



Fairhaven Board of Selectmen

July 16, 2018 Meeting Minutes

Present: Chairman Daniel Freitas, Vice Chairman Charles Murphy, Clerk Robert Espindola
Town Administrator Mark Rees, and Administrative Assistant Vicki Paquette.

Mr. Freitas called the meeting to order in the Town Hall Banquet Room at 6:37 p.m. The meeting was recorded by Cable Access. An audio recording was made for the purpose of minutes.

MINUTES

Mr. Murphy motioned to approve the minutes of the June 18, 2018 meeting, open session as amended. Mr. Espindola seconded. Vote was unanimous. (3-0)

TOWN ADMINISTRATORS REPORT

Mr. Rees updated the Board on several matters:

- Mr. Rees informed the Board that longtime Building Commissioner Wayne Fostin retired on July 6, 2018 and he is wished well
- Mr. Rees told the Board that seven applicants have applied for the Position of Building Commissioner. Mattapoissett inspector Steve Brodo will be filling in temporarily until someone is hired. Gloria McPherson, Planning Director will be filling in as Conservation Agent
- Mr. Rees said July 9, 2018 was the date established in the Request for Proposal for potential bidders interested in Rogers School to inspect the building but no one showed up
- Mr. Rees stated that Union Wharf is almost complete. He expressed his thanks to Harbormaster Tim Cox, Deputy Chief Todd Correia, the Department of Public Works, New Bedford Voke Students, Marie Ripley and John Cottrill for their assistance in completing this project
- Mr. Rees also met with Architect Joe Booth regarding the snow guards for Town Hall and the ceiling in the Assessor's office that is starting to fall. Mr. Rees will look to the Fall Town Meeting to gain funds for this

- Mr. Rees met with North Fairhaven Improvement Association (NFIA) regarding all the graffiti in that area. Captain Mike Botelho has reached out to NFIA with a request to attend their next meeting to discuss their concerns
- Mr. Rees has also had word from Doug Brady, Chairman of the Bell Committee, that the committee's work should be complete by December 2018 in regards to the Oxford School roof cupola
- Mr. Rees updated the Board that Sweeny Merrigan Law, LLC has offered to help the Town with lawsuits regarding opioids

COMMITTEE LIASON REPORTS

Under Committee liaison report:

- Selectman Espindola recently attended a Southeastern Regional Planning and Economic Development District (SRPEDD) training meeting
- Selectmen Espindola also attended anti-harassment training meeting sponsored by the Massachusetts Municipal Association (MMA) in Plymouth

SEABREEZE MINI MART

Mr. Rees told the Board that a time sensitive correspondence had come in. He read a letter from the State of Massachusetts Lottery Commission. A motion was made by Mr. Murphy not to oppose the KENO monitoring machine system. Mr. Espindola seconded. Vote was unanimous. (3-0) (Attachment A)

CABLE T.V. FRANCHISE RENEWAL

Mr. Rees told the Board that the Cable Advisory Committee along with Attorney Bill Solomon have been working with Comcast to create a non-exclusive franchise agreement. Mr. Murphy had some concerns regarding a senior discount. The Board discussed meeting with Comcast to further negotiations for the senior discount rate. Mr. Murphy made a motion to sign the franchise agreement with Comcast for July 16, 2019 until July 17, 2028. Mr. Espindola seconded. Vote was unanimous. (3-0)

TOWN BOARDS AND COMMITTEES

Mr. Rees explained to the Board that he is working to create charges for all of the Town boards and committees. Currently several residents have applied for various positions on Boards and Committees.

Mr. Murphy made a motion to appoint Kaisa Cripps to the Agricultural Committee. Mr. Espindola seconded. Vote was unanimous. (3-0)

Mr. Murphy made a motion to appoint Maria Carvalho and Kenneth Souza to the Cable Advisory Committee. Mr. Espindola seconded. Vote was unanimous. (3-0)

Mr. Murphy made a motion to appoint Kelly Smith to the Commission on Disability. Mr. Espindola seconded. Vote was unanimous. (3-0)

Mr. Murphy made a motion to appoint Carolyn Hurley as constable. Mr. Espindola seconded. Vote was unanimous. (3-0)

Mr. Murphy made a motion to appoint Howe Allen, Nancy Shanik, Maryann Krane, Genevva Woodruff, and Vanessa Gralton to the Dog Park Study Committee. Mr. Espindola seconded. Vote was unanimous. (3-0)

Mr. Murphy made a motion to appoint Todd Cox to the Fire Apparatus Committee. Mr. Espindola seconded. Vote was unanimous. (3-0)

Mr. Murphy made a motion to appoint Maria Carvalho to the Historical Commission. Mr. Espindola seconded. Vote was unanimous. (3-0)

Mr. Murphy made a motion to appoint Eileen Lowney as Registrar of Voters (D). Mr. Espindola seconded. Vote was unanimous. (3-0)

The Selectmen will meet at their next meeting with the applicants for Art Curator and the Sustainability Committee. Chairman Freitas feels that the Marine Resources Committee has too many members at the present time and he would like to discuss that in more detail at a later meeting. There are no vacancies on the Economic Development Committee and Conservation Committee.

COUNCIL ON AGING APPOINTMENTS

Chairman Freitas read a letter from Council on Aging (COA) Director, Anne Silvia regarding revamping the current COA board requesting to add three new members. Mr. Murphy made a motion to appoint Robert Ryan, Nancy Kleinowskis and reappoint Lee Allaire to the Council on Aging Board. Mr. Espindola seconded. Vote was unanimous. (3-0). Mr. Espindola made a motion to appoint Erin Murphy to the Council on Aging Board. Mr. Freitas seconded. Vote passed. (2-1-0). Mr. Murphy disclosed that Erin Murphy is his daughter, therefore he will abstain from voting.

SPECIAL ONE DAY LIQUOR LICENSE

Mr. Murphy made a motion to approve the request for a Special One day All Alcoholic Beverages License for the Annual Three Day Feast on September 1, 2, 3, 2018. Mr. Espindola seconded. Vote was unanimous. (3-0). Mr. Murphy disclosed that he is a member of the Our Lady of Angels Catholic Association but he does not receive and compensation from them.

ONE DAY YARD SALE—OXFORD SCHOOL

Mr. John Mederios from the North Fairhaven Improvement Association (NFIA) met with the Selectmen and is seeking permission to use the Oxford School gymnasium for an indoor yard sale in September. Mr. Murphy made a motion to allow NFIA to schedule an indoor yard sale at

the Oxford School on September 15, 2018 from 8am to 2pm. Mr. Espindola seconded. Vote was unanimous. (3-0)

PUBLIC HEALTH NURSING

Mr. Murphy made a motion to sign the contract for Public Health Nursing. Mr. Espindola seconded. Vote was unanimous. (3-0) (Attachment B)

BOND APPROVAL

Finance Director Wendy Graves and David Eisenthal from Unibank were in attendance to meet with the Selectmen and request approval of the Board for the long term borrowing for the Sewer Plant Improvements and the Fire truck. Mr. Eisenthal explained to the Board that before the Town can get a bond, they have to get a bond rating from a third party. Fairhaven received a double A plus (AA+) from Standard and Poor. Ms. Graves this was due to the strong financial team the town has. Mr. Murphy made a motion to sign the bond for the Sewer Plant Improvements and Fire Truck. Mr. Espindola seconded. Vote was unanimous. (3-0) (Attachments C&D)

PLANNING BOARD VACANCY

Planning and Economic Director Gloria McPherson and planning board members, Cathy Melanson, Bill Farrell, Wayne Hayward, Rene Fleurent, Geoff Howarth, Anne Richard, and Jeff Lucas met in a joint meeting with members of the Board of Selectmen. Mr. Rees explained that currently there is vacancy on the Planning Board due to the resignation of Nicholas Carrigg. As per MGL Ch. 41, Sec. 81A the Planning Board and the Board of Selectmen must appoint someone to fill the vacancy until the next election. The appointment is done at a joint meeting of both Boards, with each member having an equal vote. The Boards met with two applicants for the position, Marcus Ferro and John (Jay) Malaspino.

Mr. Ferro told the Boards that he is a lifelong resident of Fairhaven. He is a real estate broker and an attorney. He currently serves on the Commission on Disability and is eager to get involved.

Mr. Malaspino has lived in Fairhaven for 6 years and is an architectural designer, specializing in residential construction.

Chairman Freitas called for a vote from both Boards. By way of roll call vote there was a tie. Mr. Hayward for Mr. Malaspino, Mr. Farrell for Mr. Ferro, Mr. Fleurent for Mr. Malaspino, Ms. Melanson for Mr. Ferro, Mr. Howarth for Mr. Ferro, Ms. Richard for Mr. Ferro, Mr. Lucas for Mr. Malaspino, Selectman Murphy for Mr. Ferro, Selectman Espindola for Mr. Malaspino, Selectman Freitas for Mr. Malaspino. (5-5)

After a lengthy discussion a new vote was taken to break the tie.

Mr. Malaspino by roll call vote was appointed to the Planning Board to fill the vacancy of Nicholas Carrig. Mr. Hayward for Mr. Malaspino, Mr. Farrell for Mr. Ferro, Mr. Fleurent for Mr. Malaspino, Ms. Melanson for Mr. Ferro, Mr. Howarth for Mr. Ferro, Ms. Richard for Mr.

Malaspino, Mr. Lucas for Mr. Malaspino, Selectman Murphy for Mr. Ferro, Selectman Espindola for Mr. Malaspino, Selectman Freitas for Mr. Malaspino. (6-4)

EAGLE SCOUT PROJECT

Life Scout Alex Sylvaria presented the summary of his Eagle Scout project at Little Bay. Mr. Sylvaria showed the Selectmen his timeline with the plans and is looking for final approval. He would like to come back to meet with the Selectmen once the project is completed. Mr. Sylvaria told the Selectmen that he has a licensed contractor and his Dad helping him. The Board were all pleased to see that the project will begin soon. Mr. Freitas would like to see the BPW and the Police Department notified of the work that will be done. Mr. Murphy made a motion to provide final approval to Alex Sylvaria for his Eagle Scout project. Mr. Espindola seconded. Vote was unanimous. (3-0) (Attachment E)

VOLUNTEER/APPOINTEES HANDBOOK

Mr. Rees showed the Board a draft of the Volunteer handbook that Human Resources Director put together. He hopes to present the Selectman with the final version at the next meeting. The Board all agreed they would like to see all volunteers and appointees receive the handbook once completed. Discussion ensued on other items to add to the final copy.

HOPPY' S LANDING

Harbormaster Tim Cox was not available due to a family emergency so the Board did not discuss the signage issue. Selectman Freitas is upset because he feels some people are being harassed when they are parking at Hoppy's Landing to go for a walk or use the beach. All Selectmen agree that there needs to be some clarification in regards to the parking. They would like to get the input of the Police Department and the Marine Resources Committee. Residents Frank Coelho and JP Lemieux have concerns about the parking for the beach goers and feel a lot of the spaces are being taken up and feel signage is the most important thing to help solve some of the issues. Mr. Rees will work with the Harbormaster, Town Planner and the Police Department at finding a solution to the problem

REIMBURSEMENT FOR LEGAL COSTS

Mr. Rees explained to the Board that at their last meeting they had requested for Robert Hobson to put into writing his request for reimbursement for legal costs associated with the recent election. Town Counsel has advised that it is not legal for the town to pay for Mr. Hobson's legal costs. Mr. Rees provided a letter from the Town's insurance company stating that there is a \$1000 deductible on the Public Officials policy. Robert Hobson came before the Board to restate his case and ask for reimbursement. He feels since there were errors made on the Town's part that he should not have to pay the amount of the attorney's fees. Selectmen agreed they do not

wish to go against the advice of Town Counsel. Chairman Freitas feels that since there were errors made that the Selectmen should look at this issue as case by a case basis and doesn't want to see the Town incur any more costs associated with this. Mr. Hobson agreed he would be willing to split the bill with the Town. Mr. Murphy made a motion to settle at \$1000 pending advice of Town Counsel. Mr. Freitas seconded. Vote passed (2-1-0)

CORRESPONDENCE

- Mr. Rees read a letter of support from Fairhaven Outdoor Movie Night
- Mr. Rees read a letter from Lt. Governor Karen Polito supporting the Town's request for additional resources for security fencing at the Secure Dock Facility and additional berthing at Union Wharf
- Mr. Rees read a letter from the Fairhaven National Night Out Committee inviting all residents to come out on Tuesday, August 7, 2018 from 5pm to 8pm
- Mr. Rees also showed a 6 month report from Drew Furtado showing the progress of Cable Access from January 1, 2018 through June 19, 2018

OTHER BUSINESS

- Mr. Murphy told the Board he thought the Fourth of July parade and Cannon Firing ceremony at the Fort were both great. Tourism Director Chris Richard did a great job
- Mr. Espindola noted that it was nice to see Chairman Freitas and Town Hall Custodian Frank Fostin fire one of the cannons at Fort Phoenix at the Independence Day ceremony
- MR. Espindola updated the Board that CGI Video has been in Fairhaven recording press release videos
- Mr. Espindola reminded the Board that the second weekend in August the Coast Guard Band will perform at Town Hall when the Tall Ship Eagle arrives
- Mr. Espindola told the Board that the Board of Health has sent out a mailing regarding recycling and what items can go in the bin
- Mr. Murphy reminded residents about the Thursday night concerts at Town Hall and the NFIA car show scheduled for Sunday, July 23, 2018 at Livesey Park.

At 9:26 p.m. Chairman Freitas announced that the Board would enter into executive session and not to reconvene in open session pursuant to MGL ch.30A section 21(6):

- Collective Bargaining: Clerical Union (Job Descriptions and Internal Equity Study, Acting Town Clerk)
- Abatement of Ambulance services receivables

Mr. Murphy made a motion to enter into executive session. Mr. Espindola seconded. Vote was unanimous. (3-0) Roll Call vote: Mr. Murphy in favor. Mr. Espindola in favor. Mr. Freitas in favor.

Respectfully Submitted,

Vicki L. Paquette

Vicki Paquette
Administrative Assistant
(Minutes approved 9/10/2018)

Documents appended:

A: Massachusetts State Lottery Commission

B: Contract for Public Health Nursing

C: S&P Global Rating

D: Vote of the Board of Selectmen-

E: Eagle Scout Project Summary



DEBORAH B. GOLDBERG
Treasurer and Receiver General

MICHAEL R. SWEENEY
Executive Director

July 10, 2018

Fairhaven Board of Selectmen
40 Center Street
Fairhaven, MA 02719

2018 JUL 13 A 10: 23

Dear Sir/Madam:

The Massachusetts State Lottery is offering a KENO monitor to existing KENO To Go agent/s in your city/town, to display the game at their location. In accordance with M.G.L. c 10, section 27A, as amended, you are hereby notified of the Lottery's intent to install a monitor at the following location/s in your community:

Seabreeze Mini Mart
235 Main Street
Fairhaven

If you object to these agent(s) receiving a monitor, you must do so, in writing, within twenty-one (21) days of receipt of this letter. Please address your written objection to Carol-Ann Fraser, General Counsel, Legal Department, Massachusetts State Lottery Commission, 60 Columbian Street, Braintree, MA 02184. Should you have any questions regarding this program or any other issues relative to the Lottery, please call me at 781-849-5555. I look forward to working with you as the Lottery continues its' efforts to support the 351 cities and towns of the Commonwealth.

Sincerely,

Michael R. Sweeney
Executive Director

7001 2510 0004 1227 2297



Contract for Public Health Nursing

Agreement made this 1st day of July, 2018 by and between the Board of Health, Town of Fairhaven, located in Bristol County, Commonwealth of Massachusetts and Community Nurse Home Care, Inc., (CNHC) a Massachusetts Corporation, for services provided for the period of July 1, 2018 to June 30, 2019 for the sum of Seventeen Thousand Dollars (\$17,000.00) payable in twelve (12) equal monthly installments of One Thousand Four Hundred Sixteen Dollars and Sixty-Seven Cents (\$1,416.67).

These services will be under the direct supervision of the Board of Health.

Community Nurse Home Care, Inc. will provide the following services:

Emergency Planning & Preparedness (EP)

1. Assist the Board of Health in planning and plan review of State mandated medical emergency responses, including but not limited to, emergency dispensing site planning and operation, special needs population, immunization clinics and medical disaster response.
2. Assist the Board of Health in response to and operation of emergency plans and operations. In disaster response situations where full participation in the response is not feasible, CNHC will act as consultant to the Board of Health and liaison to the medical community as the need and opportunity allows and requires.
3. The lead public health nurse will be a member of the Greater New Bedford Medical Reserve Corps so as to better interact with the Board of Health in the above.

Communicable Disease

1. Investigation and follow-up of communicable diseases in compliance with State and Federal mandates.
2. Assist the Board of Health in investigating food borne illnesses.

Clinics

1. One hour blood pressure clinic to be provided weekly at the Council on Aging.
2. Blood pressure clinics to be provided monthly at McGann Terrace, Oxford Terrace and Dana Court.

Education

1. Will offer quarterly education sessions.
2. Assist the Board of Health in public health education as the need may arise based on medical events in the community.
3. Will offer quarterly health counselling sessions to encourage different age groups at the COA, Library, McGann Terrace, Oxford Terrace, Dana Court, etc. These sessions will be advertised and open to all town residents. Sessions will be facilitated by professional staff at CNHC. The cost of needed supplies, resource materials, and food will be provided by CNHC.

4. Will, at the request of the Board of Health, participate or provide educational materials at town engagement events, for example; Employee Health Fair, National Night Out, Homecoming Fair.
5. Will survey each site yearly for professional education requests. Offer education in areas of Memory Loss, Safety, Fall Prevention, etc.

Reports

1. Provide monthly reports of all activities within the Town indicating, dates, times, location and number of residents served.
2. Provide copies of all communicable disease investigation reports performed by the public health nurse.

Insurance/Liability

1. CNHC will provide all insurances and travel allowances for its personnel engaged in these contract services.
2. CNHC agrees to indemnify the Town of Fairhaven from any liability arising out of this contract.

The TOWN OF FAIRHAVEN acting through the BOARD OF HEALTH will provide vaccines, materials necessary for diagnostic procedure and such supplies that become necessary for the performances of those contract services.


The BOARD OF HEALTH will request the BOARD OF SELECTMEN that suitable space in a public building is granted to the contractor as long as this contract is in effect. Either party may terminate this contract for reasonable cause after sixty (60) days written notice.

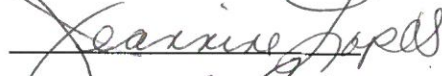
COMMUNITY NURSE HOME CARE




 Lisa K. Parent, President/CEO

BOARD OF HEALTH







BOARD OF SELECTMEN

BOARD OF HEALTH

JUN 26 2018

FAIRHAVEN

RatingsDirect®

Summary:

Fairhaven, Massachusetts; General Obligation

Primary Credit Analyst:

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

Secondary Contact:

Anthony Polanco, Boston + 1 (617) 530 8234; anthony.polanco@spglobal.com

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Rationale

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Related Research

Summary:

Fairhaven, Massachusetts; General Obligation

Credit Profile

US\$8.425 mil GO mun purp loan bnds ser 2018 due 01/15/2039

Long Term Rating

AA+/Stable

New

Rationale

S&P Global Ratings assigned its 'AA+' long-term rating to Fairhaven, Mass.' 2018 general obligation (GO) municipal purpose bonds. The outlook is stable.

The town's full faith and credit pledge, subject to the limits of Proposition 2-1/2, secures the bonds. We rate the limited-tax GO debt based on the application of our "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" criteria (published Jan. 22, 2018, on RatingsDirect). Due to the town's operating flexibility under the Proposition 2-1/2 limits, we have not made a rating distinction between the limited and unlimited nature of pledges.

We understand that management intends to use the bond proceeds for a rehabilitation project at the town's wastewater plant and for acquisition of a fire truck.

The long-term rating reflects our assessment of the following factors for the town, specifically its:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with "good" financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2017;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2017 of 26% of operating expenditures;
- Very strong liquidity, with total government available cash at 37.9% of total governmental fund expenditures and 7.2x governmental debt service, and access to external liquidity we consider strong;
- Strong debt and contingent liability position, with debt service carrying charges at 5.3% of expenditures and net direct debt that is 32.0% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value, but significant medium-term debt plans; and
- Strong institutional framework score.

Strong economy

We consider Fairhaven's economy strong. The town, with an estimated population of 15,905, is in Bristol County, immediately east of New Bedford. It is in the Providence-Warwick MSA, which we consider to be broad and diverse. The town has a projected per capita effective buying income of 103.8% of the national level and per capita market value of \$128,709. Overall, market value grew by 3.9% over the past year to \$2.0 billion in 2018. The county

unemployment rate was 4.7% in 2017.

Fairhaven and its immediate neighbor New Bedford share a harbor, which has historically led to intertwined economies. Fairhaven generally has provided support services in the way of ship repair to the fishing fleet stationed on the New Bedford side of the harbor. As the Vineyard Wind project progresses, Fairhaven looks to continue that tradition by continuing to offer support services as wind turbine construction begins at the facility in New Bedford. However, management is also focused on developing its independent economy and has recently worked to develop its commercial and retail base. A primarily residential community, many residents commute to Providence and the broader MSA, but Fairhaven is also home to a growing health care industry, as well as being the world headquarters for Titleist, the golf equipment manufacturer. Management anticipates that a new shipbuilding facility, along with the public safety marina on the town-owned wharf will expand marine-related activity, particularly as it looks to redevelop parts of the town-owned parcel.

The town is well integrated into the broader economy, which we believe provides stability. Expansion into new sectors such as health care and energy should help to further stabilize the economy. We expect that management will continue to identify areas in which it can facilitate economic growth. Consequently, we expect the town's economy to remain strong throughout the outlook period.

Strong management

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

Management undertakes a number of long-term planning exercises outside the scope of our FMA methodology, but which are important as they factor into budgetary decision-making and financial planning in the shorter term. The town's recently adopted master plan is in its second iteration and guides planning through 2040. Management also recognizes that the town may be susceptible to climate change, particularly through sea-level rise, and worked with an outside consultant to develop a hazard mitigation plan.

Strengths of the town's financial policies within the FMA include strong revenue and expenditure assumptions in the budgeting process. Management has worked to reduce annual budgetary variances, and consequently, has eliminated the use of reserve appropriations in the budget. Management formally reports quarterly to the board and town manager on budget-to-actual performance. The town's long-term financial plan includes five years of revenue projections, but lacks formal five-year projections for expenditures, which management conducts periodically. The capital investment plan (CIP) is updated annually and includes projects and revenue sources for five years. The CIP development includes weighted criteria resulting in a score, which management uses to prioritize projects. The CIP development process also includes debt service and maturity guidelines, which is in addition to the town's debt policy that outlines types of debt that may be issued and authorization procedures. The formal investment policy outlines caretaking and reporting requirements, in addition to formally adopting state limitations on debt; reporting on investments is done quarterly. The town's reserve policy requires that it maintain a balance of 3%-5% free cash, as defined by state law, as well as a stabilization reserve of 5%-7% of general fund expenditures.

Strong budgetary performance

Fairhaven's budgetary performance is strong, in our opinion. The town had operating surpluses of 3.1% of expenditures in the general fund and 3.4% across all governmental funds in fiscal 2017.

For analytical consistency, we adjusted budgetary performance to account for recurring transfers into and out of the general fund. The town has posted strong budgetary performance in each of the last three fiscal years. Management carefully monitors in-year revenues and expenditures against the budget. Over the past three years, the town has generally had positive revenue variances in smaller revenue areas such as excise taxes and licenses and permits, and positive expenditure variances in employee benefits and other departmental turnbacks. Conservative budgeting and management's work to actively reduce end-of-year budgetary variances have resulted in small positive variances across many revenue and expenditure categories, aggregately generating in positive overall results. In fiscal 2017, property taxes accounted for approximately 55% of general fund revenue, followed by intergovernmental at 33%.

In fiscal 2018, management expects similar results to fiscal 2017. The fiscal 2019 budget is an approximately 3% increase to \$47.4 million before transfers to reserves and primarily reflects expenditure increases for education and public safety. Given management's focus on conservative budgeting and demonstrated strong budgetary performance, along with expectations for year-end fiscal 2018 results, we expect that Fairhaven's performance will remain strong throughout the outlook period.

Very strong budgetary flexibility

Fairhaven's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2017 of 26% of operating expenditures, or \$12.8 million.

We expect budgetary flexibility to remain very strong. The town has maintained an available fund balance above 20% in each of the past three fiscal years, and given our expectation for budgetary performance, we expect it will continue to do so. We note that the town's available fund balance does not include committed reserves that could be made available through a vote at town meeting, should circumstances warrant.

Very strong liquidity

In our opinion, Fairhaven's liquidity is very strong, with total government available cash at 37.9% of total governmental fund expenditures and 7.2x governmental debt service in 2017. In our view, the town has strong access to external liquidity if necessary.

Fairhaven has maintained very strong cash balances over the past three fiscal years, and its liquidity profile is expected to remain very strong as there is no expectation of any significant deterioration of cash balances. The town also maintains strong access to external liquidity by frequently issuing debt for any capital project needs. In addition, we note it is not aggressive with its use of investments. It does not currently have any variable-rate or direct-purchase debt, reducing its exposure to any contingent liquidity risks.

Strong debt and contingent liability profile

In our view, Fairhaven's debt and contingent liability profile is strong. Total governmental fund debt service is 5.3% of total governmental fund expenditures, and net direct debt is 32.0% of total governmental fund revenue. Overall net debt is low at 0.9% of market value, which is, in our view, a positive credit factor. Negatively affecting our view of the

town's debt profile is its significant medium-term debt plans.

In accordance with the CIP, the town anticipates issuing approximately \$22.6 million in fiscal 2021, of which \$20.5 million is for a new public safety complex. The town also expects to construct a new school administration building and undertake work on the high school's façade; however, those projects are outside of the five-year CIP and the town has yet to determine project scope and funding schedules. As it undertakes these large capital projects, we expect the debt ratios to grow. However, we also expect that management will work to incorporate rising carrying charges into the annual operating budget, as well as structuring the issuances to minimize longer term effects on the town's flexibility to undertake any other necessary capital projects and the effects on taxpayers. We do not anticipate the future debt issuances, as we currently understand them, to have a material effect on our view of the town's overall creditworthiness.

Fairhaven's combined required pension and actual other postemployment benefit (OPEB) contributions totaled 7.6% of total governmental fund expenditures in 2017. Of that amount, 5.2% represented required contributions to pension obligations, and 2.4% represented OPEB payments. The town made 102% of its annual required pension contribution in 2017.

The town participates in the Fairhaven Contributory Retirement System, a multiple-employer pension plan consisting of the town and the Fairhaven Housing Authority. Substantially all town employees participate in the plan, except for those school department employees eligible to participate in the state-administered teachers' retirement plan, for which the town has no liability. Fairhaven has contributed at least its actuarially determined contribution in each of the last three fiscal years and we expect this will continue. The system uses a 7.5% discount rate, which we consider average. The system is 71% funded and has adopted a closed amortization schedule with an expectation of achieving full funding in 2031. The town's proportionate share of the net pension liability is \$21.5 million, as of June 30, 2017.

Fairhaven offers OPEBs in the form of health care and life insurance to eligible retirees and their dependents. In 2011, the town established an irrevocable trust fund, in order to pre-fund OPEBs. The trust currently has an asset value of approximately \$347,000 and the town has a net OPEB liability of \$33.2 million, measured using a 6.25% discount rate. The trust is approximately 1% funded. The town recently adopted a trust funding policy, under which it anticipates contributing \$200,000 in fiscal 2019, with \$50,000 annual increases. Once the pension plan is fully funded, the town will redirect funding toward the OPEB trust. While we do not expect its OPEB contributions prior to the pension plan attaining full funding to have a material effect on the liability, we also do not expect the town's retirement carrying costs to present a budgetary pressure at this time.

Strong institutional framework

The institutional framework score for Massachusetts municipalities is strong.

Outlook

The stable outlook reflects our view that management will continue to focus on long-term financial balance, while incorporating future debt issuances into the annual budget and long-term financial projections. Additional stability is provided by the town's very strong budgetary flexibility and liquidity. Consequently, we do not expect to change the

rating over the two year outlook period.

Downside scenario

If increased fixed-cost carrying charges, resulting from future debt issuances or pension/OPEB costs, pressure the town's operating budget we could lower the rating.

Upside scenario

Should the town's underlying economic indicators grow to levels we consider commensurate with higher rated peers, we could raise the rating.

Related Research

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

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VOTE OF THE BOARD OF SELECTMEN

I, the Clerk of the Board of Selectmen of the Town of Fairhaven, Massachusetts (the “Town”), certify that at a meeting of the board held July 16, 2018, of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: that the maximum useful life of the departmental equipment listed below to be financed with the proceeds of the \$925,000 borrowing authorized by the vote of the Town passed May 6, 2017 (Article 24, item J) is hereby determined pursuant to G.L. c.44, §7(1) to be as follows:

<u>Purpose</u>	<u>Amount of Proceeds</u>	<u>Maximum Useful Life</u>
Fire, Ladder Truck	\$925,000	11 Years

Further Voted: that the sale of the \$8,290,000 General Obligation Municipal Purpose Loan of 2018 Bonds of the Town dated July 25, 2018 (the “Bonds”), to FTN Financial Capital Markets at the price of \$8,496,022.74 and accrued interest, if any, is hereby approved and confirmed. The Bonds shall be payable on January 15 of the years and in the principal amounts and bear interest at the respective rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2020	\$350,000	3.00%	2030	\$370,000	3.00%
2021	360,000	3.00	2031	385,000	3.00
2022	370,000	5.00	2032	395,000	3.25
2023	380,000	3.00	2033	410,000	3.25
2024	390,000	5.00	2034	420,000	3.25
2025	405,000	5.00	2035	435,000	3.25
2026	420,000	3.00	2036	450,000	3.50
2027	425,000	3.00	2037	465,000	3.50
2028	435,000	3.00	2038	480,000	3.50
2029	445,000	3.00	2039	500,000	3.50

Further Voted: that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated July 3, 2018, and a final Official Statement dated July 11, 2018 (the “Official Statement”), each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Bonds shall be subject to redemption, at the option of the Town, upon such terms and conditions as are set forth in the Official Statement.

Further Voted: that the Town Treasurer and the Board of Selectmen be, and hereby are, authorized to execute and deliver a continuing disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the Town, which undertaking shall be incorporated by reference in the Bonds for the benefit of the holders of the Bonds from time to time.

Further Voted: that we authorize and direct the Town Treasurer to review and update the Town's post issuance federal tax compliance procedures, in consultation with bond counsel, in order to monitor and maintain the tax-exempt status of the Bonds.

Further Voted: that each member of the Board of Selectmen, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: July 16, 2018

Clerk of the Board of Selectmen

AM 69522535.1

Eagle Scout Project Summary

Target Dates: July 27, 2018 – August 11, 2018

Phase 1:

- Clear the overgrowth in front of the building.
- Remove any overgrowth or debris from inside the building for easy access.
- Have the roof taken down by a certified contractor and the remnants moved.

Phase 2:

- Clear around the sides and back of the building. (5 Ft. in width for the pathway.)
- Objects that need to be removed will be removed accordingly.
- Mow and weed whack the front of the building and the sides of the building.

Phase 3

- Put stones for flooring inside of the building.
- Place Picnic Tables, Benches, and Bike Rack in the surrounding area.