood protection required by this bylaw is considered reasonable but does not imply total flood protection.
- 12) Add 198-28C(8) as follows: If the Town acquires data that changes the base flood elevation in the FEMA mapped Special Flood Hazard Areas, the Town will, within 6 months, notify FEMA of these changes by submitting the technical or scientific data that supports the change(s.) Notification shall be submitted to: FEMA Region I Risk Analysis Branch Chief 99 High St., 6th floor, Boston, MA 02110. And copy of notification to: Massachusetts NFIP State Coordinator MA Dept. of Conservation & Recreation, 251 Causeway Street, Boston, MA 02114
- 13) Add 198-28F: Revise date in preamble.
- 14) Add 198-28F.12 as follows: Base flood elevation data for subdivision proposals: When proposing subdivisions or other developments greater than 50 lots or 5 acres

(whichever is less), the proponent must provide technical data to determine base flood elevations for each developable parcel shown on the design plans.

- 15) Add 198-28F.13 as follows: Unnumbered A Zones: In A Zones, in the absence of FEMA BFE data and floodway data, the building department will obtain, review and reasonably utilize base flood elevation and floodway data available from a Federal, State, or other source as criteria for requiring new construction, substantial improvements, or other development in Zone A as the basis for elevating residential structures to or above base flood level, for flood proofing or elevating nonresidential structures to or above base flood level, and for prohibiting encroachments in floodways.
- 16) Add 198-28F.14 as follows: Recreational vehicles: In A1-30, AH, AE Zones, V1-30, VE, and V Zones, all recreational vehicles to be placed on a site must be elevated and anchored in accordance with the zone's regulations for foundation and elevation requirements or be on the site for less than 180 consecutive days or be fully licensed and highway ready.
- 17) Add 198-28I: Definitions not found in the State Building Code.

The revised bylaw with these changes will read as follows with additions indicated in text that is **bold and underlined** and deletions indicated with strikethroughs (aaaa) as follows:

§ 198-28 Floodplain and Nasketucket River Basin Districts. [Added 4-3-1971 ATM by Art. 83; amended 3-30-1972 ATM by Art 79; 5-18-1976 ATM by Art. 73; 1-22-1977 STM by Art. 4; 5-13-1978 ATM by Art. 54; 10-7-1982 STM by Art. 14; 5-4-1985 ATM by Art. 19; 5-4-1985 ATM by Art. 27; 1-22-1988 STM by Art. 4; 5-7-1988 ATM by Art. 12; 5-3-1997 STM by Art. 15; 5-2-2009 ATM by Art. 12; 5-3-2014 STM by Art. 7]

A. The Floodplain District is herein established as an overlay district. The District includes all special flood hazard areas within the Town of Fairhaven designated as Zone A, AE, AH, AO, A99, V, or VE on the Bristol County Flood Insurance Rate Map (FIRM) issued by the Federal Emergency Management Agency (FEMA) for the administration of the National Flood Insurance Program. The Map panels of the Bristol County FIRM that are wholly or partially within the Town of Fairhaven are panel numbers ~~25005C0391F~~, ~~25005C0392F~~, ~~25005C0394F~~, ~~25005C0411F~~, ~~25005C0413F~~, ~~25005C0425F~~, ~~25005C0501F~~, ~~25005C0502F~~, ~~25005C0503F~~, and ~~25005C0504F~~ dated July 07, 2009; and ~~25005C0391G~~, ~~25005C0393G~~, ~~25005C0394G~~ and ~~25005C0482G~~ dated July 16, 2014 **and 25005C0391H, 25005C0392G, 25005C0394H, 25005C0411G, 25005C0413G dated July 6, 2021.** The exact boundaries of the District may be defined by the 100-year base flood elevations shown on the FIRM and further defined by the Bristol County Flood Insurance Study (FIS) report date ~~July 16, 2014~~ **July 6, 2021**. The FIRM and FIS report are incorporated herein by reference and are on file with the Town Clerk, Planning Board, Building Official, and Conservation Commission.

B. The purposes of the Floodplain District are to:

- (1) Ensure public safety through reducing the threats to life and personal injury.
- (2) Eliminate new hazards to emergency response officials.
- (3) Prevent the occurrence of public emergencies resulting from water quality, contamination, and pollution due to flooding.

- (4) Avoid the loss of utility services which, if damaged by flooding, would disrupt or shut down the utility network and impact regions of the community beyond the site of flooding.
 - (5) Eliminate costs associated with the response and clean up of flooding conditions.
 - (6) Reduce damage to public and private property resulting from flooding waters.
- C. The Floodplain District is established as an overlay district to all other districts. **The floodplain management regulations found in this Floodplain Overlay District section shall take precedence over any less restrictive conflicting local laws, ordinances or codes. If any section, provision or portion of this bylaw [ordinance] is deemed to be unconstitutional or invalid by a court, the remainder of the ordinance shall be effective. The Town of Fairhaven hereby designates the position of Building Commissioner to be the official floodplain administrator for the Town.**
- (1) All development in the district, including structural and nonstructural activities, whether permitted by right or by special permit, must be in compliance with MGL c. 131 § 40 and with the following:
 - (a) Massachusetts State Building Code sections on floodplain and coastal high-hazard areas (currently 780 CMR).
 - (b) Wetlands protection regulations, Department of Environmental Protection (DEP) (currently 310 CMR 10.00).
 - (c) Inland wetlands restriction, DEP (currently 310 CMR 13.00)
 - (d) Coastal wetlands restriction, DEP (currently 310 CMR 12.00)
 - (e) Minimum requirements for the subsurface disposal of sanitary sewage, DEP (currently 310 CMR 15, Title 5)
 - (f) Fairhaven Wetlands Bylaw (currently Chapter 192 of the Code of the Town of Fairhaven).
 - (2) Any variance from the provisions and requirements of the above-referenced state regulations may only be granted in accordance with the required variance procedures of these state regulations.
 - (3) **Variances to building code floodplain standards: The Town will request from the State Building Code Appeals Board a written and/or audible copy of the portion of the hearing related to the variance, and will maintain this record in the community's files. The Town shall also issue a letter to the property owner regarding potential impacts to the annual premiums for the flood insurance policy covering that property, in writing over the signature of a community official that (i) the issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage and (ii) such construction below the base flood level increases risks to life and property. Such notification shall be maintained with the record of all variance actions for the referenced development in the floodplain overlay district.**
 - (4) **Variances to local Zoning Bylaws related to community compliance with the National Flood Insurance Program (NFIP): A variance from these floodplain bylaws must meet the requirements set out by State law, and may only be**

granted if: 1) Good and sufficient cause and exceptional non-financial hardship exist; 2) the variance will not result in additional threats to public safety, extraordinary public expense, or fraud or victimization of the public; and 3) the variance is the minimum action necessary to afford relief.

(5) Permits are required for all proposed development in the Floodplain Overlay District: The Town of Fairhaven requires a permit for all proposed construction or other development in the floodplain overlay district, including new construction or changes to existing buildings, placement of manufactured homes, placement of agricultural facilities, fences, sheds, storage facilities or drilling, mining, paving and any other development that might increase flooding or adversely impact flood risks to other properties.

(6) Assure that all necessary permits are obtained: Fairhaven's permit review process includes the use of a checklist of all local, state and federal permits that will be necessary in order to carry out the proposed development in the floodplain overlay district. The proponent must acquire all necessary permits, and must submit the completed checklist demonstrating that all necessary permits have been acquired.

(7) The degree of flood protection required by this bylaw is considered reasonable but does not imply total flood protection.

(8) If the Town acquires data that changes the base flood elevation in the FEMA mapped Special Flood Hazard Areas, the Town will, within 6 months, notify FEMA of these changes by submitting the technical or scientific data that supports the change(s.) Notification shall be submitted to:

FEMA Region I Risk Analysis Branch Chief
99 High St., 6th floor, Boston, MA 02110

And copy of notification to:

Massachusetts NFIP State Coordinator

MA Dept. of Conservation & Recreation, 251 Causeway Street, Boston, MA 02114

- D. An Order of Conditions from the Conservation Commission is required before building permit shall be issued for construction or expansion by 500 square feet or more of a principal building on land less than the specified elevations above mean sea level (MSL) as provided in the Bristol County Flood Insurance Rate Maps as supplied for the Town of Fairhaven, MA, by the U.S. Corps of Engineers or on any barrier beach or sand dune within 300 feet horizontally of the mean high water line.
- E. Without limiting the generality of the forgoing, failure or inability to comply with the following shall be presumed hazardous to health and safety.
- F. For all new structures or for proposed improvements which equals or exceeds 50% of market value of the unimproved structure, or for any proposed improvements the cost of which together with the cost of improvements made in the previous five calendar years equals or exceeds 50% of the market value of the structure before such improvements, the lowest floor level, including that of the basement, if provided, and structural members supporting the lowest floor must be elevated not less than the specified elevations above mean sea level (MSL) as provided in the Flood Insurance Rate Maps as supplied for the Town of Fairhaven, Massachusetts effective July 7, 2009, and July 16, 2014 and July 6, 2021.

- (1) Structural requirements for construction in flood zones are as provided in the Massachusetts State Building Code, which code requirements are not waived nor superseded by the provisions of this Zoning Bylaw. In addition to those code requirements, the following requirements shall also apply within the designated flood zones for the Town of Fairhaven:
 - (a) Structures for all other uses other than dwelling units must also conform to Subsection C(1)(a).
 - (b) All new construction or substantial improvements for any use shall be located landward of the reach of mean high tide.
- (2) Individual sewage disposal systems shall not be subject to inundation in the event of coastal flooding to six-foot elevation above mean sea level.
- (3) Water supplies shall not be subject to more than temporary interruption or contamination, in the opinion of the Board of Health or its agents, in the event of coastal flooding to six-foot elevation above mean sea level.
- (4) Unless protected by sea walls, pilings or other foundations shall extend not less than six feet below grade in sand and not less than four feet below grade in other materials or to such greater depth as the Building Commissioner may require to prevent scouring beneath foundations.
- (5) Foundations shall be designed by a registered civil engineer or architect to withstand hydraulic pressure, and shall be of reinforced concrete, or if of masonry units, shall have a poured cap tied with reinforcing rods to the footings.
- (6) No vegetation on the ocean side of the crest of any primary dune (a hill or ridge of sand piled up by the wind with no other dune between it and the ocean front) shall be destroyed, nor the crest height of such dune be lowered. All disturbed dune areas shall be stabilized with beach grasses or other means.
- (7) Man-made alteration of sand dunes within Zone VE which would increase potential flood damage are prohibited.
- (8) The placement of mobile homes for year round or seasonal use is prohibited in the Floodplain overlay district.
- (9) In Zones A and AE, along watercourses that have not had a regulatory floodway designated, the best available Federal, State, local, or other floodway data shall be used to prohibit encroachments in floodways which would result in any increase in flood levels within the community during the occurrence of the base flood discharge.
- (10) In a riverine situation, the Building Commissioner shall notify the following of any alteration or relocation of a watercourse:
 - (a) Adjacent Communities,
 - (b) NFIP State Coordinator, Massachusetts Department of Conservation and Recreation
 - (c) NFIP Program Specialist, Federal Emergency Management Agency, Region I
- (11) All subdivision proposals must be designed to assure that:
 - (a) such proposals minimize flood damage;

- (b) all public utilities and facilities are located and constructed to minimize or eliminate flood damage; and
- (c) adequate drainage is provided to reduce exposure to flood hazards.
- (12) Base flood elevation data for subdivision proposals: When proposing subdivisions or other developments greater than 50 lots or 5 acres (whichever is less), the proponent must provide technical data to determine base flood elevations for each developable parcel shown on the design plans.**
- (13) Unnumbered A Zones: In A Zones, in the absence of FEMA BFE data and floodway data, the building department will obtain, review and reasonably utilize base flood elevation and floodway data available from a Federal, State, or other source as criteria for requiring new construction, substantial improvements, or other development in Zone A as the basis for elevating residential structures to or above base flood level, for flood proofing or elevating nonresidential structures to or above base flood level, and for prohibiting encroachments in floodways.**
- (14) Recreational vehicles: In A1-30, AH, AE Zones, V1-30, VE, and V Zones, all recreational vehicles to be placed on a site must be elevated and anchored in accordance with the zone's regulations for foundation and elevation requirements or be on the site for less than 180 consecutive days or be fully licensed and highway ready.**

G Nasketucket River Basin District (NRB)

- (1) The purpose of the Nasketucket River Basin District is to preserve, protect and maintain the quantity and especially the quality of the surface water and groundwater of this district which waters comprise and/or contribute to the existing and potential sources of water supply of the Town of Fairhaven and also to protect the public health, safety and general welfare of the Town residents and to conserve the natural resources of the town. The interpretations, orders, decisions, permits, judgments and findings of all parties, Town boards and departments, agents and officials in respect to all matters pertaining to this district, shall be consistent with and in accord with the spirit and intent of the above-stated purpose of this district. No facilities or activities hereafter listed in this section as restricted or prohibited shall be permitted within the Nasketucket River Basin District except by special permit from the Zoning Board of Appeals, upon demonstration by the applicant that the economic use of the property is infeasible under this rule and that water supply contamination will not result from the proposed facility or activity and after the issuance of a permit by the Conservation Commission under Chapter 192 (Wetlands).
- (2) List of restricted facilities or activities:
 - (a) Fuel or combustible hydrocarbon storage.
 - [1] Underground storage prohibited.
 - [2] Aboveground storage over 55 gallons prohibited. (An exception to this restriction is the storage of heating oil inside the building to be heated)
 - (b) Commercial laundries and cleaners.
 - (c) Road salt storage and application.

- (d) Commercial parking lots.
 - (e) Gasoline stations and commercial garages (e.g. for motor vehicle sales, repair or service).
 - (f) Pesticide applications, storage or use for commercial purposes.
 - (g) Fertilizer applications, storage or for commercial purposes.
 - (h) Leaching fields, cesspools or surface or subsurface discharges of leachable wastes; (an exception to this restriction shall permit these facilities or activities within 300 feet westerly of New Boston Road, provided that all applicable wetlands, Board of Health and building permits have been previously obtained).
 - (i) Storage or stockpiling manure.
 - (j) Storage or disposal of hazardous materials or wastes as defined by EPA or OSHA regulations.
 - (k) Gravel pits or other excavations of sand, soil, rock or ledge for sale or commercial purposes (excepting normal excavations incidental to building construction, farming operations, water conservation, water retaining ponds, public utilities, installation and maintenance, and highway construction).
 - (l) Junk and salvage yards, dumps, disposal sites or landfills for solid or liquid wastes.
- (3) The preceding enumerated items [Subsection D(2)(a), fuel storage, subsection D(2)(d), commercial parking lots, Subsection D(2)(e), gasoline stations and commercial garages, Subsection D(2)(g), fertilizer applications, and Subsection D(2)(i) storage and stockpiling of manure] existing on the passage of this chapter may be continued, repaired, or maintained but without enlargement, nor addition to the existing facility, nor without changing the function of the existing structure to a function more hazardous or contaminating (in amount or type) to the basin aquifer or water supply.
- H. No person shall remove, fill, dredge or build upon any bank, marsh, swamp or flat bordering on coastal or inland water or any other land subject to tidal action or coastal flooding without a permit from the Conservation Commission. Such a permit shall be issued upon confirmation that the requirements of the Wetland's Act (MGL c 131 §§ 40 & 40A) and the Fairhaven Wetlands Bylaw (Chapter 192) will be met and granting of the same will not be hazardous to health or safety and not harmful to the shellfish and aquatic resources of the town.³

I. **Definitions not found in the State Building Code**

National Flood Insurance Program (NFIP) definitions are found in Title 44 of the Code of Federal Regulations, section 59.1. The definitions below refer to their source; if the definition is from the MA building code, it is from the 9th Edition, which meets the minimum standards of the NFIP.

In order for the bylaw or ordinance to be clearly understood, it is necessary to define technical terms or key words. An understanding of these terms is a prerequisite to effective administration of the floodplain management bylaw or ordinance.

³ Editor's note: Former Section 3.8.5, which immediately followed this subsection, as added 4-16-1975 ATM by Art. 60, was renumbered as Section 3.8.3.2 10-7-1982 STM by art. 14 and then deleted 5-4-1985 ATM by Art. 27.

Per FEMA Region I, these additional definitions must be included in local bylaws or ordinances.

DEVELOPMENT means any man-made change to improved or unimproved real estate, including but not limited to building or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials. [US Code of Federal Regulations, Title 44, Part 59]

FLOOD BOUNDARY AND FLOODWAY MAP means an official map of a community issued by FEMA that depicts, based on detailed analyses, the boundaries of the 100-year and 500-year floods and the 100-year floodway. (For maps done in 1987 and later, the floodway designation is included on the FIRM.)

FLOOD HAZARD BOUNDARY MAP (FHBM.) An official map of a community issued by the Federal Insurance Administrator, where the boundaries of the flood and related erosion areas having special hazards have been designated as Zone A or E. [US Code of Federal Regulations, Title 44, Part 59]

FLOODWAY. The channel of the river, creek or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. [Base Code, Chapter 2, Section 202]

FUNCTIONALLY DEPENDENT USE means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities. [US Code of Federal Regulations, Title 44, Part 59] Also [Referenced Standard ASCE 24-14]

HIGHEST ADJACENT GRADE means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure. [US Code of Federal Regulations, Title 44, Part 59]

HISTORIC STRUCTURE means any structure that is:

(a) Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;

(b) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

(c) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or

(d) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:

(1) By an approved state program as determined by the Secretary of the Interior or

(2) Directly by the Secretary of the Interior in states without approved programs.

[US Code of Federal Regulations, Title 44, Part 59]

NEW CONSTRUCTION. Structures for which the start of construction commenced on or after the effective date of the first floodplain management code, regulation, ordinance, or standard adopted by the authority having jurisdiction, including any subsequent improvements to such structures. *New construction includes work determined to be substantial improvement.* [Referenced Standard ASCE 24-14]

RECREATIONAL VEHICLE means a vehicle which is:

- (a) Built on a single chassis;
- (b) 400 square feet or less when measured at the largest horizontal projection;
- (c) Designed to be self-propelled or permanently towable by a light duty truck; and
- (d) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

[US Code of Federal Regulations, Title 44, Part 59]

REGULATORY FLOODWAY - see FLOODWAY.

SPECIAL FLOOD HAZARD AREA. The land area subject to flood hazards and shown on a Flood Insurance Rate Map or other flood hazard map as Zone A, AE, A1-30, A99, AR, AO, AH, V, VO, VE or V1-30. [Base Code, Chapter 2, Section 202]

START OF CONSTRUCTION. The date of issuance for new construction and substantial improvements to existing structures, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement or other improvement is within 180 days after the date of issuance. The actual start of construction means the first placement of permanent construction of a building (including a manufactured home) on a site, such as the pouring of a slab or footings, installation of pilings or construction of columns.

Permanent construction does not include land preparation (such as clearing, excavation, grading or filling), the installation of streets or walkways, excavation for a basement, footings, piers or foundations, the erection of temporary forms or the installation of accessory buildings such as garages or sheds not occupied as dwelling units or not part of the main building. For a substantial improvement, the actual "start of construction" means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimensions of the building. [Base Code, Chapter 2, Section 202]

STRUCTURE means, for floodplain management purposes, a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home. [US Code of Federal Regulations, Title 44, Part 59]

SUBSTANTIAL REPAIR OF A FOUNDATION. When work to repair or replace a foundation results in the repair or replacement of a portion of the foundation with a

perimeter along the base of the foundation that equals or exceeds 50% of the perimeter of the base of the foundation measured in linear feet, or repair or replacement of 50% of the piles, columns or piers of a pile, column or pier supported foundation, the building official shall determine it to be substantial repair of a foundation. Applications determined by the building official to constitute substantial repair of a foundation shall require all existing portions of the entire building or structure to meet the requirements of 780 CMR. [As amended by MA in 9th Edition BC]

VARIANCE means a grant of relief by a community from the terms of a flood plain management regulation. [US Code of Federal Regulations, Title 44, Part 59]

VIOLATION means the failure of a structure or other development to be fully compliant with the community's flood plain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in §60.3(b)(5), (c)(4), (c)(10), (d)(3), (e)(2), (e)(4), or (e)(5) is presumed to be in violation until such time as that documentation is provided. [US Code of Federal Regulations, Title 44, Part 59]

ZONES, FLOOD – Definitions of Flood Zones

The community shall use the pertinent definitions for flood zones delineated within the community. All of these terms are defined in the US Code of Federal Regulations, Title 44, Part 64.3.

ZONE A means an area of special flood hazard without water surface elevations determined

ZONE A1-30 and ZONE AE means area of special flood hazard with water surface elevations determined

ZONE AH means areas of special flood hazards having shallow water depths and/or unpredictable flow paths between (1) and (3) feet, and with water surface elevations determined

ZONE AO means area of special flood hazards having shallow water depths and/or unpredictable flow paths between (1) and (3) ft. (*Velocity flow may be evident; such flooding is characterized by ponding or sheet flow.*)

ZONE A99 means area of special flood hazard where enough progress has been made on a protective system, such as dikes, dams, and levees, to consider it complete for insurance rating purposes. (Flood elevations may not be determined.)

ZONES B, C, AND X means areas of minimal or moderate flood hazards or areas of future-conditions flood hazard. (*Zone X replaces Zones B and C on new and revised maps.*)

ZONE V means area of special flood hazards without water surface elevations determined, and with velocity, that is inundated by tidal floods (coastal high hazard area)

ZONE V1-30 and ZONE VE (*for new and revised maps*) means area of special flood hazards, with water surface elevations determined and with velocity, that is inundated by tidal floods (coastal high hazard area)

Petitioned by: Planning Board

ARTICLE 31: ADOPTION OF WATERWAYS REGULATION BYLAW-FY22

To see if the Town will vote to authorize the Board of Selectmen to enact comprehensive regulations regarding the waterways of the Town of Fairhaven, by

A.) Deleting Chapter 145 of the Town code and inserting in its place the following:

“Chapter 145 Waterways

§145 – 1 Regulatory Authority

The Board of Selectmen shall have the authority to adopt, and from time- to-time to amend, such comprehensive regulations for the use of the waterways of the Town of Fairhaven as may be recommended to them by the Harbormaster.

§145 – 2 Penalties for Violation

Except as otherwise provided by law, the penalty for a violation of the waterways regulations enacted hereunder, shall be \$ 300.00. Each day that such violation continues shall be deemed a separate violation. The monetary penalty set forth herein shall be in addition to any applicable regulatory penalty, including but not limited to, the suspension or revocation of any license or permit, or the disqualification of the violator from obtaining any license or permit.

§145 – 3 Non-criminal Disposition

Fines assessed hereunder may be recovered by indictment, or on complaint to the District Court, or by non-criminal disposition in accordance with §21D of Ch. 40 of the General Laws.” and

B.) Amending §1 – 6D. (2) by deleting the phrase:

“shellfish department regulations, mooring and anchorage regulations, boat ramp parking regulations”, and inserting in its place

“waterways regulations of the Board of Selectmen”

and by deleting §§ 1-6D, (10) and (11);

and

C.) Deleting Chapter. 177 Union Wharf Fees

or to take any other action thereto:

Petitioned by: Harbormaster

ARTICLE 32: REVOLVING FUNDS – FY22

To see if the Town will authorize and / or re-authorize the following Revolving Accounts under the provisions of Massachusetts General Law Chapter 44 Section 53 E ½ under the following terms:

Revolving Fund	Authorized to Spend	Revenue Source	FY22 Limit
Hazardous Materials	Fire Chief	Disposal fees/charges	\$ 100,000
Sustainability	Sustainability Committee	Fees/charges	\$ 10,000
Hoppy's Landing	Board of Selectmen and/or Town Administrator	Fees/charges from users of Hoppy's Landing	\$ 25,000
Town Hall Auditorium	Town Administrator	Town Hall auditorium rental fees	\$ 2,000
Park Utilities	Board of Public Works	User fees	\$ 2,000
NEW Mooring Fees	Marine Resources	Mooring Fees	\$ 2,000
Mattress Recycling	Board of Health	Fees for mattress disposal	\$ 2,000
Hoarding Remediation	Board of Health	Revenue from textile recovery boxes	\$ 1,000

Or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 33: LAND ACQUISITION AND ENGINEERING DESIGN SERVICES FOR PUBLIC SAFETY FACILITY and DISPOSAL OF BRIDGE STREET PIER-FY22

To see if the Town will

- A. transfer from the Capital Stabilization Fund a sum of money to
 - 1) purchase or acquire by eminent domain all or part of the property located at 172 Bridge Street and shown on assessors' map 26 / lot 1, and
 - 2) engage an architect/engineer to design a public safety facility at that location, and
- B. authorize the Selectmen to convey the pier, formerly a public landing, at the west end of Bridge Street in Fairhaven, Massachusetts, along with the boat ramp located on the north side of that pier, together containing about 49 square rods, as shown more fully on Sheet 1A of a plan by F. M. Metcalf, dated July 16, 1914, and recorded at Book 13, Page 6, in the Bristol (South) Registry of Deeds,

or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 34: MUNICIPAL LIGHT PLANT/TELECOMMUNICATIONS FACILITY-FY22

To see if the town will vote pursuant to M.G.L. C.164 sec.36 to acquire a municipal light plant and to authorize such plant to construct, purchase or lease, and maintain such facilities as may be necessary for the distribution or the operation of a telecommunications system for municipal use or for the use of its customers, pursuant to M.G.L. C.164 sec.47E, or as otherwise authorized by law, or to take any other action thereto:

Petitioned by: Broadband Study Committee

ARTICLE 35: SHORT-TERM RENTALS (STR)

CHAPTER 190 - DRAFT SHORT-TERM RENTAL PROPERTIES

-
- § 190-1 Purpose. 2
 - § 190-2 Definitions. 2
 - § 190-3 Short-Term Rental Registration. 3
 - § 190-4 Publication of Registration Number. 3
 - § 190-5 Contact Information of Owner, Operator and/or Operator's Agent. 4
 - § 190-6 Good Neighbor Information 4
 - § 190-7 Posting of Notices 4
 - § 190-8 Specific Standards of Short-Term Rental Properties 4
 - § 190-9 Occupancy Requirements 5
 - § 190-10 Keeping of Register 5
 - § 190-11 Ineligible Units 5
 - § 190-12 Failure to Pay Municipal Taxes, Fees, Assessments, and Charges. 5
 - § 190-13 Inspections 5
 - § 190-14 Complaint Process, Violations 5
 - § 190-15 Registration Suspension, Modification and Revocation 6
 - § 190-16 Judicial Appeals 7
 - § 190-17 Penalties 7
 - § 190-18 Enforcement 7
 - § 190-19 Regulations 7
 - § 190-20 Severability 7
 - §190-21 Annual Reporting 7
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§ 190-1 Purpose

The purpose of this chapter is to provide for administration and enforcement of the Fairhaven Short-Term Rental Properties Bylaw, which provides for registration of short-term rental units in

order to protect the health, safety, and welfare of both the occupant(s) of those rental housing units and the general public and to maintain the quality of life in residential neighborhoods of the Town. Further, this bylaw is intended to provide for the orderly operation of short-term rentals within the Town and prevent negative impacts on neighborhood character, housing availability, house prices, availability of long-term rental units and impacts on infrastructure services such as sewer, parking, access, fire codes, building code enforcement and snow removal. These regulations are also intended to assist the Board of Health, the Building Department and the Fire Department in the enforcement of state and local health and safety laws and regulations related to short-term rental units and to provide a method for correcting violations when conditions require immediate attention in situations associated with Short-Term Rentals.

§ 190-2 Definitions

As used in this chapter, the following terms shall have the meanings indicated:

BUILDING COMMISSIONER. The Building Commissioner of the Town of Fairhaven or his designee.

COTTAGE COLONY. A group of three or more detached dwellings, legally in existence at the time of adoption of this ordinance, located on a single lot, which are customarily occupied on a seasonal basis.

DWELLING. Any building or area in a building used or intended for use for human habitation, including, but not limited to, apartments, condominiums, cottages, guesthouses, one-, two- or multiple-unit residential buildings/dwellings, except those licensed under any state or local laws or regulations other than those licensed under this chapter.

INSPECTIONAL SERVICES DEPARTMENTS. Consisting of Town of Fairhaven Building, Health and Fire Departments.

OCCUPANCY. The use or possession of or the right to use or possess a short-term rental of not more than 30 consecutive days.

OCCUPANT (GUEST). Any individual residing overnight in a short-term rental.

OPERATOR (HOST). Any Person or entity operating a short-term rental.

OPERATOR'S AGENT. A Person who, on behalf of an operator of a short-term rental: (i) manages the operation or upkeep of a property offered for rent; or (ii) books reservations at a property offered for rent.

An "operator's agent" shall include, but not be limited to, a property manager, property management company or real estate agent.

OWNER. Any Person, as defined immediately below, whom alone or severally with others has legal or equitable title or a beneficial interest in any dwelling unit; a mortgagee in possession; or agent, trustee or other person appointed by the courts.

PERSON. An individual, partnership, trust or association, with or without transferable shares, joint stock company, a corporation which is not publicly traded, society, club, firm, organization, institution, estate, receiver, trustee, assignee or referee any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, or any other combination of individuals, directly or indirectly or through any agent, employee, stockholder, officer or other person or any subsidiary whatsoever acting as a unit, including a governmental unit other than the Town of Fairhaven or any of its agencies.

SHORT-TERM RENTAL. A residential primary residential or mixed-use dwelling unit or any bedroom within a dwelling rented out through the use of advance reservations, for a fee, for a period of not more than 30 consecutive calendar days, excluding: Cottage Colonies, as defined herein; hotels licensed under M.G.L. Chapter, 140, Section 6; motels licensed under M.G.L. Chapter 140, Section 32B; lodging establishments licensed under M.G.L. Chapter 140, Section

23 or; bed & amp; breakfast establishments licensed under Chapter 198 of the Code of the Town of Fairhaven.

§ 190-3 Short-Term Rental Registration.

Registration is Required.

A. Short Term Rentals shall only be allowed in one or two family or multi-family dwelling units in which the unit or one of the units is an owner-occupied primary dwelling.

B. No owner shall rent, or offer to rent, any Short-Term Rental prior to registering with the Fairhaven Building Department. No tenant or lessee of an Owner shall let or sub-let a Short-Term Rental under any circumstances.

C. Limits on number of registrations per Owner. A maximum of 2 Short-Term Rental registrations shall be issued per Owner of a primary dwelling in Fairhaven.

D. Limit on number of days per year: A Short-Term Rental in Fairhaven may be rented a maximum of 60 nights per year.

E. Compliance. A dwelling used as a Short-term Rental shall be in compliance with the provisions of all state and local health and safety laws, bylaws and regulations. Demonstration of compliance shall be in the form of a sworn affidavit submitted as part of the registration application described in Section D below to the Fairhaven Building Department prior to occupancy. Operators shall comply with all applicable federal, state and local laws, bylaws and regulations, including, but not limited to; Chapter 198-24 Noise, Litter and Smoke Standards, Chapter 198-23 Home

Occupations, the Fair Housing Act, G.L. c. 151B and local equivalents and regulations related thereto, and all other regulations applicable to residential dwellings, except as specifically set forth otherwise herein.

F. Application Required. The Owner of the dwelling shall be required to complete a Fairhaven Short-Term Rental registration application, the form and content of which shall be provided by the Fairhaven Building Department. The Applicant shall also provide proof each Short Term Rental is registered with the Massachusetts Department of Revenue.

G. Abutter Notification: For an initial application to register a property as a Short Term Rental the Applicant is required to send notification informing abutters within 300' and provide proof to the Town of the notification using one of the following methods: Hand delivery; Certified mail, return receipt requested; Certified mail. Proof of abutter notification shall be included with the application.

H. The Fairhaven Building Department shall, in accordance with sections D and E above, issue a certificate of registration which shall expire on the following December 31, provided that the certificate may be renewed each year.

I. Registration Renewal. Short-term rental registrations shall be renewed annually after satisfactory inspection by Inspectional Services Department and upon payment of the renewal fee.

J. Fees. The fee for a Short-term rental registration or a renewal of a registration shall be initially set at \$200 and thereafter may be modified by the Town Manager at a fee hearing.

K. Non-Transferability. Short-term rental registrations shall be granted solely to an Owner and shall not be transferable or assigned to any other person, legal entity, or address. The registration does not run with the property; it shall be terminated upon sale or transfer of the property for which the registration has been issued.

§ 190-4 Publication of Registration Number

The Town-issued registration number shall be included on any listing offering the Short-term Rental for rent.

§ 190-5 Contact Information of Owner, Operator and/or Operator's Agent.

A. An Owner of a Short-term Rental shall provide the Fairhaven Building Department with his/her current residential address and telephone number upon application for a Registration as well as a full and complete list of persons (as defined above) or who have a direct or indirect interest in any property for which a Short-term Rental Registration in the Town of Fairhaven has been issued or for which a Short-term Rental Registration application is pending.

B. If the Owner is a corporation, the name, address, and telephone number of the president and legal representative of the corporation shall be provided. If the Owner is a realty trust or partnership, the name, address, and telephone numbers of the managing trustee or partner shall be provided.

C. The name and contact information of the Operator must be provided, along with the name and contact information of an Operator's Agent, if different from the Operator, who is able to respond in person to any issues or emergencies that arise during occupancy within one (1) hour of contact by Fairhaven Inspectional Services Department to complaints regarding the condition or operation of the Short-term Rental. Contact information must include a telephone number that is available 24 hours per day, 7 days a week to Short-term Rental Occupants and the above-stated public safety agencies. This contact information shall be included in the application for a Short-term Rental Registration and shall be posted conspicuously within the rental unit.

§ 190-6 Good Neighbor Information

Short-term rental registrations will be published to the Town's website and shall include the contact information required in section 190-5(C) above. The website shall also include information about these Short-term rental regulations, and instructions and contact information to file a complaint.

§ 190-7 Posting of Notices

The Town shall provide information to each registered Operator summarizing the regulations for Short-term rentals. For each Short-term Rental Registration issued, this will include, but shall not be limited to: the name and 24-hour contact information of the Operator or Operator's Agent designated in the application, requirements for trash removal, occupancy requirements, parking, and noise restrictions. The Operator shall:

A. Provide each occupant a copy of the provided information; and

B. Post the information, along with the Short-term Rental Registration, in a conspicuous location within the Short-term Rental; and

C. Post the Short-term Rental registration number on a placard visible from the street in the dwelling's front yard or front door.

§ 190-8 Specific Standards of Short-Term Rental Properties

A. Trash Removal. The Short-term Rental Operator shall be responsible for ensuring that household trash is removed from the premises immediately after Occupancy is concluded or once per week, whichever is more frequent.

B. Parking. On-site parking of one space per Short-term Rental bedroom. (ZONING)

C. Renting for durations of less than twenty-four (24) consecutive hours shall not be permitted.

D. Owner-Occupied.

E. Commercial meetings and uses are prohibited in Short-term Rentals.

F. Each Short-term Rental shall contain functional smoke detectors and carbon monoxide alarms. In addition, the Operator shall provide and maintain one 2.5 lb. multi-purpose fire extinguisher on each floor.

§ 190-9 Occupancy Requirements

Notwithstanding the provisions of Chapter 59-3, the maximum number of Occupants in a Short-Term Rental shall be two per each bedroom, plus an additional two total.

§ 190-10 Keeping of Register

The Operator or Operator's Agent shall be responsible for keeping a register containing the name of the

Occupant who is the leaseholder, total number of occupants, and dates of occupancy. The register shall be

retained for a period of two (2) years and shall be made available upon request to Fairhaven Inspectional Services Department.

§ 190-11 Ineligible Units

The following are not eligible to be rented or offered to rent as Short-term Rentals:

A. Dwellings designated as below market rate or income-restricted, that are subject to affordability covenants, or that are otherwise subject to housing or rental assistance under local, state, or federal law;

B. Family Apartments or Accessory Affordable Apartments;

C. Dwellings subject to any requirement of local, state, or federal law that prohibits the leasing or subleasing of the unit or use of the unit as a Short-term Rental;

D. Dwellings that are the subject of any outstanding building, sanitary, zoning, or fire code violations, orders of abatement, stop work orders, unsafe orders, or cease and desist orders.

E. Properties designated as Problem Properties under MGL Chapter 160.

§ 190-12 Failure to Pay Municipal Taxes, Fees, Assessments, and Charges.

The privilege of receiving or holding a Short-term Rental Registration is contingent upon the timely payment of municipal and district taxes, fees, assessments, and charges. Failure of a Person to comply with this requirement shall be cause, after notice and hearing pursuant to the requirements of G.L. c. 40, §57, for denial, suspension, amendment, or revocation of a Short-Term Rental Registration for any and all property in which the person holds a direct or indirect ownership interest, as above defined.

§ 190-13 Inspections

Short-term Rentals shall be subject to a mandatory initial inspection and reasonable inspections thereafter by the Fairhaven Building Commissioner and/or Police, Fire, Health or other duly authorized authority from the Town.

§ 190-14 Complaint Process, Violations

A. Complaint. A complaint alleging that a Short-term Rental is in violation of this Chapter or any applicable law, code or regulation may be filed with the Fairhaven Inspectional Services Department. The complaint must contain the Short-term Rental address, unit number, date and nature of alleged violation(s), and name and contact information of complainant.

B. Written notice of any violations of this chapter shall be treated as a complaint and may also be given by Inspectors. The notice shall specify the nature of the violation to the Occupant and Owner and the time within which compliance must be achieved. The requirements of this subsection shall be satisfied by mailing such notice, through the United States Postal Service by certified mail, or by delivering in hand such notice as memorialized by an affidavit of any Town employee or officer authorized to serve any form of process notice to the Owner or legal representative named on the registration application.

C. Any notice required or contemplated by this chapter shall be deemed sufficient if delivered to or mailed to the mailing address listed by the owner on the Short-term Rental Registration application then on file with the Fairhaven Building Department. A written change-of address notice signed by the Owner/s and delivered to the Fairhaven Building Department may be filed at any time.

D. Review of Complaint. The Inspectional Service Department shall investigate complaint(s) within a reasonable timeframe and shall determine whether there may be a violation. If the alleged violation is under the jurisdiction of another city or state or federal agency, the Commissioner shall refer the complaint to such agency for further action. Upon a finding of a potential violation, the Commissioner or designee shall serve notice of the violation upon the Owner of the Short-term Rental. The Building Commissioner shall keep records of all complaints received and determinations made.

E. Offering an Ineligible Unit as a Short-term Rental. Any person who offers a unit as a Short-term Rental, where such unit is not an eligible Dwelling Unit or is not registered, may be fined in accordance with the fine schedule herein on a per violation per day basis. Each day's failure to comply with a notice of violation or any other order shall constitute a separate violation. The Commissioner or a designee may also seek an injunction from a court of competent jurisdiction prohibiting the offering of the unit as a Short-term Rental.

F. Failure to Obtain a Registration. Any person who offers an eligible Dwelling Unit as a Short-term Rental without a valid Short-term Rental Registration, or any person who offers an eligible Dwelling Unit as a Short-term Rental while the unit's registration is suspended, may be fined in accordance with the fine schedule herein on a per violation per day basis. Each day's failure to comply with a notice of violation or any other order shall constitute a separate violation.

G. Failure to Comply with Notice of Violation. Any person who fails to comply with any notice of violation or other order issued pursuant to this section by the Commissioner or a designee for a violation of any provision of this section may be fined in accordance with the fine schedule herein on a per violation per day basis. Each day's failure to comply with a notice of violation or any other order shall constitute a separate violation.

H. Right to Hearing. A person upon whom a notice of violation has been served may request a hearing by filing a written petition requesting a hearing on the matter with the Fairhaven Building Department within fourteen days after the day the notice of violation was served. Upon receipt of a petition for hearing, the Commissioner shall notify the complainant of the place, date and time of the hearing. The hearing shall be conducted by a Hearing Officer designated as such by the Town Administrator and shall occur no later than three (3) weeks after the date the Fairhaven Building Department receives the petition for hearing. The time period in which violations must be remedied shall be stayed upon receipt of the petition for a hearing until such time as the hearing is held and the Hearing Officer has issued a decision.

I. Decision. Within seven days after the conclusion of the hearing, the Commissioner or designee shall sustain, modify, or withdraw the notice of violation and shall inform the person upon whom a notice of violation has been served, in writing, of its decision and the reasons therefor. If the Fairhaven Building Department sustains or modifies the notice of violation, said violation shall be remedied within the time period allotted as issued or in the modification.

J. Violations of an unoccupied dwelling shall be corrected prior to occupancy. Violations found in an occupied dwelling shall be corrected within the time specified as determined by the Inspectors.

K. If a written petition for a hearing is not filed within fourteen (14) days after the notice of violation has been served, or if, after a hearing, the notice of violation has been sustained in any

part, each day's failure to comply with the notice of violation within the time allotted as issued or modified shall constitute a separate violation.

§ 190-15 Registration Suspension, Modification and Revocation

In addition to, and not in lieu of, the penalties that may be assessed pursuant to this chapter, the Fairhaven Building Commissioner, after notice and public hearing, may suspend, revoke or modify any or all registration approvals issued hereunder to an Owner for violation of these regulations or of any conditions imposed by the Fairhaven Inspectional Services Department, notwithstanding that a violation may have been found with respect to one or more, but not all of the registered properties held by an owner. These remedies shall be non-exclusive.

§ 190-16 Judicial Appeals

Any person aggrieved by a final decision of the Hearing Officer and Fairhaven Building Commissioner with respect to a notice of violation or any other order issued under this section may seek relief therefrom in any court of competent jurisdiction.

§ 190-17 Penalties

If any Occupant, Operator or Owner violates any provision of this chapter, the Owner may be subject to a fine in accordance with the following: \$150 1st Offense, \$300 2nd Offense and each subsequent offense. Each day that a violation exists constitutes a separate offense.

§ 190-18 Enforcement

The Town may enforce the provisions of this chapter by any or all of the following: the noncriminal disposition process of M.G.L. c. 40, s. 21D; by seeking to restrain a violation by injunction; and by filing a complaint in any court of competent jurisdiction.

§ 190-19 Regulations

The Fairhaven Building Commissioner may adopt regulations, policies and procedures for the implementation of this chapter.

§ 190-20 Severability

Each provision of this Chapter shall be construed as separate. If any part of this Chapter shall be held invalid for any reason, the remainder shall continue in full force and effect. In the event of a conflict between this Chapter and any other Chapter of the General Code of Fairhaven, this Chapter 190 shall control.

§190-21 Annual Reporting

The Town Manager shall publish annually in the Town of Fairhaven Annual Report on the statistical data relating to Short-term Rentals.

PROPOSED GENERAL BYLAW AMENDMENT TO IMPOSE A 3% COMMUNITY IMPACT FEE ON SHORT TERM RENTALS

To see if the Town will enact the following amendments to the Town Bylaw Chapter that would allow the Town to adopt a general bylaw amendment that would impose a three percent (3%) Community Impact Fee, per Section 3D (b) of M.G.L. Chapter 64G, to be paid monthly on the total amount of rent for each transfer of occupancy of any professionally managed short-term rental units and on short-term rental units located within a two-family or

three-family dwelling that includes the operator's primary residence. By statute, thirty five percent (35%) of all community impact fees received pursuant to this Order shall be dedicated to either affordable housing or local infrastructure projects within the Town. The Town of Fairhaven already has a six percent (6%) Hotel Room Occupancy Tax that automatically applies to Short Term Rentals as of July 1, 2019 based on the new law (Section 3D (b) of M.G.L. Chapter 64G).

1) That the Town of Fairhaven accepts the provisions of Section 3D (a) of M.G.L. Chapter 64G, and hereby imposes a 3 percent (3%) community impact fee on the total amount of rent for each transfer of occupancy of a professionally managed short-term rental unit that is located within the Town. All community impact fees received pursuant to this Order shall be paid to the Department of Revenue monthly by the operator.

2) That the Town of Fairhaven accepts the provisions of Section 30 (a) of M.G.L. Chapter 64G, and hereby imposes a 3 percent (3%) community impact fee on the total amount of rent for each transfer of occupancy within a two-family or three-family dwelling that includes the operator's primary residence short-term rental unit that is located within the Town. All community impact fees received pursuant to this Order shall be paid to the Department of Revenue monthly by the operator. To see if the town will vote to create Bylaw Chapter 190 in order to allow and regulate Short-Term rentals and to see if the Town will create community Impact Fee of 3% on Short-Term rentals to pay for the regulation and enforcement.

Petitioned by: Planning & Economic Development Committee

ARTICLE 36: AMENDMENT TO BPW BY-LAW SOLID WASTE & RECYCLING CURBSIDE

To see if the town will vote to add a section to the Town of Fairhaven By-laws or to take any other action relative thereto:

- a. Customers shall place solid waste and recycling curbside prior to 7:00 am on the designated collection day but no earlier than 5:00 pm on the day prior to the designated collection day.
- b. Customers shall remove all acceptable solid waste containers from the public layout (street or sidewalk) as soon as practicable or, in any event, no later than 7:00 pm on the designated collection day for the area.

Petitioned by: Board of Public Works

ARTICLE 37: AMENDMENT TO THE TOWN'S PLANNING BY-LAWS CHAPTER 194 STORMWATER MANAGEMENT

To see if the town will vote to amend Chapter 194 Stormwater Management, illicit discharge, soil erosion, sediment control or take any other action relative thereto:

§ 198-31.1 Stormwater management.

[Added 5-1-1999 ATM by Art. 9]

This section shall apply to all new special permits subject to § 198-29 for additions or renovations which increase the impervious area of property applied for after January 12, 1999, as provided for in

MGL c. 40A, § 6. Further this section shall also apply to such special permits granted prior to January 12, 1999, as provided for in MGL c. 40A, § 6, if the building permits authorized under such special permit are not issued prior to November 1, 1999. No lot created after May 1, 1999, may be built upon without compliance with this section. The requirements of this section may be met for lots created after May 1, 1999, by approval of a subdivision plan that includes a stormwater management plan, as described herein, by the Fairhaven Planning Board. This section shall also apply to all new special permits subject to § 198-29 that disturb one (1) or more acres of land regardless of whether they increase the impervious area of a property.

A. Standards.

- (1) Stormwater management for each development shall be designed consistent with or more stringent than the requirements of the Massachusetts Stormwater Handbook, shall comply with Chapter 194: Stormwater Management, Illicit Discharge, Soil Erosion, Sediment Control Bylaw and Adhere to the standards and requirements of Regulations issued there under and shall accomplish the following:
 - (a) Flooding. The design and construction of each subdivision or special permit project shall be done in a manner such that post-development runoff will not exacerbate or create flooding conditions, or alter surface water flow paths, resulting in impacts to adjacent properties to the site during the two-, ten-, twenty-five- and one-hundred-year twenty-four-hour storm events.
 - [1] No increase will be allowed in the peak rate of runoff off of the site for any of the above design storms.
 - [2] No increase will be allowed in the volume of runoff off of the site up to the ten-year, twenty-four-hour design storm.
 - (b) Water quality. The first flush of stormwater runoff shall be treated prior to discharge off of the site. The treatment system(s) shall be designed to accommodate the first flush from the entire development site.
 - [1] Stormwater management systems for New Development and Redevelopment projects shall meet minimum requirements of the *General Permit for Stormwater Discharges From Small Municipal Separate Storm Sewer Systems in Massachusetts (MS4 Permit)* including:
 - (a) New Development Projects shall provide removal of 90% of the average annual (not per storm) load of Total Suspended Solids (TSS) generated from the total post-construction impervious area on the site AND 60% of the average annual (not per storm) load of Total Phosphorus (TP) generated from the total post-construction impervious surface area on the site. Average annual pollutant removal requirements are achieved through one of the following methods:
 - i. Installing BMPs that meet the pollutant removal percentages based on calculations developed consistent with EPA Region 1's BMP Accounting and Tracking Tool (2016) or other BMP performance evaluation tool provided by EPA Region 1, where available. If EPA Region 1 tools do not address the planned or installed BMP performance any federally or State approved BMP design guidance or performance standards (e.g. State

stormwater handbooks and design guidance manuals) may be used to calculate BMP performance; or

- ii. Retain the volume of runoff equivalent to, or greater than, one (1.0) inch multiplied by the total post-construction impervious surface area on the site; or
- iii. Meeting a combination of retention and treatment that achieves the above standards.

(b) Redevelopment projects shall provide removal of 80% of the average annual (not per storm) post-construction load of Total Suspended Solids (TSS) generated from the total post-construction impervious area on the site AND 50% of the average annual (not per storm) load of Total Phosphorus (TP) generated from the total post-construction impervious surface area on the site. Average annual pollutant removal requirements are achieved through one of the following methods:

- i. Installing BMPs that meet the pollutant removal percentages based on calculations developed consistent with EPA Region 1's BMP Accounting and Tracking Tool (2016) or other BMP performance evaluation tool provided by EPA Region 1, where available. If EPA Region 1 tools do not address the planned or installed BMP performance any federally or State approved BMP design guidance or performance standards (e.g. State stormwater handbooks and design guidance manuals) may be used to calculate BMP performance; or
- ii. Retaining the volume of runoff equivalent to, or greater than, 0.80 inch multiplied by the total post-construction impervious surface area on the site; or
- iii. Meeting a combination of retention and treatment that achieves the above standards.

(c) Redevelopment activities that are exclusively limited to maintenance and improvement of existing roadways, (including widening less than a single lane, adding shoulders, correcting substandard intersections, improving existing drainage systems, and repaving projects) shall improve existing conditions unless infeasible and are exempt from Section 1.b. Roadway widening or improvements that increase the amount of impervious area on the redevelopment site by greater than or equal to a single lane width shall meet the requirements of Section 1.b.

- [2] Any development in Nasketucket River Basin Zoning Overlay District shall incorporate physical treatment processes to remove nitrogen at an efficiency rate of 30% or greater.
- [3] Identify the immediate down gradient waterbody(s) that stormwater runoff from the project site discharges to, EPA's waterbody assessment and TMDL status of the waterbody(s), <http://www.epa.gov/region1/npdes/stormwater/ma.html> and the LIDs and BMPs included in the project to address the pollutant(s) of concern.

- (c) Reproduce, as nearly as possible, the hydrologic conditions in the ground and surface waters prior to the development. Low Impact Development (LID) site planning and design strategies must be implemented unless infeasible in order to reduce the discharge of stormwater from development sites. Infeasible means not technologically possible, or not economically practicable and achievable in light of best industry practices. Provide an explanation as to why LID techniques were included or excluded from the project.
- (d) Reduce stormwater pollution to the maximum extent possible using best management practices (BMPs).
- (e) Have a long-term maintenance plan.
- (2) The Planning Board is authorized to vary from these standards due to topographic features of the lot.

B. Submittal requirements.

- (1) It shall be the responsibility of the applicant for all subdivisions greater than three lots and for all special permits for new construction, and for special permits for additions or renovations which increase the impervious area of a property requiring approval of the Planning Board to submit 10 copies of a stormwater management plan (SMP) detailing the existing environmental and hydrological conditions of the site, proposed alterations of the site, and all proposed components of the drainage system and any measures for the detention, retention or infiltration of water, for the protection of water quality and protection from flooding. The SMP shall contain sufficient information for the Planning Board to evaluate the effectiveness and acceptability of those measures proposed by the applicant for controlling flooding and pollution from stormwater runoff. The SMP shall contain maps, charts, graphs, tables, photographs, narrative descriptions, calculations, plans showing construction details of all systems and structures, and citations to supporting references, as appropriate, to communicate the information as required by this section.
- (2) The submittal of a stormwater management plan shall include an order of conditions or a determination of non-applicability from the Fairhaven Conservation Commission issued under the Fairhaven Wetlands Bylaw.
 - (a) Site characteristic information to be included in the stormwater management plan (SMP).
 - [1] Predevelopment conditions shall include:
 - [a] The existing watersheds on the property, as well as upgradient areas contributing runoff to the property;
 - [b] Location of all surface waters and wetlands on the site or on lots adjacent to the site;
 - [c] The delineation of the one-hundred-year flood elevation as indicated on the Federal Emergency Management Act (FEMA) maps. If FEMA maps do not exist or if the waterbody or watercourse one-hundred-year flood elevation is not indicated on the map, the elevation shall be calculated utilizing an appropriate methodology such as NRCS TR-55 or TR-20 or HEC2. (Note: The floodplain location determined by the FEMA maps are approximate. When a specific elevation is given, the location of the floodplain shall correspond to that elevation.);

- [d] The principal vegetation types sufficient to determine an appropriate curve number;
 - [e] The topography described at one-foot intervals; areas of steep slopes over 15% shall be highlighted;
 - [f] The soil types on the site and the hydrological soil groups based on the most current Natural Resource Conservation Service soils map of the site (available at the NRCS office in Wareham);
 - [g] The location of any public or private water supplies within 150 feet of the property as well as on the property;
 - [h] Soil logs signed by a DEP certified soil evaluator for each proposed stormwater control system site. (Documentation should be for a minimum of four feet below the bottom of the stormwater system and be submitted for both flood control stormwater systems and pollution reduction stormwater systems.);
 - [i] Maximum groundwater levels as observed in the soil at the proposed stormwater control system locations;
 - [j] The flow path(s), design points for each watershed; and
 - [k] Areas of ponding or swamping.
- [2] Post development conditions shall include:
- [a] Changes in topography at one-foot intervals;
 - [b] Areas where vegetation will be cleared or otherwise altered. (For residential development assume 90% of all area excepting buildings to be managed turf.);
 - [c] The proposed watersheds on the property, as well as upgradient areas contributing runoff to the property;
 - [d] The proposed development layout including: locations of roadways, common parking areas, and undisturbed lands; and locations of drainage systems and stormwater treatment facilities;
 - [e] Areas to be utilized in overland flow, i.e., grass swales and filter strips, showing: proposed vegetation; the soil susceptibility to erosion (using the NRCS classification);
 - [f] The flow path(s) for the two-, ten-, twenty-five- and one-hundred-year twenty-four-hour storm event; and
 - [g] Design points for each watershed.
- (b) Water quantity/duration/quality information to be submitted in the SMP.
- [1] Predevelopment conditions in narrative form or calculations shall include: peak discharge rate, based on the two-, ten-, twenty-five- and one-hundred-year twenty-four-hour storm event using NRCS TR-55 or TR-20; and volume of the surface runoff for ten-year twenty-four-hour storm event using NRCS TR-55 or TR-20.

- [2] Post development conditions in narrative form or calculations shall include: peak discharge rate, based on the two-, ten-, twenty-five- and one-hundred-year twenty-four-hour storm event using NRCS TR-55 or TR-20; volume of the surface runoff for the ten-year twenty-four-hour storm event using NRCS TR-55 or TR-20; design point(s) for each watershed; detention/retention time, discharge rate, and approximate time of concentration through the BMP for the water quality storm; a description of and calculations for the proposed outlet structure(s); both the principle outlet and emergency spillway; and a discussion regarding whether the proposed stormwater system meets or exceeds the established performance standards as well as an evaluation of the pollutant removal efficiency of each proposed treatment facility or group of facilities.
- C. Design standards. The design, construction and maintenance of the stormwater system, and the submittal of information to evaluate the system, shall be consistent with the standards and specifications set out below.
 - (1) Performance standards and design specifications.
 - (a) Control of stormwater runoff shall meet the design criteria for both flood (volume and peak discharge) control and nonpoint source pollution reduction as indicated in Subsection A above. All assumptions, methodologies and procedures used to design stormwater systems shall accompany the design.
 - (b) Stormwater design methodology considerations for stormwater management.
 - [1] Runoff calculations for flood control shall be provided utilizing the rational formula, the NRCS TR-20 or TR-55, as appropriate for the site. The appropriate methodology shall be determined from the restrictions on each method described in Basic Hydrological Calculations for Conservation Commissioners Runoff, Land Subject to Flooding, and Flow in Pipes and Channels, (1987). The Rational Method cannot be used to determine volume.
 - [2] The appropriate pre and post-development worksheets as shown in Basic Hydrological Calculations for Conservation Commissioners Runoff, Land Subject to Flooding, and Flow in Pipes and Channels, (1987), shall be submitted with the subdivision plan or special permit application.
 - [3] The flow length for predevelopment sheet flow to determine the time of concentration (T_c) or travel time (T_t) shall not exceed 50 feet.
 - [4] Design points.
 - [a] The design points shall be at the:
 - [i] Edge of wetlands;
 - [ii] Property line; or
 - [iii] Existing storm drain system.
 - [b] For each predevelopment design point there shall be a corresponding post development design point.

- (2) General standards and specifications. The design, construction and maintenance of stormwater systems shall be consistent with the following:
 - (a) Discharging runoff without treatment directly into rivers, streams, watercourses or wetlands is prohibited.
 - (b) Natural watercourses shall not be dredged, cleared of vegetation, deepened, widened, straightened, stabilized or otherwise altered.
 - (c) Land outside the parcel subject to development review shall not be used in the stormwater management plan (i.e., the location of the detention pond) unless a recordable easement has been granted for such use and a copy of the easement has been submitted to the Planning Board as part of the SMP.
 - (d) The site shall be graded so that surface water shall be directed into the stormwater management system.
 - (e) Intermittent watercourses such as swabs shall be vegetated.
 - (f) Prior to discharging any stormwater runoff into a stormwater system, the following conditions must also be met:
 - [1] The system shall be installed according to applicable standards and specifications of this section;
 - [2] All components of the system shall be stabilized; and
 - [3] All upland areas contributing stormwater runoff to the system shall be stabilized (nonerosive).
 - (g) All basins/ponds designed for stormwater runoff control shall:
 - [1] Be designed in accordance with current NRCS standards and specifications unless otherwise indicated in Subsection C(4), Specific standards and specifications below;
 - [2] Have a two-stage design when pollution reduction and flood control are incorporated into one stormwater management system. The upper stage shall provide enough storage to control the post development peak discharge rates for the two-, ten-, twenty-five- and one-hundred-year, twenty-four-hour storm events to the predevelopment levels; the lower stage shall provide enough storage to meet the pollution removal efficiencies as described Subsection C(4), Specific standards and specifications below;
 - [3] Have energy dissipaters at the outlets of all inflow and outflow pipes;
 - [4] Have outflow pipes designed to minimize clogging (i.e., through the use of trash racks);
 - [5] Have an emergency spillway to allow for the passage of water without damage to the water quality structure for storms greater than their largest design capacity;
 - [6] Have side slopes at a no steeper than a four horizontal to one vertical grade unless otherwise called for by the Fairhaven Conservation Commission to minimize a stormwater system's impact on wetland or bordering wetland resource areas (Side slopes must be stabilized and planted with

vegetation to prevent erosion. A ten-foot wide bench at 0% slope shall surround any permanent pool.); and

- [7] Except for the sediment forebay, shall have no permanent pool depth in excess of 2 1/2 feet.
- (h) All water quality stormwater systems shall be designed in accordance with the runoff volume indicated in Subsection A above. Runoff greater than this design criteria shall be controlled using the peak discharge/volume control criteria in Subsection A above.
- (i) Infiltration basins using redundant sediment removal techniques (i.e., sediment forebay, grassed swale and filter fabric) may be designed and utilized to act as stormwater systems for both water quality and volume control, provided all other standards and specifications are met.
- (j) Volume control structures shall not be placed upgradient of any pollution stormwater system.
- [1] Volume control shall be by infiltration;
- [2] Infiltration areas designed and constructed to control the volume of runoff shall be located in areas with a NRCS hydrological soil group of A, B or C;
- [3] Infiltration for volume control shall be designed and constructed with the bottom of the infiltration area at or above the maximum high groundwater elevation; and
- [4] The calculations to determine the size of the volume control structure shall assume the surface of the structure to be impervious;
- (k) Forebays.
 - [1] All water quality basin/ponds shall have a sediment forebay. These forebays shall:
 - [a] Consist of a separate cell;
 - [b] Be sized to contain 0.25 inches per impervious acre of contributing drainage;
 - [c] Be less than a twelve-foot distance from the bank to the center of the forebay;
 - [d] Be four feet deep; and
 - [e] Have nonerosive exit velocities for the two-year design storm.
 - [2] If the water quality basin is to be deeded to the town, the forebay shall be constructed to meet Board of Public Works requirements.
 - [3] The forebays may have a headwall depending on the Board of Public Works recommendations.
- (l) Where stormwater basins are designed with a permanent pool depth, a post-and-rail fence with pressure-treated or locust posts, with a backing of plastic coated wire fencing shall be used when the basin is in close proximity to residential units, and shall further inhibit access by a planting of thick shrubs such as rugosa rose (*Rosa rugosa*) surrounding the basin.

- (m) All water quality stormwater systems shall be designed to accept a return storm of 0.5 inches off the impervious area 11 days after the water quality storm.
- (n) Conveyance of stormwater:
 - [1] The entire drainage system of storm drainage lines shall be capable of conveying the twenty-five-year storm, including catch basins, manholes and culverts.
 - [2] Water velocities in pipes and gutters shall be between two and 10 feet per second. Water velocities in nonpaved areas (e.g., swales, ditches) shall not be more than published values for maximum permissible velocities based on surface cover type and soil types.
 - [3] Water velocities in catch basins shall not exceed 0.5 feet per second. Catch basins shall be designed (inlet capacity and spacing) such that the flow in the gutter during a twenty-five-year design storm is not more than three feet in width as calculated utilizing methodologies described in "Drainage of Highway Pavements, Hydraulic Engineering Circular No. 12" as published by the United States Department of Transportation, Federal Highway Administration. In any event, water shall not be allowed to run for more than 300 feet on paved surfaces.
 - [4] Catch basins shall be constructed of at least six inches precast reinforced concrete. Catch basin grates shall be in the gutter to facilitate snow removal.
 - [5] The standard depth of catch basins shall be a minimum 2.5 feet below the invert of the outlet. Manholes shall be constructed at each junction point of storm drain lines. Catch basins shall not serve as manholes.
 - [6] Storm drains shall be of at least 12 inches diameter inside, with at least 24 inches of cover, and shall be of reinforced concrete Class IV pipe if having less than 48 inches of cover within a street right-of-way. Aluminum pipe of at least comparable strength may be substituted in appropriate locations if approved by the Fairhaven Board of Public Works (BPW). All drain pipes except subdrains shall be reinforced concrete or ADS. Waivers from these standards shall be allowed upon recommendation of the Board of Public Works.
 - [7] Easements and provisions for vehicular access shall be provided along the entire length of storm drain lines.
- (o) Cross culverts.
 - [1] Culverts and stormwater outlet structures shall have reinforced concrete headwalls designed in accordance with good practice.
 - [2] At cross culverts (where a roadway bisects a stream or manmade watercourse), drainage easements shall be established upgradient of the culvert and delineated on the definitive plan based on the projected one-hundred-year headwater elevation.
 - (3) Selecting a water quality BMP. Three designs for water quality BMPs, micropool extended detention basins, wet extended detention ponds, and infiltration basins are listed in Subsection C(4), Specific standards and specifications below. One of these BMPs may be appropriate for the site:

- (a) Micropool extended detention basins (EDB) with a forty-eight-hour detention time will not adequately remove bacteria. No EDB proposed within 1,000 feet of a sensitive receptor for bacteria shall be approved. In Fairhaven, these areas are:
 - [1] All coastal waters excluding inner New Bedford Harbor.
 - [2] Zone 2 of public water supply wells at Mill Pond pumping station.
- (b) Due to the high failure rate of conventional infiltration practices (including porous pavement), they are not an accepted method of stormwater management unless redundant pretreatment for sediment removal is utilized. No underground infiltration practices, such as leaching catch basins, shall be allowed.
- (c) Oil/grit separators are not needed for the type of pollutants associated with subdivisions. They shall not be approved for residential subdivisions. Oil/grit separators may be required for special permits granted by the Planning Board.
- (d) Other water quality BMPs may be approved, provided that the pollutant removal rate meets or exceeds the requirements of Subsection A above.
- (4) Specific standards and specifications for water quality BMP's.
 - (a) Micropool extended detention basin (EDB). In order to provide an estimated removal efficiency of 80% for suspended solids, 30% total phosphorus, and 15% total nitrogen, EDBs shall be designed in accordance with Subsection C(1), Performance standards and design specifications, plus the specific criteria stated below. The design of EDBs shall include:
 - [1] Minimum contributing watershed area of 10 acres;
 - [2] A minimum of forty-eight-hour detention time for the water quality storm;
 - [3] A sediment forebay at the inlet;
 - [4] A micropool located near the outlet structure to reduce resuspension of sediments;
 - [5] A minimum of 3:1 length to width ratio with the inlet structure placed a maximum distance from the outlet structure; and
 - [6] The establishment of, and the methodology with which to maintain, wetland vegetation on the bottom of the basin.
 - (b) Wet extended detention ponds/basins (WP). The minimum design criteria below plus Subsection C(1), Performance standards and design specifications, will provide an estimated removal efficiency of 80% for suspended solids, 65% total phosphorus, and 40% total nitrogen. The design of WPs shall include:
 - [1] A minimum contributing watershed of 25 acres, or measures to maintain a permanent pool of water;
 - [2] A permanent pool volume within the permanent pool equal to 40% of the water quality (first flush) volume;

- [3] A sediment forebay volume of 13% of the water quality (first flush) volume;
 - [4] An extended detention storage volume of 47% of the water quality (first flush) volume;
 - [5] A detention time for the water quality (first flush) volume of 48 hours;
 - [6] A maximum depth of 2.5 feet;
 - [7] A marsh component to be established along the pond edges;
 - [8] A minimum of 3:1 length to width ratio with the inlet structure placed at a maximum distance from the outlet structure.
- (c) Infiltration basin (IB). A design based on both the minimum design criteria for IBs listed below and the design criteria in Subsection **C(1)**, Performance standards and design specifications, will provide an estimated removal efficiency of 80% for suspended solids and 90% for bacteria. The design of IBs shall include:
- [1] Three redundant pretreatment mechanisms (such as a sediment forebay or detention pond) adequate to remove and store 80% of the TSS.
 - [2] Adequate volume to infiltrate the first flush of runoff.
 - [3] Compliance with the specifications found in the State of Rhode Island Stormwater Design & Installation Manual, September 1993, when not specified elsewhere in this section.
 - [a] Section 6.3(a), (b)(1)(2)(4), Site Suitability, utilizing the Bristol County Soil Survey, or more recent unpublished updates available at the NRCS office in Wareham.
 - [b] Section 6.4 Infiltration Rates.
 - [c] Section 6.6 (a through i) Design Requirements.
 - [d] Section 6.7(a)(1-11) Separation Distances.

D. Inspection and maintenance.

- (1) After the stormwater management system has been constructed and before the performance guaranty for the development has been released, the applicant shall submit an "as-built" plan detailing the actual stormwater management system as installed. The consulting engineer for the Town shall inspect the system to confirm its as-built features. This engineer shall also evaluate the effectiveness of the system in an actual storm. If the system is found to be inadequate by virtue of physical evidence of operational failure, even though it was built as called for in the definitive plan, it shall be corrected before the performance guaranty is released. Examples of inadequacy shall be considered but not limited to: errors in the infiltrative capability, errors in the maximum groundwater elevation, failure to properly define or construct flow paths, or erosive discharges from basins. The cost of having the town's consulting engineer review and evaluate the as-built plans and the stormwater management system shall be borne by the developer.
- (2) All stormwater management systems shall be maintained in accordance with the following regulations.

- (a) The applicant shall submit 10 copies of a maintenance plan for stormwater management. Maintenance plans for each basin include a maintenance schedule, an outline of responsible parties and owners, all pertinent agreements to be executed to ensure proper maintenance and an estimate of future yearly maintenance costs.
- (b) To facilitate maintenance, each water quality basin/pond shall be constructed with:
 - [1] Direct maintenance access by heavy equipment to the forebay;
 - [2] A hardened bottom in the forebay made of stone or concrete to make sediment removal easier; and
 - [3] A fixed sediment depth marker installed in the forebay to measure sediment deposition over time.
- (c) Routine maintenance and inspections shall conform to the following:
 - [1] Stormwater management systems shall be inspected annually and cleared of debris, sediment and vegetation when they affect the functioning and/or design capacity of the facility;
 - [2] Where lack of maintenance is causing or contributing to a water quality problem, immediate action shall be taken by the property owner to correct the problem within 14 days of written notice by the Planning Board;
 - [3] All actions required to maintain the stormwater management system for the purpose it was designed and constructed must be performed within 30 days following the maintenance inspection;
 - [4] Accumulated sediment shall be excavated as needed or at the request of Planning Board; and
 - [5] Any vegetation uprooted by sediment removal shall be replaced.
- (d) To ensure future maintenance and avoid undue costs to the town:
 - [1] Each basin design shall have a design life of 20 years, as documented in a peer review publication, third party testing or other independent means.
 - [2] The applicant shall provide cost estimates per year for future maintenance of the stormwater conveyance and detention/infiltration system. This cost estimate shall include semiannual sediment removal from all catch basins and street sweeping, and cleaning of sediment forebays and detention ponds when necessary. The Board of Public Works shall be required to approve all cost estimates prior to Planning Board approval.
 - [3] The applicant shall provide to the Planning Board assurances that there is in place a mechanism such as a bond, letter of credit, escrow account or similar security to ensure the maintenance, inspection and repair of the stormwater system for a period of at least 20 years.

Petitioned by: Board of Public Works

ARTICLE 38: STREET ACCEPTANCE ROBERT STREET

To see if the Town will vote to accept the layout of a parcel of land shown as Robert Street on a plan entitled "Street Layout and Acceptance Plan for Robert Street", scale: 1" = 30', dated October 2, 2019 and prepared by GCG Associates, Inc., Wilmington, MA., said Robert Street is 40 feet in width and contains 15,745 square feet +/-.

Beginning at a point at the intersection of the northerly sideline of Robert Street and the westerly sideline of Castle Avenue, as shown on plan here after referenced; thence

South 01° 53' 45" East, along the westerly sideline of Castle Avenue, forty and zero hundredths feet (40.00) to a point; thence

South 88° 46' 30" West, along the southerly sideline of Robert Street, three hundred twenty-eight and twenty-six hundredths feet (328.26) to a point; thence

Along a non-tangent arc to the right with a radius of thirty and zero hundredths feet (30.00) a distance of one hundred forty-four and seventy-one hundredths feet (144.71) to a point; thence

North 88° 46' 30" East, along the northerly sideline of Robert Street, three hundred twenty-eight and thirteen hundredths feet (328.13) to the point of beginning.

The above description for Robert Street is a 40' wide way and contains 15,745 square feet +/-

Above described parcel being shown as Robert (40' Wide Right of Way) Street on "Street Layout and Acceptance Plan for Robert Street" Scale 1"=40' Dated 10/02/2019 prepared by GCG Associates, Inc. Said plan to be recorded at the South Bristol Registry of Deeds.

Or to take any action thereto:

Petitioned by: Board of Public Works

ARTICLE 39: HISTORIC TOWN HALL LAMPS

To see if the town will vote to raise and appropriate, borrow or transfer from available funds a sum of money for the purchase and installation of four (4) decorative street lamps on three (3) sides of Town Hall. One (1) on Walnut Street, one (1) on William Street, and two (2) on Center Street. Cost not to exceed \$25,000.00 or take any action relative thereto:

Petitioned by: Historical Commission

ARTICLE 40: AUTHORIZE BOARD OF SELECTMEN TO PETITION TO IMPOSE A CHECKOUT BAG CHARGE

To see if the Town will vote to authorize the Selectboard to petition the General Court to adopt legislation, as set forth below, to implement a minimum charge of \$0.10 for all new checkout bags distributed in the Town of Fairhaven, which legislation would have the underlying purposes of 1) incentivizing consumers to reuse checkout bags, the most environmentally sustainable and economical option, 2) allowing consumers to have the choice of not paying for unwanted or unneeded new checkout bags, 3) allowing collected money to be retained by the retailer so as to help businesses defray the costs of switching to more environmentally

sustainable checkout bag options, and 4) reducing the generation of waste and associated costs of disposal and recycling that must be borne by the Town and its residents; provided, however, that the General Court may make clerical and editorial changes of form only to said bill, unless the Selectboard approves amendments to the bill prior to enactment by the General Court; and provided further that the Selectboard shall be authorized to approve any such amendments which shall be within the scope of the general public purposes of this petition; or to take any other action relative thereto:

~~AN ACT CONCERNING~~ THE TOWN OF FAIRHAVEN TO ESTABLISH A FEE

SECTION 1. The following words, unless the context clearly requires otherwise, shall have the following meanings:

“Checkout Bag” shall mean a bag provided by a retail establishment to a customer at the point of sale. Checkout bags shall not include bags, whether plastic or not, in which loose produce or products are placed by the consumer to deliver such items to the point of sale or check out area of the store.

“Retail Establishment” shall mean any business facility that sells goods directly to the consumer whether for or not for profit, including but not limited to, retail stores, restaurants, pharmacies, convenience and grocery stores, liquor stores, and seasonal and temporary businesses.

SECTION 2. (a) Notwithstanding any general or special law to the contrary, any retail establishment which makes available checkout bags in the Town of Fairhaven shall charge for each such bag equal to or greater than \$0.10 per checkout bag, as established by regulations to be duly promulgated by the Fairhaven Board of Health.

(b) All monies collected pursuant to this section shall be retained by the retail establishment.

(c) Any charge for a checkout bag shall be separately stated on a receipt provided to the customer at the time of sale and shall be identified as the “checkout bag charge” thereon.

SECTION 3. (a) The Health Agent for the Fairhaven Board of Health or his/her designee shall have authority to enforce this law and any regulations promulgated there under. This law may be enforced through any lawful means in law or in equity, including but not limited to, noncriminal disposition pursuant to G.L. c. 40 § 21D and Article VI of the Town of Fairhaven General Bylaws.

(b) The Fairhaven Board of Health may adopt and amend rules and regulations to effectuate the purposes of this law.

SECTION 4. If any provision of this law is declared to be invalid or unenforceable, the other provisions shall be severable and shall not be affected thereby.

SECTION 5. This act shall take effect three months after its passage

Petitioned by: Sustainability Committee

ARTICLE 41: ZONING BY-LAW CHANGE CHAPTER 198-33

To see if the town will vote to enact the following amendments to the Zoning Bylaw chapter 198-33 to change and/or add definitions from Massachusetts General Law to the definitions section (198-33) and other locations within the Fairhaven Codebook where the revised definitions reside.

Petitioned by: Planning Board

ARTICLE 42: ZONING BY-LAW CHANGE Chapter 198-29.6 – SOLAR PHOTOVOLTAIC ENERGY FACILITIES

To see if the town will vote to amend the bylaws Chapter 198-29.6 – Solar Photovoltaic Energy Facilities (SPEF) to allow solar power for export in the business and Industrial Districts as an accessory use with a special permit.

Petitioned by: Planning Board

ARTICLE 43: DISCONTINUE PORTION DEAN ST & LIVESEY PARKWAY

To see if the town will vote to discontinue that portion of Dean Street east of its intersection with Adams Street, and that portion of Livesey Parkway (formerly known as Spruce Street) south of its intersection with Morton Street, both as appearing on assessors map 22A; or to take any other action thereto:

Petitioned by: Board of Selectmen

ARTICLE 44: CHANGE TREE WARDEN FROM ELECTED TO APPOINTED

To see is the Town will vote to amend the town bylaws by adding the following section:

The tree warden shall be appointed by the Board of Selectmen, and shall exercise the duties of tree warden and of insect pest control. Such tree warden shall be qualified by training and experience in the field of arboriculture and licensed with the department of food and agriculture in accordance with the provisions of section ten of chapter one hundred and thirty-two B of the general laws. The term of such appointment shall be for three years.

Petitioned by: Board of Public Works

ARTICLE 45: TRANSFER FROM SURPLUS REVENUE-FY22

To see is the Town will vote to transfer a sum of money from Surplus Revenue for the reduction of the tax levy, or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 46: CITIZENS PETITION-CHANGE THE NAME OF THE BOARD OF SELECTMEN TO SELECT BOARD

To change the name of The Board of Selectmen to Select Board or take another action relative thereto:

Petitioned by: Ann Richard

ARTICLE 47: CITIZENS PETITION-INCREASE BOARD OF SELECTMENT FROM THREE (3) TO FIVE (5)

To see if the Town will vote to accept the following article:

In accordance with the Articles of the Constitution of the Commonwealth, the Fairhaven Board of Selectmen is hereby directed to petition the General Court for passage of the act relative to the Town Board of Selectmen, providing as follows:

Section 1: Notwithstanding any general or special law to the contrary, the number of members on the Fairhaven Board of Selectmen shall be increased from three (3) to five (5). The Board of Selectmen shall annually elect a chairperson from among its members.

Section 2: At the first Annual Town Election to occur following the passage of this act by the Massachusetts General Court, three (3) Selectmen shall be elected. The candidate receiving the highest number of votes in that election shall serve a three (3) year term, the candidate receiving the second highest number votes shall serve a two (2) year term and the candidate receiving the third highest number of votes shall serve a one (1) year term. Thereafter, as the terms of Selectmen expire, successors shall be elected for terms of three (3) years.

Section 3: This act shall take effect upon its passage.

Or take any other action relative thereto:

Petitioned by: Donna McKenna

ARTICLE 48: CITIZENS PETITION-CREATE A NEW NINE MEMBER CHARTER COMMITTEE

To see if the Town will vote to create a new nine-member committee, to be known as the Fairhaven Charter Committee, to be appointed by the Moderator, which committee shall be charged with the review of all aspects of local government organization and structure, including, without limitation, regional relationships and the operation of all Town departments, boards, committees and commissions, elected and appointed, and make a report or recommendations to the 2022 Annual Town Meeting, or such later town meeting as the Moderator may approve, with the goal of presenting a proposed charter at the 2022 Annual Town Meeting, which special legislation would be forwarded to the General Court for review and approval, in accordance with the Home Rule Amendment, Section 8, and further to raise and appropriate or transfer from available funds a sum of \$10,000.00 to pay for the expenses of such Committee, or take any other action relative thereto:

Petitioned by: Kyle Bueno

ARTICLE 49: CITIZENS PETITION-ESTABLISH AN ETHICS COMMITTEE

To see if the Town shall vote to establish an ethics committee which shall be elected by the town voters each year at the time of the Spring Election. This will be a three member board and anyone serving on this board cannot have any dealings with the town from which they receive financial gain. Members of this board cannot serve on any other board elected or appointed. For the purposes of the first election the person with the highest vote total will serve for three years, the person who receives the second highest vote total will serve for two years, and The Ethics Board will have the following responsibilities and powers. They can investigate any conduct which appears to be unethical or illegal. They can ask for the records from any town board which would include minutes of meetings, e-mails, and any other correspondence which is asked that pertains to their inquiry. If malfeasance is found they can go directly to town meeting with a recommendation with options that include a: call for censure, a vote of no confidence, and an impeachment of a town official. Furthermore as representatives of the town they can ask for the Attorney General to investigate any activity which through their inquiry they found to be illegal or in violation of the open meeting law. Furthermore if they feel that a committee or member of a committee is operating in violation of the bylaws of the town they will contact that board and ask that immediate action to remedy the violation be taken. Any citizen can file a complaint with the Ethics Committee and if requested it will be mandated to be put on their agenda at the next scheduled meeting. The committee will determine within thirty days what course of action if any will be taken regarding the complaint. The Ethics Committee will also prepare a code of ethics to be voted by the annual Spring town meeting in 2021. Or to take any other action relative thereto:

Or take any other action relative thereto:

Petitioned by: Mary Freire-Kellogg

ARTICLE 50: CITIZENS PETITION-ESTABLISH TERM LIMITS FOR ELECTED BOARD MEMBERS

To see if the Town will vote to adopt into Town bylaw: Term Limits for Elected Board Members

We the registered voters of the Town of Fairhaven petition the town meeting to vote on the Article to vote on the following Article. To see if the Town shall vote to establish-TERM LIMITS for Elected Board Members.

We the registered voters of Fairhaven petition the town meeting to vote on the Article to see if the Town shall vote to adopt a by law to be enacted immediately, commencing with the spring election of 2021, and to take any other action relative thereto, as follows:

The term for any elected town official shall be limited to a maximum of two consecutive terms. The total length of service for any elected official shall not exceed six years in any particular office. Any elected official who has already served a maximum term of six years in any particular office at the time such by-law is enacted, shall be prohibited from further serving in the same position, for an additional term after the expiration of his/her current term of office.

To be voted by the annual Spring town meeting in 2021. Or to take any other action relative thereto:

Or take any other action relative thereto:

Petitioned by: Mary Freire-Kellogg

**ARTICLE 51: CITIZENS PETITION-AMEND TOWN BYLAW CHAPTER 115
"RIGHT TO FARM"**

To see if the Town will vote to amend Town bylaw Chapter 115 "Right to Farm, Section 3 and Chapter 405 "ANIMALS" Section 2 to clarify the permitting requirement for animals is. Waived on all parcels greater than 5 Acres in the Town of Fairhaven as these parcels are determined to be zoned as Agricultural in Chapter 155 Section -3 in the current Fairhaven Bi-Laws.

Or take any other action relative thereto:

Petitioned by: Mary Freire-Kellogg

**ARTICLE 52: CITIZENS PETITION-AMEND TOWN BYLAW CHAPTER 516
"RECALL ELECTIONS"**

To see if the Town will vote to amend Town bylaw Chapter 516: "Recall Elections", Section 2 to reduce the registered voter signature requirement from twenty (20) percent to ten (10) percent as follows:

"The recall petitions shall be returned and filed in the office of the Town clerk within Thirty **days** following the date the petitions were issued, signed by at least

10 percent of the total number of registered voters duly recorded on the registration list of the Town clerk as of the preceding Town election."

Or take any other action relative thereto:

Petitioned by: Mary Freire-Kellogg

**ARTICLE 53: CITIZENS PETITION-AMEND TOWN BYLAW CHAPTER 516
"RECALL ELECTIONS"**

To see if the Town will vote to amend Town bylaw Chapter 516: "Recall Elections, Section 2 to reduce the registered voter signature requirement from twenty (20) percent to ten (10) percent, and to increase the time frame for obtaining those signatures, as follows:

"The recall petitions shall be returned and filed in the office of the Town clerk within ~~(14) fourteen days~~ (30) thirty days following the date the petitions were issued, signed by at least ~~(20) percent~~ (10) percent of the total number of registered voters duly recorded on the registration list of the Town clerk as of the preceding Town election."

Or take any other action relative thereto:

Petitioned by: John Farrell

**ARTICLE 54: CITIZENS PETITION-REZONE PORTIONS OF 267 HUTTLESON
AVENUE**

We the undersigned registered voters of the Town of Fairhaven, hereby petition your Board to insert in the warrant of the next Annual or Special Town Meeting an article for the Rezone of the following described property Portions of 267 Huttleston Avenue from (Existing Zoning) Multi-family to Proposed Zoning: Business.

Petitioned by: G. Bourne Knowles

ARTICLE 55: CITIZENS PETITION-STREET LIGHT REQUESTS

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money for the installation and maintenance of the following street light or take any other action relative thereto:

- A. One light pole at 16 Saltmarsh Road, pole # 179/11. Move light from pole #179/12 to pole #19/11

Petitioned by: Robert Hobson

- B. One light pole at 10 Saltmarsh, pole # 179/13

Petitioned by: Robert Hobson

ARTICLE 56: CITIZENS PETITION-AMENDMENT TO TOWN BY-LAW CHAPTER 50-13 PART 2

To see if the Town will vote to amend Town By-law c50-13 Part 2 (Televised Meeting take another action relative thereto.

Amend the following title and section:

Part 2 Televising Board Meetings and Allowing Remote Public Participation

50-10 Broadcast/recording/remote public participation required.

All meetings of Town boards, commissions and committees shall be broadcast live and/or recorded for future broadcast over the local cable television network and online viewing as well as allow virtual remote participation via a live online platform such as Zoom or similar service unless emergency, operational or technical conditions suspend the requirements hereof, as determined by the Town Administrator, for broadcasts over the public access and government channels or the School Superintendent for broadcasts over the education channel. Members of the public may participate with comments if allowed by the Chair of the committee.

C50-13 Compliance with Open Meeting Law Nothing contained in this bylaw shall be so construed as to conflict with the requirements of the Open Meeting Law, MGL 30A.

Petitioned by: Anne Morton Smith

ARTICLE 57: REHAB NEW WING ROGERS SCHOOL

To see if the Town will vote to raise and appropriate, borrow or transfer from available funds a sum of money to rehab the new wing at Rogers School, or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 58: LAND ACQUISITION NORTH STREET

To see if the town will raise and appropriate, borrow or transfer from available funds a sum of money to purchase or take by eminent domain all or part of 0 North Steet, further identified as Lot 43 on Assessors Map 15, or take any other action relative thereto:

Petitioned by: Board of Selectmen

ARTICLE 59: OTHER BUSINESS

To act upon any other business which may legally come before this meeting.

And you are hereby directed to serve this warrant by posting an attested copy thereof on or near the front or main entrance of the polling place in Precinct 1, Town Hall; and on or near the entrance of the polling place in Precinct 2 and 3, Elizabeth I. Hastings Middle School, School Street; and on or near the entrance of the polling place in Precinct 4, Fire Station meeting room, 146 Washington Street; and on or near the front or main entrance of the polling place in Precinct 5 and 6, Recreation Center, 227 Huttleston Ave; seven days at least prior to the date of the meeting.

HEREOF FAIL NOT, and make due return of this warrant to the Town Clerk at the time and place of the meeting aforesaid.

Given under our hands this ____ day of _____ in the year two thousand twenty-one.

Selectmen of Fairhaven,

Daniel Freitas

Robert Espindola

Keith Silvia

A true copy, ATTEST:

Constable of Fairhaven