

AGENDA

Monday

November 16, 2015

TOWN OF EASTHAM
AGENDA
BOARD OF SELECTMEN
Monday, November 16, 2015
5:00 p.m.

Location: Earle Mountain Room

I. PUBLIC/SELECTMEN INFORMATION

II. APPOINTMENTS

5:05 p.m. FY14-15 Annual Town Audit-Dan Sullivan, CPA & Principal, Clifton, Larson, Allen LLP to present results of town audit including financial statements, management letter, and GAO Report.

5:20 p.m. Presentation & Continued Discussion of LIP Proposal- Stratford Capital Group for Governor Prence Residences (former T-Time Property) 4790 State Highway, may take a vote regarding the proposal.

6:00 p.m. Municipal Water Update – Mark White & Ryan Trahan, Environmental Partners to present monthly update on the progress of construction of the municipal water system.

(Note: Other than public hearings, all times are approximate and items may be taken out of order.)

III. ADMINISTRATIVE MATTERS

A. Action/Discussion

1. TriTown- Extension of Intermunicipal Agreement/Decommissioning, requires vote
2. Transient Vendor Permits for Turnip Festival, requires vote:
 A. Eastham Historical Society, 25 Schoolhouse Road
3. Committee Appointments, requires vote:
 A. Karen Boucher for Old Town Center Historic District

IV. OTHER BUSINESS

V. TOWN ADMINISTRATOR'S REPORT

Upcoming Meetings

November 17	3:00 p.m. (Tuesday)	Earle Mountain Room	Joint Meeting with School Committees: Nauset Regional & Elementary, FY17 Budget
November 18	3:00 p.m.	Timothy Smith Room	Work Session
December 7	5:00 p.m.	Earle Mountain Room	Regular Meeting
December 9	3:00p.m.	Timothy Smith Room	Work Session

The listing of matters includes those reasonable anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

This meeting will be video recorded and broadcast over Local Access Channel 18 and through the Town website at www.eastham-ma.gov.

II. 5:05

TOWN OF EASTHAM, MASSACHUSETTS
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

**TOWN OF EASTHAM, MASSACHUSETTS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2015**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES	14
GOVERNMENTAL FUNDS – BALANCE SHEET	15
GOVERNMENTAL FUNDS – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION	19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	20
FIDUCIARY FUNDS – STATEMENT OF FIDUCIARY NET POSITION	21
FIDUCIARY FUNDS – STATEMENT OF CHANGES FIDUCIARY NET POSITION	22
NOTES TO BASIC FINANCIAL STATEMENTS	23
REQUIRED SUPPLEMENTARY INFORMATION	
GENERAL FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	57
COMMUNITY PRESERVATION FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	59
PENSION PLAN SCHEDULES	
SCHEDULE OF FUNDING PROGRESS (SYSTEM)	61
SCHEDULE OF EMPLOYER CONTRIBUTION (SYSTEM)	61
TOWN SHARE OF SYSTEM ARC	61
OTHER POSTEMPLOYMENT BENEFITS SCHEDULE	62
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	63



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Honorable Board of Selectmen
Town of Eastham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Eastham, Massachusetts, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Eastham, Massachusetts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 an opinion 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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness 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 opinion.



An independent member of Nexia International

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Eastham, Massachusetts, as of June 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2015, the Town adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions. As a result of the implementation of GASB Statement No. 68, the Town reported a restatement for the change in accounting principle (see Note 20). Our auditors' opinion was not modified with respect to the restatement.

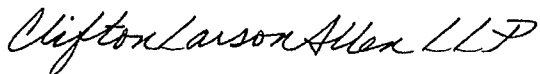
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 3 through 12) and general fund and community preservation fund budgetary comparisons and certain pension and other postemployment benefits information (located on pages 57 through 63) 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 sufficient evidence 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 October 9, 2015 on our consideration of the Town of Eastham, Massachusetts' 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 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 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 the Town of Eastham, Massachusetts' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lexington, Massachusetts
October 9, 2015

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

As management of the Town of Eastham, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2015.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,968,803 (net position). The Town had an unrestricted deficit at the end of the current fiscal year totaling \$41,730,246.
- The Town's total net position increased \$744,012.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$1,458,084, or 6.1% of total fiscal year 2015 general fund revenues and other financing sources of \$23,775,645.
- The Town's total bonded debt outstanding was \$12,107,200 at June 30, 2015. The Town's total bonded debt increased by \$3,429,599 during the fiscal year. The Town issued \$4,500,000 of long-term debt in fiscal year 2015.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

The **statement of net position** presents information on all of the Town's non-fiduciary assets, liabilities and deferred inflows/outflows 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 of the Town is improving or deteriorating.

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

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

The government-wide financial statements present functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, community development and debt service (interest).

The government-wide financial statements can be found on pages 13-14 of this report.

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. 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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 209 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, community preservation (special revenue), municipal water supply (capital project) and library building (capital project) funds, each of which are considered to be major funds. Data from the other 205 governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*.

The basic governmental funds financial statements can be found on pages 15-20 of this report.

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 programs. The accounting used for fiduciary funds is similar to that used for the government-wide financial statements.

The fiduciary funds provide separate information for private-purpose trust funds and agency funds, and are combined into a single, aggregate presentation in the fiduciary fund financial statements under the captions "private purpose trust funds" and "agency funds", respectively.

The basic fiduciary funds financial statements can be found on pages 21-22 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 23-56.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the budget comparison for the general fund and community preservation fund and certain pension and other postemployment benefits information, which can be found on pages 57-63 of this report.

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables present current and prior year data on the government-wide financial statements.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,968,803 at the close of the fiscal year and are summarized as follows:

	2015	2014
Assets		
Current Assets	\$ 34,747,500	\$ 13,361,174
Noncurrent Assets (Excluding Capital Assets)	58,928	58,928
Capital Assets (Net)	39,633,291	34,201,347
Total Assets	<u>74,439,719</u>	<u>47,621,449</u>
Deferred Outflows of Resources	<u>24,425</u>	<u>-</u>
Liabilities		
Current Liabilities (Excluding Debt)	23,203,571	1,625,721
Noncurrent Liabilities (Excluding Debt)	24,184,569	8,952,136
Current Debt	1,300,401	1,070,400
Noncurrent Debt	10,806,800	7,607,201
Total Liabilities	<u>59,495,341</u>	<u>19,255,458</u>
Net Position		
Invested in Capital Assets (Net of Related Debt)	50,083,941	26,802,405
Restricted	6,615,108	6,735,098
Unrestricted	(41,730,246)	(5,171,512)
Total Net Position	<u>\$ 14,968,803</u>	<u>\$ 28,365,991</u>

The largest portion of the Town's net position (334.6% of total net position or \$50,083,941) reflects its investment in capital assets (e.g., land, land improvements, buildings and improvements, machinery, vehicles and equipment, infrastructure and construction in progress); less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its 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 the Town's net position (44.2% of total net position or \$6,615,108) represents resources that are subject to external restrictions on how they may be used.

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

The Town has no unrestricted net position available for the support of governmental activities. Such resources have been consumed with the recognition of net pension and other postretirement benefit liabilities.

Changes in Net Position

The following table summarizes the Town's changes in net position for the fiscal years ended June 30, 2015 and 2014:

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

	<i>Governmental Activities</i>	
	<u>2015</u>	<u>2014</u>
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 3,550,950	\$ 3,005,397
Operating Grants and Contributions	1,353,400	1,649,890
Capital Grants and Contributions	926,803	1,230,966
<i>General Revenues:</i>		
Real Estate, Personal Property Taxes and Tax Liens	18,819,459	18,511,349
Motor Vehicle and Other Excise Taxes	772,411	787,163
Hotel/Motel Taxes	288,092	279,259
Penalties and Interest on Taxes	91,157	83,253
Payments in Lieu of Taxes	7,349	7,865
Community Preservation Surcharges	556,688	546,878
Grants and Contributions not Restricted to Specific Programs	132,569	128,992
Unrestricted Investment Income	4,458	7,644
Premium from Issuance of Bonds and Notes	348,462	-
Total Revenues	<u>26,851,799</u>	<u>26,238,656</u>
Expenses		
General Government	5,188,353	4,935,232
Public Safety	5,868,575	6,167,277
Education	10,476,034	10,489,103
Public Works	2,135,633	2,183,346
Health and Human Services	962,342	940,251
Culture and Recreation	1,181,136	967,053
Community Development	35,229	59,503
Other	26,597	-
Debt Service - Interest	233,888	329,121
Total Expenses	<u>26,107,787</u>	<u>26,070,886</u>
Change in Net Position	744,012	167,770
Net Position - Beginning of Year (as Restated)	<u>14,224,791</u>	<u>28,198,221</u>
Net Position - End of Year	<u>\$ 14,968,803</u>	<u>\$ 28,365,991</u>

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Governmental activities increased the Town's net position by \$744,012. In the prior year, governmental activities increased the Town's net position by \$167,770. Net position at beginning of fiscal year ended June 30, 2015 was restated for cumulative effect of the application of GASB 68, net pension liability.

FUND FINANCIAL STATEMENT ANALYSIS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$10,920,605, a decrease of \$504,347 in comparison with the prior year. Unassigned fund balance has a deficit of \$1,706,730 at June 30, 2015. The remainder of fund balance at June 30, 2015 includes the following constraints:

- Nonspendable (\$254,338)
- Restricted (\$10,329,366)
- Committed (\$2,022,475)
- Assigned (\$21,157)

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$1,458,084, while total fund balance was \$3,506,720. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund revenues and other financing sources. Unassigned fund balance represents 6.1% of total general fund revenues and other financing sources, while total fund balance represents 14.7% of that total.

The fund balance of the general fund increased \$182,705 during the current fiscal year. The Town recognized an approximate \$1,058,000 budgetary surplus (budget vs. actual activity) and approximately \$2,325,000 of reserves were utilized during fiscal year 2014.

Financial highlights of the Town's other major governmental funds are as follows:

The fund balance of the community preservation fund (special revenue) decreased \$341,386 during the current fiscal year. The fund recognized \$557,833 in surcharges, \$230,578 in intergovernmental revenues and \$3,813 in investment income. Expenditures of \$709,610 were incurred during the fiscal year. The fund transferred \$424,000 to the affordable housing trust fund.

The fund balance of the municipal water supply fund (capital project) decreased \$1,667,567 during the current fiscal year. Expenditures of \$1,667,567 were incurred during the fiscal year.

The fund balance of the library building fund (capital project) increased \$2,955,912 during the current fiscal year. The fund received \$4,500,000 of bond proceeds, \$866,385 of intergovernmental revenues and \$4,996 in investment income. Expenditures of \$2,415,469 were incurred during the fiscal year.

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

General Fund Budgetary Highlights

The original general fund budget of \$25,327,858 was increased by \$135,000 (.5%) during the fiscal year. The following table summarizes the increase:

Purpose of Increase	Amount	Funding Source
Wells	\$ 75,000	Unassigned Fund Balance
Snow and Ice	35,000	Unassigned Fund Balance
Legal Expenditures	25,000	Unassigned Fund Balance
Total Increase	<u>\$ 135,000</u>	

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities at the end of the fiscal year totaled \$39,633,291 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery, vehicles and equipment, infrastructure and construction in progress. The total increase in the investment in capital assets for the current fiscal year totaled 15.9%.

Major capital asset events that occurred during the current fiscal year include the following:

- Library building construction in progress (\$2,466,000)
- Municipal water supply construction in progress (\$1,730,000)
- Land (\$1,462,000)
- Harbor Dredge Infrastructure (\$520,000)
- Affordable housing buildings and improvements (\$360,000)

The following table summarizes the Town's capital assets (net of accumulated depreciation):

	Governmental Activities	
	2015	2014
Land	\$ 11,111,962	\$ 9,649,612
Construction in Progress	8,096,454	3,918,981
Buildings and Improvements	14,950,757	15,129,150
Machinery, Vehicles and Equipment	1,708,138	1,988,303
Infrastructure	3,765,980	3,515,301
Total Capital Assets	<u>\$ 39,633,291</u>	<u>\$ 34,201,347</u>

Additional information on the Town's capital assets can be found in Note 5 on page 37 of this report.

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$12,107,200, which is backed by the full faith and credit of the Town, and is summarized as follows:

	<i>Governmental Activities</i>	
	2015	2014
General Obligation Bonds	\$ 11,935,000	\$ 8,485,000
MWPAT Notes	172,200	192,601
Total Bonds and Notes	<u>\$ 12,107,200</u>	<u>\$ 8,677,601</u>

During the current fiscal year, the Town issued \$4,500,000 and retired \$1,070,401 of long-term debt.

Additional information on the Town's long-term debt can be found in Note 9 on pages 40-41 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2015 general fund operating budget was prepared with full awareness that an operating override would be needed in fiscal year 2016. In accordance with our five-year projections, it was the year when the use of fund balance reserves would be imprudent to balance the budget. We needed to increase the tax base.

The salary settlements were in place at 2.5%. These reflect the second year of three-year contracts, and these sums were calculated into the fiscal year 2016 override request of \$850,000.

The override was successful and we now focus on the management of the debt impact of the municipal water projects. The total town wide project was approved at \$130M. We are borrowing from the State Revolving Loan Fund (SRF) at 2% and expect to enjoy principal forgiveness of 3%+/- as a qualifying Environmental Justice Community. We are still negotiating 30-year loan terms that will help mitigate the tax impact. However, the project is still expected to increase the average tax bill by 30% in the single highest year, 2027. Furthermore, this project will have a dampening effect of our AAA bond rating as the outstanding balance of long-term debt increases. Management of this debt and the tolerance for future borrowings and expenditures will require careful consideration of any new spending initiatives for long or short-term projects or acquisitions. Our five-year capital plan recognizes this major capital draw and other projects are being planned accordingly.

As the fiscal year 2016 general fund operating budget was prepared, careful attention was paid to the towns need to not only complete the major capital project to install water, but to also engage in waste water planning which may also result in significant expenditures in the near and distant future. Over the next several years, expenditures for salaries, staffing additions, equipment and supplies will reflect the limitations imposed by the capital debt repayments.

**TOWN OF EASTHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 2500 State Highway, Eastham, Massachusetts 02642.

TOWN OF EASTHAM, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government
	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 5,342,239
Restricted Cash and Cash Equivalents	28,413,963
Receivables, Net of Allowance for Uncollectible Amounts:	
Real Estate and Personal Property Taxes	328,915
Tax, Trash and Utility Liens	151,435
Motor Vehicle and Other Excise Taxes	81,595
Community Preservation Surcharges	7,793
Department and Other	303,890
Loans	117,670
Total Current Assets	<u>34,747,500</u>
Noncurrent Assets:	
Tax Foreclosures	58,928
Capital Assets not being Depreciated	19,208,416
Capital Assets, Net of Accumulated Depreciation	<u>20,424,875</u>
Total Noncurrent Assets	<u>39,692,219</u>
Total Assets	<u><u>\$ 74,439,719</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources Related to Pension	\$ 24,425
Total Deferred Outflows of Resources	<u><u>\$ 24,425</u></u>
LIABILITIES	
Current Liabilities:	
Warrants Payable	\$ 798,134
Accrued Payroll	657,648
Other Liabilities	134,986
Pollution Remediation	200,000
Capital Lease Obligations	98,491
Compensated Absences	201,812
Short-Term Notes Payable	21,112,500
Long-Term Bonds and Notes Payable	<u>1,300,400</u>
Total Current Liabilities	<u>24,503,971</u>
Noncurrent Liabilities:	
Pollution Remediation	50,000
Capital Lease Obligations	202,906
Compensated Absences	143,672
Net OPEB Obligation	9,525,974
Net Pension Liability	14,262,018
Long-Term Bonds and Notes Payable	<u>10,806,800</u>
Total Noncurrent Liabilities	<u>34,991,370</u>
Total Liabilities	<u><u>\$ 59,495,341</u></u>
NET POSITION	
Net Investment in Capital Assets	\$ 50,083,941
Restricted for:	
OPEB	5,005
Community Preservation	2,598,185
Loans	117,670
Permanent Funds:	
Expendable	129,530
Nonexpendable	136,668
Other Specific Purposes	3,628,050
Unrestricted	<u>(41,730,246)</u>
Total Net Position	<u><u>\$ 14,968,803</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF EASTHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 5,188,353	\$ 1,096,694	\$ 250,556	\$ -	\$ (3,841,103)
Public Safety	5,868,575	1,091,606	50,310	-	(4,726,659)
Education	10,476,034	33,497	876,998	3,646	(9,561,893)
Public Works	2,135,633	781,515	6,183	56,772	(1,291,163)
Health and Human Services	962,342	129,297	62,861	-	(770,184)
Culture and Recreation	1,181,136	418,341	76,022	866,385	179,612
Community Development	35,229	-	30,470	-	(4,759)
Other	26,597	-	-	-	(26,597)
Debt Service-Interest	233,888	-	-	-	(233,888)
Total Governmental Activities	<u>26,107,787</u>	<u>3,550,950</u>	<u>1,353,400</u>	<u>926,803</u>	<u>(20,276,634)</u>
General Revenues:					
Real Estate and Personal Property Taxes					18,819,459
Motor Vehicle and Other Excise Taxes					772,411
Hotel/Motel Taxes					288,092
Penalties and Interest on Taxes					91,157
Payments in Lieu of Taxes					7,349
Community Preservation Surcharges					556,688
Grants and Contributions not Restricted to Specific Programs					132,570
Unrestricted Investment Income					4,458
Premium from Issuance of Short-Term Debt					<u>348,462</u>
Total General Revenues and Transfers					<u>21,020,646</u>
CHANGE IN NET POSITION					<u>744,012</u>
Net Position - Beginning of Year (as restated)					<u>14,224,791</u>
NET POSITION - END OF YEAR					<u><u>\$ 14,968,803</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF EASTHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	General	Community Preservation	Municipal Water Supply
ASSETS			
Cash and Cash Equivalents	\$ 4,837,761	\$ -	\$ -
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes	328,915	-	-
Tax and Trash Liens	151,435	-	-
Motor Vehicle and Other Excise taxes	81,595	-	-
Community Preservation Surcharges	-	7,793	-
Departmental and Other	8,042	-	-
Loans	-	-	-
Tax Foreclosures	58,928	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	2,590,392	18,015,222
Total Assets	<u>\$ 5,466,676</u>	<u>\$ 2,598,185</u>	<u>\$ 18,015,222</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Warrants Payable	\$ 288,407	\$ -	\$ 182,114
Accrued Payroll	657,648	-	-
Other Liabilities	134,986	-	-
Pollution Remediation Liability	250,000	-	-
Short-Term Notes Payable	-	-	19,375,000
Total Liabilities	<u>1,331,041</u>	<u>-</u>	<u>19,557,114</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	<u>628,915</u>	<u>7,793</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	5,004	2,590,392	-
Committed	2,022,475	-	-
Assigned	21,157	-	-
Unassigned	<u>1,458,084</u>	<u>-</u>	<u>(1,541,892)</u>
Total Fund Balances	<u>3,506,720</u>	<u>2,590,392</u>	<u>(1,541,892)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,466,676</u>	<u>\$ 2,598,185</u>	<u>\$ 18,015,222</u>

See accompanying Notes to Basic Financial Statements.

<u>Library Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 504,478	\$ 5,342,239
-	-	328,915
-	-	151,435
-	-	81,595
-	-	7,793
-	295,848	303,890
-	117,670	117,670
-	-	58,928
<u>4,607,887</u>	<u>3,200,462</u>	<u>28,413,963</u>
<u>\$ 4,607,887</u>	<u>\$ 4,118,458</u>	<u>\$ 34,806,428</u>
\$ 327,613	\$ -	\$ 798,134
-	-	657,648
-	-	134,986
-	-	250,000
<u>-</u>	<u>1,737,500</u>	<u>21,112,500</u>
<u>327,613</u>	<u>1,737,500</u>	<u>22,953,268</u>
<u>-</u>	<u>295,847</u>	<u>932,555</u>
-	254,338	254,338
4,280,274	3,453,695	10,329,365
-	-	2,022,475
-	-	21,157
<u>-</u>	<u>(1,622,922)</u>	<u>(1,706,730)</u>
<u>4,280,274</u>	<u>2,085,111</u>	<u>10,920,605</u>
<u>\$ 4,607,887</u>	<u>\$ 4,118,458</u>	<u>\$ 34,806,428</u>

**TOWN OF EASTHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015**

	General	Community Preservation	Municipal Water Supply
REVENUES			
Real Estate and Personal Property Taxes	\$ 18,682,252	\$ -	\$ -
Motor Vehicle and Other Excise Taxes	803,455	-	-
Hotel/Motel Tax	288,092	-	-
Tax and Trash Liens	24,916	-	-
Payments in Lieu of Taxes	7,349	-	-
Community Preservation Surcharges	-	557,833	-
Charges for Services	-	-	-
Intergovernmental	509,604	230,578	-
Penalties and Interest on Taxes	91,157	-	-
Licenses and Permits	500,617	-	-
Fines and Forfeitures	37,553	-	-
Departmental and Other	1,884,686	-	-
Contributions	-	-	-
Investment Income	4,669	3,813	-
Total Revenues	<u>22,834,350</u>	<u>792,224</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	3,072,366	401,359	-
Public Safety	4,108,533	-	-
Education	8,528,183	-	-
Public Works	1,207,839	-	1,667,567
Health and Human Services	574,160	-	-
Culture and Recreation	630,552	234,001	-
Community Development	-	-	-
Pension Benefits	1,317,678	-	-
Employee Benefits	1,930,469	-	-
Property and Liability Insurance	296,172	-	-
Other	-	-	-
State and County Charges	542,800	-	-
Debt Service:			
Principal	1,015,400	55,000	-
Interest	283,788	19,250	-
Total Expenditures	<u>23,507,940</u>	<u>709,610</u>	<u>1,667,567</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(673,590)</u>	<u>82,614</u>	<u>(1,667,567)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of Bonds and Notes	-	-	-
Premium from Issuance of Short-Term Debt	348,462	-	-
Transfers In	592,833	-	-
Transfer Out	(85,000)	(424,000)	-
Total Other Financing Sources (Uses)	<u>856,295</u>	<u>(424,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	182,705	(341,386)	(1,667,567)
Fund Balances - Beginning of Year	<u>3,324,015</u>	<u>2,931,778</u>	<u>125,675</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 3,506,720</u></u>	<u><u>\$ 2,590,392</u></u>	<u><u>\$ (1,541,892)</u></u>

See accompanying Notes to Basic Financial Statements.

Library Building	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 18,682,252
-	-	803,455
-	-	288,092
-	-	24,916
-	-	7,349
-	-	557,833
-	423,705	423,705
866,385	281,094	1,887,661
-	-	91,157
-	-	500,617
-	1,717	39,270
-	531,194	2,415,880
-	76,672	76,672
4,996	4,466	17,944
<u>871,381</u>	<u>1,318,848</u>	<u>25,816,803</u>
-	2,378,581	5,852,306
-	94,769	4,203,302
-	180,313	8,708,496
-	53,630	2,929,036
-	32,708	606,868
2,415,469	67,199	3,347,221
-	35,229	35,229
-	-	1,317,678
-	-	1,930,469
-	-	296,172
-	26,597	26,597
-	-	542,800
-	-	1,070,400
-	-	303,038
<u>2,415,469</u>	<u>2,869,026</u>	<u>31,169,612</u>
<u>(1,544,088)</u>	<u>(1,550,178)</u>	<u>(5,352,809)</u>
4,500,000	-	4,500,000
-	-	348,462
-	509,000	1,101,833
-	(592,833)	(1,101,833)
<u>4,500,000</u>	<u>(83,833)</u>	<u>4,848,462</u>
2,955,912	(1,634,011)	(504,347)
<u>1,324,362</u>	<u>3,719,122</u>	<u>11,424,952</u>
<u>\$ 4,280,274</u>	<u>\$ 2,085,111</u>	<u>\$ 10,920,605</u>

**TOWN OF EASTHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total Governmental Fund Balances	\$ 10,920,605
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore are not reported in the governmental funds	39,633,291
Certain liabilities do not require current financial resources and, therefore are reported as deferred outflows of resources in the governmental funds	24,425
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds	932,555
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and Notes Payable	(12,107,200)
Capital Lease Obligations	(301,397)
Compensated Absences	(345,484)
Net OPEB Obligation	(9,525,974)
Net Pension Liability	(14,262,018)
Net Position of Governmental Activities	<u>\$ 14,968,803</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF EASTHAM, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$	(504,347)
--	----	-----------

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. These amounts represent the related activity of the current period.

Capital Outlays		6,674,774
Depreciation		(1,240,997)

In the statement of activities, the loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed

		(1,833)
--	--	---------

Expenditures in the statement of activities that do not require current financial resources are reported as deferred outflows of resources in the statement of revenues, expenditures and changes in fund balances. This amount represents the net change in deferred outflows of resources.

		24,425
--	--	--------

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 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 inflows of resources.

		315,743
--	--	---------

The issuance of long-term debt (e.g., bonds and leases) 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 impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.

Proceeds of Bonds		(4,500,000)
Bond Maturities		1,070,401
Capital Lease Maturities		111,631

In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable

		69,150
--	--	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

These amounts represent the net changes:

Compensated Absences		(19,884)
Net OPEB Obligation		(1,134,233)
Net Pension Liability		(120,818)

Changes in Net Position of Governmental Activities	\$	744,012
--	----	---------

See accompanying Notes to Basic Financial Statements.

**TOWN OF EASTHAM, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 67,309	\$ 1,230
Receivables, Net of Allowance for Uncollectible Amounts:		
Loans	<u>111,073</u>	<u>-</u>
Total Assets	<u>178,382</u>	<u>1,230</u>
LIABILITIES		
Liabilities Due Depositors	<u>-</u>	<u>1,230</u>
NET POSITION		
Held in Trust for Pension Benefits and Other Purposes	<u><u>\$ 178,382</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF EASTHAM, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2015**

	Private Purpose Trust Funds
ADDITIONS	
Contributions:	
Private Donations	\$ 6,525
Other	44,000
Total Contributions	<u>50,525</u>
Net Investment Income:	
Interest	<u>1,218</u>
Total Investment Income	<u>1,218</u>
Total Additions	<u>51,743</u>
DEDUCTIONS	
Scholarships Awarded	44,000
Total Deductions	<u>44,000</u>
CHANGE IN NET POSITION	7,743
Net Position - Beginning of Year	<u>170,639</u>
NET POSITION - END OF YEAR	<u><u>\$ 178,382</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

B. Reporting Entity

The Town of Eastham, Massachusetts (Town) is a municipal corporation that is governed by an elected Board of Selectmen (the Board).

For financial reporting purposes, the basic financial statements include all funds, organizations, account groups, agencies, boards, commissions and institutions that are not legally separate from the Town.

The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete. It has been determined that there are no component units that require inclusion in the basic financial statements.

Joint Ventures

A joint venture is an organization (resulting from a contractual agreement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in three joint ventures with other municipalities to pool resources and share the costs, risks and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specific recipients. The following table identifies the Town's joint ventures and related information:

Name	Purpose	Address	Fiscal Year 2015 Assessment
Nauset Regional School District	To provide educational services	78 Elderidge Parkway Orleans, MA 02653	\$ 4,583,679
Cape Cod Regional Technical High School	To provide vocational educational services	351 Pleasant Lake Avenue Harwich, MA 02645	\$ 226,353
Orleans, Brewster and Eastham Groundwater Protection District	To provide septage disposal services	PO Box 2773 Orleans, MA 02653	\$ -

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

The Nauset Regional School District (District) is governed by a 10 member school committee consisting of two elected representatives from the Town. The Town is indirectly liable for the District's debt and other expenditures and is assessed annually for its share of operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the address previously identified.

The Cape Cod Regional Technical High School (School) is governed by a 21 member school committee consisting of two representatives (appointed by the Board of Selectmen) from the Town. The Town is indirectly liable for the School's debt and other expenditures and is assessed annually for its share of operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the address previously identified.

The Orleans, Brewster, and Eastham Groundwater Protection District (OBEGPD) is a body politic and corporate created by Special Act, Chapter 327 of the Acts of 1988 of the Commonwealth of Massachusetts. The OBEGPD is governed by a three member Board of Managers consisting of one manager appointed by the Board of Selectmen from each town. The purpose of OBEGPD is to construct, manage and operate a septage treatment facility for the benefit of the citizens of said towns. The Town is indirectly liable for the OBEGPD's debt and other expenditures and may be assessed annually for its share of operating and capital costs that are not covered by operating revenue. There have been no assessments for the past three years. Separate financial statements may be obtained by writing to the Treasurer of the District at the address previously identified.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement activities) report information on all non-fiduciary activities of the primary government. *Governmental activities* are primarily supported by taxes and intergovernmental revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column. Fiduciary funds are reported by fund type.

TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Implementation of New Accounting Principles

For the year ended June 30, 2015, the Town implemented the following pronouncements issued by the GASB:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*
- GASB Statement No. 71, *Accounting Pension Transition for Contributions made Subsequent to the Measurement Date*

The implementation of GASB Statement No. 68, among other things, resulted in the recognition of the long-term obligation for pension benefits as a liability and expanded pension related note disclosures and required supplementary information.

The implementation of GASB Statement No.'s 69 and 71 had no reporting impact for the Town.

D. Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal 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.

The statement of activities demonstrates the degree to which the direct expenses of a 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 the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

Taxes and other items not identifiable as program revenues are reported as general revenues.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60-days after the end of the fiscal year. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund.

The *community preservation fund* is a special revenue fund used to account for the 3% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource and affordable housing purposes. Disbursements from this fund must originate from the Community Preservation Committee and be approved by Town Meeting.

The *municipal water supply fund* is a capital projects fund used to account for the development of a Town-wide municipal water system.

TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The *library building fund* is a capital projects fund used to account for accumulation of funds to build a new public library.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

Fiduciary funds financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's programs.

The following fiduciary fund types are reported:

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 benefits individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a custodial capacity. Such assets consist of police detail and student activity funds. Agency funds do not present the results of operations or have a measurement focus.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Real Estate Taxes, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1 of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on November 1 and May 1 and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year of the levy.

Real estate tax liens are processed annually on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Motor Vehicle and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles to the Town. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

Community Preservation Surcharges

Community preservation surcharges are levied annually and at a rate of 3% of residents' real estate tax bills. The surcharge is due with the real estate tax on November 1 and May 1 and is subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges would be included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the fiscal year of the levy.

Departmental and Other

Departmental and other receivables represent amounts due from various departmental activities. These receivables are recorded when the service has been provided or the applicable agreement has been entered into.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Accounts Receivable (Continued)

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

Loans

The Town administers various loan programs to residents that provide assistance to comply with Title V of the Massachusetts State Environmental Code regulating septic systems. The Town also administers educational loan programs. Loans are recorded as receivables upon issuance.

G. Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- Departmental and other
- Loans

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible accounts is not reported.

- Real estate taxes
- Tax liens
- Community preservation surcharges

Intergovernmental receivables are considered 100% collectible.

H. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements and therefore are not reported.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Restricted Assets

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

J. Capital Assets

Government-Wide Financial Statements

Capital assets, which consist of land, construction in progress, land improvements, buildings and improvements, machinery, equipment and vehicles, and infrastructure (e.g., roads, sidewalks and similar items), are reported in the governmental activities column of the government-wide financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Construction period interest is not capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction-in-progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land Improvements	20
Buildings and Improvements	20-40
Machinery, Vehicles and Equipment	3-20
Infrastructure	20-40

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

L. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position.

Fund Financial Statements

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

M. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

The governmental unit has deferred outflows of resources related to pension which is reported in the government-wide financial statements statement of net position.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The government has unavailable revenue that is reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.

O. Net Position and Fund Balances

Government-Wide Financial Statements (Net Position)

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been "restricted" for the following:

"Community preservation" represents amounts restricted for open space, historic resource and affordable housing purposes.

"Loans" represents outstanding septic loans receivable.

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Other specific purposes" represents restrictions placed on assets from outside parties.

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable – represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted – represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position and Fund Balances (Continued)

Governmental Funds Financial Statements (Fund Balances) (Continued)

Committed – represents amounts that can be used only for specific purposes imposed by a formal action of Town Meeting, which is the highest level of decision-making authority for the Town. Committed amounts may be established, modified, or rescinded only through actions approved by Town Meeting.

Assigned – represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the Town's structure, only authorized assignments for non-contractual encumbrances can be made by individual department heads.

Unassigned – represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

P. Long-Term Debt

Government-Wide Financial Statements

Long-term debt is reported as liabilities in the government-wide statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

Q. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities.

S. Pensions

Government-Wide and Fund Financial Statements

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 Barnstable County Retirement Association (BCRA) and additions to/deductions from BCRA's fiduciary net position have been determined on the same basis as they are reported by BCRA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Postretirement Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, and as more fully described in Note 11, the Town provides health and life insurance coverage for current and future retirees and their spouses.

U. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

V. Total Column

Fund Financial Statements

The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The municipal finance laws of the Commonwealth require the adoption of a balanced budget that is approved by Town Meeting vote. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases to the annual budget subsequent to Annual Town Meeting approval require Special Town Meeting approval.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

Generally, expenditures may not exceed the level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

An annual budget is adopted for the general fund and community preservation fund in conformity with the guidelines described above. The original fiscal year 2015 approved budget for the general fund authorized \$25,327,858 in appropriations and other amounts to be raised. During fiscal year 2015, appropriations were increased by \$135,000.

The Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

The budgetary comparison schedules presented in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

B. Fund Deficits

The following fund deficits existed as of June 30, 2015.

<u>Fund</u>	<u>Amount</u>	<u>Funding Source</u>
Municipal Water Supply	\$ 1,541,892	Issuance of Long-Term Debt
Land Purchase Dyer Prince Road	1,112,500	Issuance of Long-Term Debt
Rock Harbor Dredge	510,422	Issuance of Long-Term Debt

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Town to invest available cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT).

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the permanent funds and private purpose trust funds are held separately from other Town funds.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. The Town's policy is to rely on FDIC and DIF insurance coverage and to collateralize an additional portion of deposits. In addition, the Town's deposits will be limited to financial institutions with proven financial strength, capital adequacy and overall affirmative reputation in the municipal industry.

As of June 30, 2015, the Town's had no deposits in excess of FDIC and DIF insurance coverage.

Investments Summary

The Town's investments at June 30, 2015 totaled \$536,356 and consisted entirely of MMDT.

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Town's policy for interest rate risk is to manage duration of investments consistent with the municipal finance laws of the Commonwealth. As of June 30, 2015, the Town was not exposed to interest rate risk.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's policy for custodial credit risk of investments is to limit the Town's investment to financial institutions with proven financial strength, capital adequacy and overall affirmative reputation in the municipal industry. In addition, all securities not held directly by the Town will be held in the Town's name and tax identification number by a third party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security. As of June 30, 2015, the Town's investments were not exposed to custodial credit risk.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments - Credit Risk of Debt Securities

Credit risk for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Town's policy for credit risk of debt securities is to allow for unlimited investments in United State treasury and agency obligations which carry an AAA rating. In regards to other investment, the Town will only purchase investment grade securities with a high concentration in securities rated A and above. In addition, the Town may invest in MMDT with no limit to the amount of funds placed in the trust. As of June 30, 2015, the Town's investments in MMDT were unrated by a national credit rating organization.

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2015, receivables for the individual major governmental funds, nonmajor governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real Estate and Personal Property Taxes	\$ 328,915	\$ -	\$ 328,915
Tax, Trash and Utility Liens	151,435	-	151,435
Motor Vehicle and Other Excise Taxes	81,595	-	81,595
Community Preservation Surcharges	7,793	-	7,793
Department and Other	303,889	-	303,889
Loans	117,670	-	117,670
Total	<u>\$ 991,297</u>	<u>\$ -</u>	<u>\$ 991,297</u>

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land	\$ 9,649,612	\$ 1,462,350	\$ -	\$ 11,111,962
Construction in Progress	3,918,981	4,196,223	(18,750)	8,096,454
Total Capital Assets not being Depreciated	13,568,593	5,658,573	(18,750)	19,208,416
<u>Capital assets being depreciated:</u>				
Land Improvements	14,000	-	-	14,000
Buildings and Improvements	21,528,573	359,509	-	21,888,082
Machinery, Vehicles and Equipment	5,532,958	155,020	(165,197)	5,522,781
Infrastructure	8,372,535	520,422	-	8,892,957
Total Capital Assets being Depreciated	35,448,066	1,034,951	(165,197)	36,317,820
<u>Less Accumulated Depreciation for:</u>				
Land Improvements	(14,000)	-	-	(14,000)
Buildings and Improvements	(6,399,423)	(537,902)	-	(6,937,325)
Machinery, Vehicles and Equipment	(3,544,655)	(433,352)	163,364	(3,814,643)
Infrastructure	(4,857,234)	(269,743)	-	(5,126,977)
Total Accumulated Depreciation	(14,815,312)	(1,240,997)	163,364	(15,892,945)
Total Capital Assets being Depreciated, Net	20,632,754	(206,046)	(1,833)	20,424,875
Total Governmental Activities Capital Assets, Net	\$ 34,201,347	\$ 5,452,527	\$ (20,583)	\$ 39,633,291

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 123,513
Public Safety	323,893
Education	306,308
Public Works	446,254
Health and Human Services	10,064
Culture and Recreation	30,965
Total Depreciation Expense - Governmental Activities	<u>\$ 1,240,997</u>

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2015, are summarized as follows:

Transfers Out:	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 85,000	\$ 85,000 (1)
Community Preservation	-	424,000	424,000 (2)
Nonmajor Governmental Funds	592,833	-	592,833 (3)
	<u>\$ 592,833</u>	<u>\$ 509,000</u>	<u>\$ 1,101,833</u>

(1) Represents budgeted transfers from general fund to well immediate response (\$75,000), and visitors service board special revenue fund (\$10,000).

(2) Represents budgeted transfer from the community preservation major fund to the Eastham Affordable Housing Trust Fund.

(3) Represents budgeted transfers to the general fund from the ambulance receipts (\$468,500), government media access (\$81,147), septic repair loans (\$20,400), waterways improvements (\$20,000), and Olde Mill receipts (\$1,000) special revenue funds, and non-budgeted transfers to the general fund from the visitors service board special revenue fund (\$1,786) to close fund.

NOTE 7 SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to collection of revenues through issuance of revenue anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the general fund.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 SHORT-TERM FINANCING (CONTINUED)

Details related to short-term debt activity for the fiscal year ended June 30, 2015, is as follows:

Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2014	Increases	Decreases	Balance at June 30, 2015
BAN	Dredging	4/7/2015	6/30/2015	0.2500%	\$ -	\$ 625,000	\$ (625,000)	\$ -
BAN	Dredging	6/30/2015	6/30/2016	0.3425%	-	625,000	-	625,000
BAN	Water	6/30/2015	6/30/2016	0.3425%	-	19,375,000	-	19,375,000
BAN	Water	4/7/2015	6/30/2015	0.3425%	-	4,000,000	(4,000,000)	-
BAN	Library	4/7/2015	6/30/2015	0.25%	-	1,500,000	(1,500,000)	-
BAN	Land Acquisition	8/15/2014	8/14/2015	0.50%	-	1,112,500	-	1,112,500
Total					<u>\$ -</u>	<u>\$ 27,237,500</u>	<u>\$ (6,125,000)</u>	<u>\$ 21,112,500</u>

Subsequent Event

On August 14, 2015, the Town used available funds to pay down \$227,500 of the \$1,112,500 land acquisition BAN and issued a new BAN in the amount of \$885,000 at an interest rate of .65% and a maturity date of August 12, 2016.

NOTE 8 LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term liabilities during the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion
Governmental Activities:					
Bonds and Notes Payable	\$ 8,677,601	\$ 4,500,000	\$ (1,070,400)	\$ 12,107,201	\$ 1,300,400
Pollution Remediation Liability	250,000	250,000	(250,000)	250,000	200,000
Capital Lease Obligations	413,028	-	(111,631)	301,397	98,491
Compensated Absences	325,600	19,884	-	345,484	201,812
Net OPEB Obligation	8,391,741	1,839,033	(704,800)	9,525,974	-
Net Pension Liability	14,141,200	120,818	-	14,262,018	-
Total	<u>\$ 32,199,170</u>	<u>\$ 6,729,735</u>	<u>\$ (2,136,831)</u>	<u>\$ 36,792,074</u>	<u>\$ 1,800,703</u>

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 LONG-TERM DEBT

Details related to the outstanding indebtedness at June 30, 2015, and the debt service requirements are as follows:

Bonds and Notes Payable – Governmental Funds

Project	Interest Rate	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Septic Repair Loan Program (MWPAT)	5.05%	\$ 72,601	\$ -	\$ (10,401)	\$ 62,200
Fire Station	4.85%	300,000	-	(150,000)	150,000
Land Acquisition	4.62%	655,000	-	(95,000)	560,000
Septic Repair Loan Program (MWPAT)	0.00%	120,000	-	(10,000)	110,000
Elementary School Addition	4.24%	4,900,000	-	(410,000)	4,490,000
Municipal Water Supply Project	1.25-2%	2,630,000	-	(395,000)	2,235,000
Eastham Library	3.01%	-	4,500,000	-	4,500,000
Total bonds and notes payable.....		\$ 8,677,601	\$ 4,500,000	\$ (1,070,401)	\$ 12,107,200

Debt service requirements for principal and interest for governmental bonds and notes payable in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 1,300,400	\$ 416,449	\$ 1,716,849
2017	1,160,400	372,084	1,532,484
2018	1,160,400	327,256	1,487,656
2019	1,170,400	286,734	1,457,134
2020	1,165,400	247,371	1,412,771
2021	920,200	206,810	1,127,010
2022	645,000	174,920	819,920
2023	640,000	150,852	790,852
2024	640,000	126,788	766,788
2025	640,000	104,311	744,311
2026	640,000	81,271	721,271
2027	225,000	65,813	290,813
2028	225,000	59,063	284,063
2029	225,000	52,313	277,313
2030	225,000	45,563	270,563
2031	225,000	38,250	263,250
2032	225,000	30,938	255,938
2033	225,000	23,344	248,344
2034	225,000	15,750	240,750
2035	225,000	7,875	232,875
Total	\$ 12,107,200	\$ 2,833,750	\$ 12,577,044

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 LONG-TERM DEBT (CONTINUED)

Bonds and Notes Payable – Governmental Funds (Continued)

The Town receives subsidy assistance from the Massachusetts Water Pollution Abatement Trust (MWPAT). Principal and interest on the outstanding bonds for MWPAT is subsidized over the life of the bonds to assist the Town in the repayment of this future debt. During fiscal year 2014, the Town's subsidy totaled approximately \$32,740.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2015, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Water Supply and Distribution System	\$ 111,425,000
Engineering, Design, Dredging, and Material Disposal	<u>75,000</u>
Total	<u>\$ 111,500,000</u>

NOTE 10 CAPITAL LEASES

The Town has entered into certain capital lease agreements for various machinery, vehicles and equipment, under which the assets will become property of the Town when all terms of the lease agreement are met. The agreements also contain early purchase options which would allow the Town to purchase the assets before the end of the lease term.

The following schedule presents future minimum lease payments as of June 30, 2015:

<u>Fiscal Years Ending June 30,</u>	<u>Amount</u>
2016	\$ 104,495
2017	104,495
2018	<u>104,494</u>
Total Minimum Lease Payments	313,484
Less: Amounts Representing Interest	<u>(12,087)</u>
Present Value of Minimum Lease Payments	<u>\$ 301,397</u>

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10 CAPITAL LEASES (CONTINUED)

Machinery, vehicles and equipment and the related accumulated depreciation under capital leases is as follows:

	Governmental Activities
<u>Asset:</u>	
Machinery, Vehicles and Equipment	\$ 601,491
Less: Accumulated Amortization	<u>(102,536)</u>
Total	<u><u>\$ 498,955</u></u>

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Town provides health, dental and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plan) as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The number of participants as of June 30, 2014, the latest actuarial valuation, is as follows:

Active Employees	115
Retired Employees, Beneficiaries and Dependents	<u>118</u>
Total	<u><u>233</u></u>

Funding Policy - The contribution requirements of Plan members and the Town are established and may be amended by the Town. The required health and dental insurance (including Medicare Part B) contribution rates of Plan members and the Town are 35% and 65%, respectively. The Plan members and Town each contribute 50% towards a \$5,000 term life insurance premium. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the Town.

Annual OPEB Cost and Net OPEB Obligation - The Town's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount that is calculated in accordance with the parameters set forth in GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued) - The following table identifies the components of the Town's annual OPEB cost for the year, the actual amount contributed to the plan, and changes in the Town's net OPEB obligation:

	<u>Amount</u>
Annual Required Contribution	\$ 1,767,684
Interest on Net OPEB Obligation	377,628
Adjustment to Annual Required Contribution	<u>(306,279)</u>
Annual OPEB Cost	1,839,033
Contributions Made	<u>(704,800)</u>
Increase in Net OPEB Obligation	1,134,233
Net OPEB Obligation at Beginning of Year	<u>8,391,741</u>
Net OPEB Obligation at End of Year	<u><u>\$ 9,525,974</u></u>

Trend information regarding annual OPEB cost, the percentage of the annual OPEB cost contributed and the net OPEB obligation is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOPEBC)</u>	<u>Percentage of AOPEBC Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 1,681,816	25.2%	\$ 7,066,309
June 30, 2014	\$ 1,777,223	25.4%	\$ 8,391,741
June 30, 2015	\$ 1,839,033	38.3%	\$ 9,525,974

Funded Status and Funding Progress – The funded status of the Plan at June 30, 2014, the most recent actuarial valuation, was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
06/30/14	\$ -	\$ 24,352,625	\$ 24,352,625	0.0%	\$ 8,532,205	285.4%

TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress (Continued) – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The significant methods and assumptions as of the latest actuarial valuation are as follows:

Valuation Date:	June 30, 2014
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Amortization payments increasing at 4.0%
Remaining Amortization Period:	30 years (open)
Interest Discount Rate:	4.5%
Medical/Prescription Drug Cost Trend Rate:	
Under 65:	10.0% decreasing by 2.0% for 6 years to an ultimate rate of 5.0% per year
Over 65:	10.0% decreasing by 0.5% for 10 years to an ultimate level of 5.0% per year.
GIC Medical/Prescription Drug Cost Trend Rate:	6.5% for 1 year, 6.0% for 8 years, 5.5% for 1 year and finally an ultimate level of 5.0% per year
Dental:	2.0% for 1 year then 5.0% thereafter
Inflation Rate:	4.0% annually

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Allocation of AOEBC – AOEBC costs were allocated to the Town's functions as follows:

Undefined

NOTE 12 FUND BALANCES

The constraints on fund balances as listed in aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	General	Community Preservation	Library Building	Municipal Water Supply	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Loans	\$ -	\$ -	\$ -	\$ -	\$ 117,670	\$ 117,670
Permanent Fund Principal	-	-	-	-	136,668	136,668
Subtotal - Nonspendable	-	-	-	-	254,338	254,338
Restricted						
Community Preservation	-	2,590,392	-	-	-	2,590,392
Municipal Water Supply	-	-	-	4,280,274	-	4,280,274
OPEB	5,004	-	-	-	-	5,004
Affordable Housing	-	-	-	-	871,642	871,642
Ambulance Receipts Reserved	-	-	-	-	459,487	459,487
Library Trustees Permanent Fund	-	-	-	-	418,059	418,059
General Government	-	-	-	-	567,993	567,993
Public Safety	-	-	-	-	21,515	21,515
Education	-	-	-	-	139,616	139,616
Public Works	-	-	-	-	320,400	320,400
Health and Human Services	-	-	-	-	52,636	52,636
Culture and Recreation	-	-	-	-	157,315	157,315
Community Development	-	-	-	-	445,032	445,032
Subtotal - Restricted	5,004	2,590,392	-	4,280,274	3,453,695	10,329,365
Committed						
Subsequent Year's Expenditures	744,198	-	-	-	-	744,198
Continuing Appropriations	1,278,277	-	-	-	-	1,278,277
Subtotal - Committed	2,022,475	-	-	-	-	2,022,475
Assigned						
Encumbrances	21,157	-	-	-	-	21,157
Unassigned	1,458,084	-	(1,541,892)	-	(1,622,922)	(1,706,730)
	<u>\$ 3,506,720</u>	<u>\$ 2,590,392</u>	<u>\$ (1,541,892)</u>	<u>\$ 4,280,274</u>	<u>\$ 2,085,111</u>	<u>\$ 10,920,605</u>

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 STABILIZATION FUNDS

The Town maintains a general stabilization fund that was established under MGL Chapter 40, Section 5B. Appropriations in and out of the stabilization fund require two-thirds vote of Town meeting. Investment income is retained by the fund.

The balance of the stabilization fund at June 30, 2015 totals \$152,856 and is reported as unassigned fund balance in the general fund.

NOTE 14 RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

Health Insurance

The Town participates in a health insurance risk pool administered by the Cape Cod Municipal Health Group (Group). The Group offers a variety of premium based plans to its members with each participating governmental unit charged a premium for coverage based on rates established by the Group. The Town is obligated to pay the Group its required premiums and, in the event the Group is terminated, its proportionate share of a deficit, should one exist. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

Workers' Compensation

The Town participates in a premium-based workers' compensation policy for all employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

NOTE 15 PENSION PLAN

General Information about the Pension Plan

Plan description. Employees of the Town deemed eligible by the Barnstable County Retirement Board are provided with pensions through the BCRA - a cost-sharing multiple-employer defined benefit pension plan administered by the Barnstable County Retirement Board. Membership in the BCRA is mandatory immediately upon the commencement of employment for all permanent employees (except for school department employees who serve in a teaching capacity) working a minimum of 25 hours per week. The BCRA issues a publicly available financial report that can be obtained by contacting the BCRA located at 750 Attucks Lane, Hyannis, Massachusetts, 02601.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits provided. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The plan provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are three classes of membership in the plan; Group 1, Group 2 and Group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have been specified as hazardous. Lastly, Group 4 consists of police officers, firefighters, and other hazardous positions.

Any individual in Group 1 or Group 2 whose membership began before January 1, 1978, and who maintains an annuity savings fund account, is eligible to receive a superannuation retirement allowance at age 55 or later, regardless of how many years of credible service he or she has completed.

There are no minimum vesting requirements for individuals in Group 4.

Members in Groups 1 and 2, hired after January 1, 1978 and prior to April 2, 2012, are eligible to receive a superannuation retirement allowance upon the completion of 20 years of service or upon the completion of 10 years of service and upon reaching the age of 55.

Members in Groups 1 and 2, hired on or after April 2, 2012, are eligible to receive a superannuation retirement allowance upon the completion of 10 years of service and upon reaching the age of 60 (Group 1) or age 55 (Group 2).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veterans' status and group classification.

Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions. Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the plan. Employers are required to pay an actuarially determined annual appropriation. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the plan's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The pension fund appropriations are allocated amongst employers based on covered payroll. Active member employees contribute between 5% and 9% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee's membership commences. Members hired on or after January 1, 1979, contribute an additional 2% of annual regular compensation in excess of \$30,000. Contributions to the pension plan from the Town were \$1,317,678 for the year ended June 30, 2015.

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

At June 30, 2015, the Town reported a liability of \$14,262,018 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 for which update procedures were used to roll forward the total pension liability to the measurement date. The Town proportion of the net pension liability is a blended rate of the proportionate share of active employer's covered payroll, direct charges for early retirement incentives and the direct amortization of the actuarial determined net pension liability for employer members that no longer have active covered payroll.

At December 31, 2014, the Town proportion was 2.526%, which was the same proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$1,397,822. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$24,425 from the net difference between projected and actual investment earnings on plan investments.

The amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 6,106
2017	6,106
2018	6,106
2019	6,107

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 PENSION PLAN (CONTINUED)

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

Actuarial assumptions. The total pension liability was determined using the following actuarial assumptions:

Inflation Rate:	4.00%
Salary Increases:	Varies by length of service with ultimate rates of 4.25% for Group 1, 4.50% for Group 2 and 4.75% for Group 4.
Mortality Rates:	Pre-Retirement - The RP-2000 Employee Mortality Table projected generationally with a Scale AA from 2010 Healthy Retiree - The RP-2000 Healthy Annuitant Mortality Table projected generationally with a Scale AA from 2010. Disabled Retiree - The RP-2000 Healthy Annuitant Mortality Table set forward three years for males only projected generationally with Scale AA from 2010
Investment Rate of Return:	7.75%, net of pension plan investment expense, including inflation (previously 7.875%)

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2012 to January 1, 2014.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	20%	6.6%
International Equity - Developed Markets	16%	7.1%
International Equity - Emerging Markets	7%	9.4%
Core Fixed Income	13%	2.2%
High-Yield Fixed Income	10%	4.7%
Real Estate	10%	4.4%
Commodities	4%	4.4%
Hedge Fund, GTAA, Risk Parity	10%	3.9%
Private Equity	10%	11.7%
Totals	100%	

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 PENSION PLAN (CONTINUED)

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

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary 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 of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the Town proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town of Eastham's Proportionate Share of the Net Pension Liability	\$ 18,385,942	\$ 14,262,018	\$ 10,765,145

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

NOTE 16 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description. Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Massachusetts Teachers' Retirement Board. The MTRS is part of the Commonwealth of Massachusetts' (Commonwealth) reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth's audited financial statements that can be obtained at <http://www.mass.gov/osc/publications-and-reports/financial-reports/cafr-reports.html>.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 16 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits provided. MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five 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.

Contributions. 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. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5% to 11% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the Commonwealth is a nonemployer contributing entity in MTRS.

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

Since the Town does not contribute directly to MTRS, the Town does not report a proportionate share of the net pension liability of the MTRS at June 30, 2015. The Commonwealth's net pension liability associated with the Town was \$5,337,042.

The MTRS' net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014.

For the year ended June 30, 2015, the Town recognized pension expense of \$370,790 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 16 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)

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

Actuarial assumptions. The MTRS' total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014. This valuation used the following assumptions:

Investment Rate of Return: 8.0%

Salary Increases: Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service

Mortality Rates: Pre-retirement - reflects RP-2000 Employees table adjusted for "white-collar" employment projected 22 years with Scale AA (gender distinct)

Postretirement - reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct)

Disability - reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct) set forward 3 years for males

Other: 3.5% interest rate credited to the annuity savings fund

3.0% cost of living increase per year

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 16 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)

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

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43%	7.2%
Core Fixed Income	13%	2.5%
Hedge Funds	10%	5.5%
Private Equity	10%	8.8%
Real Estate	10%	6.3%
Value Added Fixed Income	10%	6.3%
Timber/Natural Resources	4%	5.0%
Totals	100%	

Discount rate. The discount rate used to measure the MTRS' total pension liability was 8%. 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.

Pension plan fiduciary net position. Detailed information about the MTRS' fiduciary net position is available in the Commonwealth's audited financial statements.

NOTE 17 COMMITMENTS

The Town has approved a purchase of multiple parcels of land at 225 Widgeon Drive, in Eastham, MA with Community Preservation Act Funds, in the amount of \$439,000.

The Town has authorized borrowings for \$85 million and has entered into related contracts or is planning on entering into contracts totaling said amount, to install the town-wide municipal water supply and water distribution system. It is expected that the public water supply will be available for connection in fiscal year 2017.

**TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 18 CONTINGENCIES

Various legal actions and claims are pending against the Town all of which arise over the release of hazardous materials, specifically a chemical known as 1,4 Dioxane, from the Town's former landfill and the impact that said release has had on private drinking water wells in the area. Based on study and assessment conducted by the Town, it is believed there are approximately 38 properties with well water containing levels of 1,4 Dioxane above regulatory standards. Some property owners have filed claims against the Town for personal injury, and property damages. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. The amount of liability, at June 30, 2015, related to these legal actions and claims cannot be ascertained.

The Town participates in a number of federal award programs. The programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 19 POLLUTION REMEDIATION

Since the Town's landfill was capped in 1997, the Massachusetts Department of Environmental Protection (DEP) has required the Town to closely monitor wells on the landfill and private neighboring wells. Public record documents available show that 1,4 Dioxane and other volatile organic compounds associated with the capped landfill contaminated private drinking wells. The Town prepared and an Immediate Response Action Plan (IRAP) as defined by Massachusetts General Law Chapter 21E and the Massachusetts Contingency Plan (310 CMR 40.0000). The IRAP includes the following activities:

- Collection and testing of water samples from monitoring wells and private wells
- Collection of soil gas samples from the perimeter of the landfill
- Quarterly reporting
- Provide bottled water to any resident where 1,4 Dioxane was detected above one half of the current drinking water standard.
- Implement a municipal water supply and water distribution system

At the May 2014 Annual Town Meeting, the Town appropriated \$45.8 million dollars to establish a municipal water supply and water distribution system as a permanent solution to the landfill problem where the wells of residents have been contaminated by 1,4 Dioxane and other volatile organic compounds. It is expected the system will be in operation for fiscal year ending 2017.

The cost to continue quarterly monitoring of wells and providing bottled water to residences for the two-year period until the municipal water system is in operation is estimated at \$250,000.

TOWN OF EASTHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 20 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2015, the Town adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions. This pronouncement requires the restatement of the June 30, 2014, net position of the governmental activities as shown as follows:

	Governmental Activities
Net Position, June 30, 2014, as Previously Reported	\$ 28,365,991
Cumulative Affect of Application of GASB 68, Net Pension Liability	(14,141,200)
Net Position, June 30, 2014, as Restated	<u>\$ 14,224,791</u>

NOTE 21 FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- Statement No. 72, Fair Value Measurement and Application, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 73, Accounting and Financial Reporting Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, which is required to be implemented during fiscal year 2018. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.

These pronouncements will be implemented by their respective implementation dates.

**TOWN OF EASTHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers
REVENUES			
Real Estate and Personal Property Taxes	\$ -	\$ 18,716,602	\$ -
Motor Vehicle and Other Excise Taxes	-	688,000	-
Hotel/Motel Tax	-	275,000	-
Tax Liens	-	-	-
Payments in Lieu of Taxes	-	7,700	-
Intergovernmental	-	511,993	-
Penalties and Interest on Taxes	-	75,000	-
Licenses and Permits	-	450,500	-
Fines and Forfeitures	-	43,000	-
Departmental and Other	-	1,671,500	-
Investment Income	-	7,600	-
Total Revenues	-	22,446,895	-
EXPENDITURES			
Current:			
General Government	1,117,196	3,299,518	(43,192)
Public Safety	4,752	4,179,193	11,957
Education	73,147	8,588,368	(1)
Public Works	-	1,335,874	141,393
Health and Human Services	2,498	572,662	6,001
Culture and Recreation	-	640,072	4,362
Pension Benefits	-	1,317,678	-
Employee Benefits	-	1,998,500	(49,675)
Property and Liability Insurance	-	325,600	(10,845)
State and County Charges	-	552,142	-
Debt Service:			
Principal	-	1,015,400	-
Interest	-	290,258	-
Total Expenditures	1,197,593	24,115,265	60,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,197,593)	(1,668,370)	(60,000)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	691,047	-
Transfers Out	-	(15,000)	(75,000)
Total Other Financing Sources (Uses)	-	676,047	(75,000)
NET CHANGE IN FUND BALANCE	(1,197,593)	(992,323)	(135,000)
Fund Balance - Beginning of Year	3,317,336	3,317,336	3,317,336
FUND BALANCE - END OF YEAR	<u>\$ 2,119,743</u>	<u>\$ 2,325,013</u>	<u>\$ 3,182,336</u>

See accompanying Note to Required Supplementary Information.

Final Budget	Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 18,716,602	\$ 18,786,282	\$ -	\$ 18,786,282	\$ 69,680
688,000	803,455	-	803,455	115,455
275,000	288,092	-	288,092	13,092
-	24,916	-	24,916	24,916
7,700	7,349	-	7,349	(351)
511,993	509,604	-	509,604	(2,389)
75,000	91,157	-	91,157	16,157
450,500	500,617	-	500,617	50,117
43,000	37,553	-	37,553	(5,447)
1,671,500	1,884,677	-	1,884,677	213,177
7,600	4,458	-	4,458	(3,142)
<u>22,446,895</u>	<u>22,938,160</u>	<u>-</u>	<u>22,938,160</u>	<u>491,265</u>
4,373,522	2,822,366	1,282,962	4,105,328	268,194
4,195,902	4,108,533	-	4,108,533	87,369
8,661,514	8,528,183	12,259	8,540,442	121,072
1,477,267	1,457,839	2,430	1,460,269	16,998
581,161	574,160	1,480	575,640	5,521
644,434	630,552	303	630,855	13,579
1,317,678	1,317,678	-	1,317,678	-
1,948,825	1,930,469	-	1,930,469	18,356
314,755	296,172	-	296,172	18,583
552,142	542,800	-	542,800	9,342
1,015,400	1,015,400	-	1,015,400	-
290,258	283,788	-	283,788	6,470
<u>25,372,858</u>	<u>23,507,940</u>	<u>1,299,434</u>	<u>24,807,374</u>	<u>565,484</u>
<u>(2,925,963)</u>	<u>(569,780)</u>	<u>(1,299,434)</u>	<u>(1,869,214)</u>	<u>1,056,749</u>
691,047	692,833	-	692,833	1,786
(90,000)	(90,000)	-	(90,000)	-
<u>601,047</u>	<u>602,833</u>	<u>-</u>	<u>602,833</u>	<u>1,786</u>
(2,324,916)	33,053	(1,299,434)	(1,266,381)	1,058,535
<u>3,317,336</u>	<u>3,317,336</u>	<u>3,317,336</u>	<u>3,317,336</u>	<u>-</u>
<u>\$ 992,420</u>	<u>\$ 3,350,389</u>	<u>\$ 2,017,902</u>	<u>\$ 2,050,955</u>	<u>\$ 1,058,535</u>

**TOWN OF EASTHAM, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Community Preservation Surcharges	\$ -	\$ 573,764	\$ -	\$ 573,764
Intergovernmental	-	237,643	-	237,643
Investment Income	-	-	-	-
Total Revenues	-	811,407	-	811,407
EXPENDITURES				
Current:				
Administrative	-	35,000	(13,327)	21,673
Acquisitions and Projects	150,104	1,100,241	(60,923)	1,189,422
Debt Service:				
Principal	-	-	55,000	55,000
Interest	-	-	19,250	19,250
Total Expenditures	150,104	1,135,241	-	1,285,345
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(150,104)	(323,834)	-	(473,938)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	424,000	-	424,000
Total Other Financing Sources (Uses)	-	424,000	-	424,000
NET CHANGE IN FUND BALANCES	(150,104)	100,166	-	(49,938)
Fund Balances - Beginning of Year	2,931,778	2,931,778	2,931,778	2,931,778
FUND BALANCES - END OF YEAR	<u>\$ 2,781,674</u>	<u>\$ 3,031,944</u>	<u>\$ 2,931,778</u>	<u>\$ 2,881,840</u>

See accompanying Note to Required Supplementary Information.

Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 557,833	\$ -	\$ 557,833	\$ (15,931)
230,578	-	230,578	(7,065)
3,813	-	3,813	3,813
<u>792,224</u>	<u>-</u>	<u>792,224</u>	<u>(19,183)</u>
3,877	-	3,877	17,796
631,482	557,940	1,189,422	(0)
55,000	-	55,000	-
19,250	-	19,250	-
<u>709,609</u>	<u>557,940</u>	<u>1,267,549</u>	<u>17,796</u>
<u>82,615</u>	<u>(557,940)</u>	<u>(475,325)</u>	<u>(1,387)</u>
424,000	-	424,000	-
<u>424,000</u>	<u>-</u>	<u>424,000</u>	<u>-</u>
506,615	(557,940)	(51,325)	(1,387)
<u>2,931,778</u>	<u>2,931,778</u>	<u>2,931,778</u>	<u>-</u>
<u>\$ 3,438,393</u>	<u>\$ 2,373,838</u>	<u>\$ 2,880,453</u>	<u>\$ (1,387)</u>

**TOWN OF EASTHAM, MASSACHUSETTS
PENSION PLAN SCHEDULES
YEAR ENDED JUNE 30, 2015**

PENSION PLAN SCHEDULES

The following schedules provide information related to the Association as a whole, for which the Town is one participating employer:

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>2015*</u>
Town's Proportion of the Net Pension Liability	2.526%
Town's Proportionate Share of the Net Pension Liability	14,262,018
Town's Covered-Employee Payroll	6,626,170
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	215.24%
Plan fiduciary net position as a percentage of the total pension liability	60.43%

*The amounts presented were determined as of December 31, 2014.

SCHEDULE OF TOWN CONTRIBUTIONS

	<u>2015</u>
Actuarially Required Contribution	\$ 1,317,678
Contributions in Relation to the Actuarially Required Contribution	(1,317,678)
Contribution Deficiency (Excess)	<u>\$ -</u>
Town's Covered-Employee Payroll	\$ 6,626,170
Contributions as a Percentage of Covered Employee Payroll	19.89%

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

	<u>2015</u>
Town's Proportion of the Net Pension Liability	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -
Commonwealth's Proportionate Share of the Net Pension Liability Associated with the Town	<u>5,337,042</u>
Total	<u>\$ 5,337,042</u>
Town's Covered-Employee Payroll	\$ 205,858,780
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.64%

**TOWN OF EASTHAM, MASSACHUSETTS
OTHER POSTEMPLOYMENT BENEFITS SCHEDULE
YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

	2015
Contractually Required Contribution	\$ -
Contributions in Relation to the Contractually Required Contribution	-
Contribution Deficiency (Excess)	\$ -
Town's Covered-Employee Payroll	\$ 205,858,780
Contributions as a Percentage of Covered-Employee Payroll	N/A

The following schedule provides information related to the Town's other postemployment benefits plan:

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
06/30/10	-	27,281,696	27,281,696	0.0%	8,522,210	320.1%
06/30/12	-	21,572,423	21,572,423	0.0%	9,259,715	233.0%
06/30/14	-	24,352,625	24,352,625	0.0%	8,532,205	285.4%

The significant changes in the methods and assumptions used in the 6/30/14 actuarial valuation that impacted trends in the schedule of funding progress are as follows:

- The healthcare/medical cost trend rate were raised to 10.0% increasing by 2.0% for 1 year and 0.5% for 6 years to an ultimate level of 5% (previously 8.0% decreasing by 0.5% for 6 years.)
- GIC Medical/Prescription drug cost trend rate was added at 6.5% for 1 year, 6.0% for 8 years, 5.5% for 1 year and finally an ultimate level of 5.0% per year.
- Dental rate was reduced to 2.0% for 1 year then 5.0% thereafter (previously 5.0%)

TOWN OF EASTHAM, MASSACHUSETTS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE A BUDGETARY – GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund and community preservation fund (CPA) for the fiscal year ended June 30, 2015 is presented below:

General Fund

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 22,938,160	\$ 24,807,374	\$ 502,833
<u>Reclassifications</u>			
Activity of stabilization fund recorded in the general fund for GAAP purposes	207	-	
<u>Adjustments</u>			
Net change in recording 60-day receipts	(104,017)	-	-
Premium from issuance of bonds and notes			348,462
To record encumbrances and continuing appropriations	<u>-</u>	<u>(1,299,434)</u>	<u>-</u>
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	<u><u>\$ 22,834,350</u></u>	<u><u>\$ 23,507,940</u></u>	<u><u>\$ 851,295</u></u>

CPA Fund

	<u>Expenditures</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 1,267,549
<u>Adjustments</u>	
To record encumbrances and continuing appropriations	<u>(557,939)</u>
GAAP basis as reported on the statement of revenues expenditures and changes in fund balances	<u><u>\$ 709,610</u></u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Board of Selectmen and Management
Town of Eastham, Massachusetts

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Eastham (Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Eastham, Massachusetts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 of Eastham, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Eastham, Massachusetts' 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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

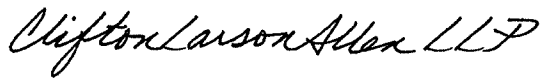
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Lexington, Massachusetts
October 9, 2015

Honorable Board of Selectmen and Management
Town of Eastham, Massachusetts

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Eastham (Town) as of and for the year ended June 30, 2015, and have issued our report thereon dated . We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Eastham are described in Note 1 to the financial statements.

As described in Note 1, the Town implemented GASB Statements 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* , by recognizing its net pension liability related to its pension plans. Accordingly, the cumulative effect of the accounting change is recorded at the beginning of the year in the financial statements of the governmental activities.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of Pollution Remediation Liability is based on the cost of required water testing and monitoring for wells and groundwater and providing bottled water to residents in locations where contamination has been identified. The Town's estimate of costs is through the fall of 2016 when the Town expects the municipal water system to be operating. We evaluated the Town's factors and assumptions used to estimate the Pollution Remediation Liability in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of Net OPEB Obligation is based on a certified actuarial valuation, which contains multiple assumptions regarding mortality, retirement, etc. We evaluated the key factors and assumptions used to develop the Net OPEB Obligation in determining that they are reasonable in relation to the financial statements taken as a whole.

Qualitative aspects of accounting practices (continued)

Accounting estimates (continued)

- Management's estimate of Net Pension Liability is based on an audit of the Barnstable County Retirement Association. The Net Pension Liability, among other things, was based on a certified actuarial valuation, which contains multiple assumptions regarding mortality, retirement, etc. We evaluated the key factors and assumptions used as part of the actuarial valuation in determining that they are reasonable in relation to the financial statements taken as a whole. We have also evaluated the audit report, including the Schedule of Employer Allocations and Schedule of Pension Amounts in determining that they are reasonable and consistent with GASB Statement No. 68.

Financial statement disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- Variance in accrued payroll totaling approximately \$6,000
- Tax refunds estimated liability not recorded totaling approximately \$7,000
- Amounts due from Deputy Collector totaling approximately \$8,000
- Accrued interest on long term debt not recorded totaling approximately \$65,000
- Accrued interest on short term debt not recorded totaling approximately \$5,000
- 60 day receipts for real estate taxes not recorded totaling approximately \$100,000
- Unrecorded liabilities of the CPA fund of approximately \$13,000
- Allowance for uncollectible Timothy Smith education loans totaling approximately \$6,000
- Allowance for uncollectible Ambulance receivables totaling approximately \$74,000

Corrected misstatements

The attached schedule summarizes all adjustments and misstatements (material and immaterial), detected as a result of audit procedures, that were required to convert the Town's cash basis trial balance to a financial statement presented in accordance with governmental GAAP. Management has accepted responsibility for such adjustments in its October 9, 2015 management representation letter.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 9, 2015.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.


Other audit findings or issues

We have provided a separate letter to you dated October 9, 2015, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

This communication is intended solely for the information and use of the Board of Selectmen and Management of the Town of Eastham and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Lexington, Massachusetts
October 9, 2015

TOWN OF EASTHAM, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2015



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Management
Town of Eastham, Massachusetts

In planning and performing our audit of the financial statements of the Town of Eastham, Massachusetts (Town) as of and for the year ended June 30, 2015, 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.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated October 9, 2015, on the financial statements of the Town.

The Town's written responses to the matters identified in our audit have not been subjected to the audit 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 of the Town and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Lexington, Massachusetts
October 9, 2015



An independent member of Nexia International

TOWN OF EASTHAM, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2014

TABLE OF CONTENTS

	Page
Comments and Recommendations	1
Information Technology Controls.....	1
Building Permits	3
Informational Comments and Recommendations	4
Other Postemployment Accounting and Financial Reporting	4

Comments and Recommendations

Information Technology Controls (Repeated from Prior Year)

Comment

During the fiscal year 2014 audit, we performed an Information Technology Financial Audit Support Review. The objective of our review was to evaluate the computer processing environments and general controls that help ensure the reliability of the business and financial systems that support business objectives during the current and future reporting periods.

Our review was performed using a high level risk based approach and is not intended to be a full scope network security review of the Town's information technology structure. The scope was specifically focused to identifying internal controls and security features implemented by management, which protect the integrity of the transaction data, with potential direct impact to financial reporting.

We noted the following that we want to bring to your attention for consideration:

- The Town does not regularly perform a review of network and application user accounts to ensure only current employees and approved business partners have active user accounts.
- The Town has a documented IT Policy that all employees are required to sign at the time of employment; however, the Policy has not been reviewed or updated in approximately four years and does not address acceptable use of personal electronic devices
- Services provided by individual, contracted consulting personnel to supplement resources or provide specific technical expertise are not supported by contractual agreements that outline specific terms and compliance requirements that consultants must comply with including non-disclosure of confidential or restricted data. Currently, the Town only employs approximately one contracted consulting resource; however, if the levels of contracted resources increased, the level of risk associated with contractual agreements would also increase.
- The Town does not have a formal method of communication for tracking incidents, service requests, maintenance, or significant changes to software and hardware infrastructure.
- Data backups are not periodically tested for recoverability and readability.

Recommendation

We recommend the following related to the Town's information technology:

- The Town compare network and application user accounts to a list of current employees provided by HR on an annual basis to validate only current employees and approved business partners have active user accounts. In addition, the Town of Eastham should maintain documentation to provide evidence of this review
- The Town review and update their IT Policy on an annual basis and include personal electronic devices within the policy.

- The Town requires all contracted personnel to sign a contractual agreement that outlines specific terms and compliance requirements resources must comply with including non-disclosure of confidential or restricted data.
- The Town developed a formal system to track software and hardware infrastructure changes.
- That all backup media be tested on a semi-annual basis for recoverability and readability. The Town should begin with Munis data as a priority.

Management Response

All recommendations are in the process of being addressed by management. .

Building Permits

Comment

During the fiscal 2015 audit, we performed testing over building permit revenue. We note the following issues we want to bring to your attention:

1. The building department was unable to provide CLA with turnover forms in a reasonable manner. The department was unable to provide us with one of ten turnovers requested.
2. Two of the ten turnovers were not submitted to the Treasurer timely, as described in the department's policies. Based on review of the Town's policies, turnovers should occur when fees total \$1,500 or every Friday, whichever occurs first.

Recommendation

We recommend the building department implement procedures and controls related to the storage of cash receipt turnover forms to the Treasurer.

We recommend that all department turnovers to the treasurer and cash receipts of the Building Department be submitted timely to the Treasurer and Town Accountant.

Management Response

There was personnel turnover in the building department in fiscal year 2015 causing the interruption in otherwise strong internal controls over the cash receipts of the department. The department is once again staffed appropriately and internal controls over submitting the department turnovers to the Town Accountant and Treasurer and cash receipts to the Treasurer and working appropriately as designed.

Informational Comment

Other Postemployment Benefits Accounting and Financial Reporting

Comment

In June of 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, which establish new financial reporting requirements for governments that provide other postemployment benefits (OPEB) to its employees and retirees.

The implementation of these Statements will represent a significant change in the accounting and reporting of OPEB expense and the related liability. The implementation of these Statements will:

- Require the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position
- Require that projections of benefits payments incorporate the effects of projected salary changes and service credits, as well as projected automatic postemployment benefit changes
- Require the use of the "entry age" actuarial cost allocation method, with each period's service cost determined by a level percentage of pay (referred to as attribution method)
- Expand OPEB related note disclosures
- Expand OPEB related required supplementary information disclosures

Given the significance of the net OPEB liability, the financial reporting impact under the new standard will significantly affect the Town's financial statements.

It should be noted that the implementation of GASB Statement No. 74 and 75 are strictly financial reporting standards and do not constitute a state or federal mandate regarding the funding of the net OPEB obligation.

The Town's required implementation date of GASB Statements No. 74 and 75 are fiscal year 2017 and fiscal year 2018, respectively.

Recommendation

We recommend management familiarize itself with GASB Statements No. 74 and 75 to prepare for their implementation.

Management Response

Management will work with our auditors and other professionals (including our OPEB actuary) to ensure we are familiar with GASB Statements No. 74 and 75 and prepared to implement these statements in fiscal years 2017 and 2018.

EASTHAM AFFORDABLE HOUSING TRUST FUND
BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

**EASTHAM AFFORDALBE HOUSING TRUST FUND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2014**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	3
BALANCE SHEET	3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	4
NOTES TO BASIC FINANCIAL STATEMENTS	5



CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Trustees
Eastham Affordable Housing Trust

Report on the Financial Statements

We have audited the accompanying financial statements of the Affordable Housing Trust Fund (Trust) of the Town of Eastham, Massachusetts (Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 an opinion 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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness 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 opinion.



An independent member of Nexia International

Basis for Adverse Opinion

As discussed in Note 1, the financial statements present only the Trust. Accounting principles generally accepted in the United States of America require the Town's financial statements present the governmental activities, each major fund and the aggregate fund information of the Town.

Adverse Opinion

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, the financial statement of the Town as of June 30, 2014, or the changes in financial position of the year then ended.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust of the Town, as of June 30, 2014, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of American require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015 on our consideration of the Trust'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 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 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 the Trust's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Burlington, Massachusetts
November 9, 2015

**EASTHAM AFFORDABLE HOUSING TRUST FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Restricted cash and cash equivalents	\$ 539,702
Accounts Receivable from management company.....	382
Working capital deposit with management company.....	<u>1,976</u>
 TOTAL ASSETS	 <u><u>\$ 542,060</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Warrants payable.....	\$ <u>32,771</u>
-----------------------	------------------

FUND BALANCE

Restricted.....	<u>509,289</u>
-----------------	----------------

 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 542,060</u></u>
--	------------------------------

See accompanying Notes to Basic Financial Statements.

**EASTHAM AFFORDABLE HOUSING TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
YEAR ENDED JUNE 30, 2014**

REVENUES

Contributions from Town of Eastham.....	\$ 667,150
Rental income.....	53,422
Investment income.....	<u>1,017</u>
Total Revenues.....	<u>721,589</u>

EXPENDITURES

Property acquisition and renovations.....	525,468
Rental assistance program.....	51,400
Rental expenses- maintenance & utilities.....	32,150
Rental expenses- payroll.....	5,903
Rental expenses- management fee.....	5,584
Rental expenses- property operations.....	<u>2,207</u>
Total Expenditures.....	<u>622,712</u>

NET CHANGE IN FUND BALANCE 98,877

Fund Balances - Beginning of Year..... 410,412

FUND BALANCES - END OF YEAR \$ 509,289

See accompanying Notes to Basic Financial Statements.

EASTHAM AFFORDABLE HOUSING TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

B. Reporting Entity

The Eastham Affordable Housing Trust Fund (Trust) was established under Massachusetts General Laws (MGL), Chapter 44, Section 55C and authorized pursuant to Town Meeting of the Town of Eastham (Town) on May 5, 2008. The purpose of the Trust is to provide for the preservation and creation of affordable housing in the Town for the benefit of low and moderate income households.

The Trust is governed by a Board of Trustees consisting of five members, including one member of the Town's Board of Selectmen and four members appointed by the Town's Board of Selectmen. Trustees serve for a term not to exceed two years.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

D. Cash and Cash Equivalent

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

The use of the Trust's cash and cash equivalents are restricted by MGL.

E. Fund Balance

Fund balance is restricted by MGL Chapter 44, Section 55C to provide for the creation and preservation of affordable housing within the Town.

**EASTHAM AFFORDABLE HOUSING TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Contributions from Town of Eastham

Contributions from the Town of Eastham represent amounts budgeted for the Trust from the Town's Community Preservation fund.

G. Use of Estimates

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

NOTE 2 DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Trust to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT).

The deposits and investments of the Trust are held separately (by the Town Treasurer) from other Town funds. At June 30, 2014, the Trust's deposits of \$539,702 were not exposed to custodial credit risk.

NOTE 3 COMMITMENTS

On July 1, 2012, the Town contributed \$175,000 to the Trust from its Community Preservation Fund for the explicit purpose of providing rental assistance to low income persons. Rental subsidies are limited to a maximum of \$350 per month per tenant. To remain eligible to receive the subsidy, tenants must remain "tenants in-good-standing" and participate in a case management program that provides education and assistance on household budgeting. The Trust's expenditures related to rental assistance totaled approximately \$59,000 and \$51,400 in fiscal years 2013 and 2014, respectively with a remaining commitment to the program as of June 30, 2014 of approximately \$64,600.

NOTE 4 SUBSEQUENT EVENT

On July 1, 2014, the Town contributed \$658,001 to the Trust from its Community Preservation Fund for the purpose of acquiring, repairing and marketing property for conversion to deed restricted affordable rental units.



CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Board of Trustees
Eastham Affordable Housing Trust

We have audited, in accordance with the 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, the financial statements of the Affordable Housing Trust Fund (Trust) of the Town of Eastham, Massachusetts (Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust'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 *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.



An independent member of Nexia International

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

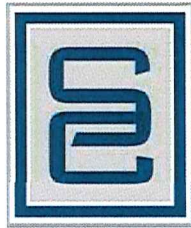
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

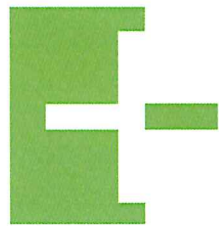
CliftonLarsonAllen LLP

Boston, Massachusetts
November 9, 2015

II. 5:20



STRATFORD
CAPITAL GROUP



ICON
ARCHITECTURE

GOVERNOR PRENCE RESIDENCES

Town of Eastham Board of Selectmen

November 02, 2015

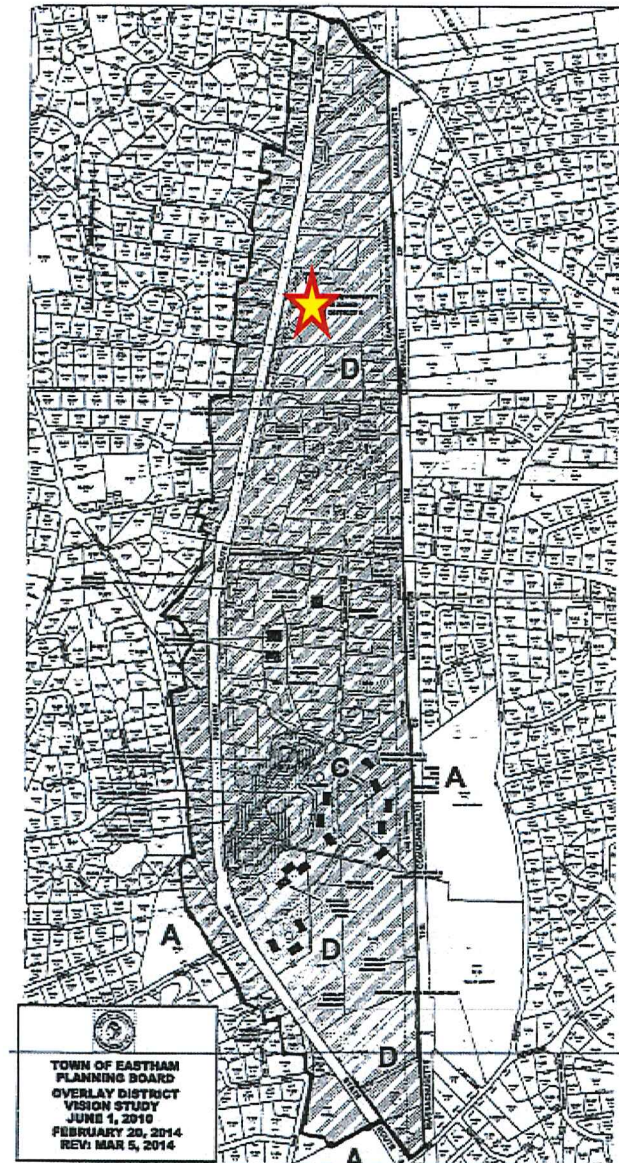
North Eastham Overlay District

NORTH EASTHAM OVERLAY DISTRICT I – Those principal and accessory uses as allowed by-right or by special permit as indicated in the Overlay District Table of Principal Uses and Table of Accessory Uses.

Intent: The intent of this overlay district is to encourage cohesive, village-style development in an appropriate area, by providing for optional additional uses, mixes of residential, commercial, public and institutional uses and for appropriate alternative dimensional standards **by special permit**, in addition to those of the underlying zoning districts, while also protecting the quality of life of the homeowners in this area. Where not expressly otherwise provided, however, that the use and dimensional requirements and restrictions of Districts A, C, D and E shall continue to apply within the areas of each underlying district as shown on the Town of Eastham Zoning Map and described in the Appendix to the Town of Eastham Zoning Bylaw entitled “Zoning District Boundaries.”

Townhouses & apartments are allowed in NEOD by special permit

The proposed Governor Prence Residences complies with intent of the NEOD



Housing Goals

B. Housing Goals

This Housing Production Plan incorporates the goals that were established as part of the Housing Section of the Local Comprehensive Plan.....

1. To promote the provision of fair, decent, safe, affordable housing for rental or purchase that meets the needs of present and future Eastham residents.
2. To promote equal opportunity in housing and to give special consideration to meeting the housing needs of the most vulnerable segments of Eastham's population...
3. To seek out, provide support and encourage the development of innovative strategies designed to address the housing needs of Eastham, with particular attention to the needs of low-and moderate-income renters.
4. To develop and promote strategies, plans, policies, and actions, which integrate the development of affordable housing with protection of Eastham's environment.

The proposed Governor Prence Residences achieves this goal

TOWN OF EASTHAM, MASSACHUSETTS

HOUSING PRODUCTION PLAN



February 2010
Prepared for the Eastham Board of Selectmen
Karen Sunnarborg, Housing and Planning Consultant
With technical support from Sarah Raposa, Town Planner



HOUSING PRODUCTION PLAN

Summary of Housing Needs

Priority Need # 1. Households with Very Limited Incomes. Given the high costs of housing, more subsidized rental housing is necessary to make living in Eastham more affordable.

The proposed Governor Prence Residences will have the majority units rented to individuals at or below 60% of area medium income with 10% below 30% of AMI.

Priority Need # 2. Affordability Gaps. Wider range of affordable housing options.

The proposed Governor Prence Residences creates a range of housing choices, by providing housing for residents at or below 30%, 60% of AMI, as well as market rate units.

Priority Need # 3. Special Needs Households. Some amount of new housing should be built handicapped-adaptable or accessible.

The proposed Governor Prence Residences will be designed with accessible housing at many levels meeting the requirements MAAB, ADA, and FHA requirements.



HOUSING PRODUCTION PLAN

Housing Production Plan

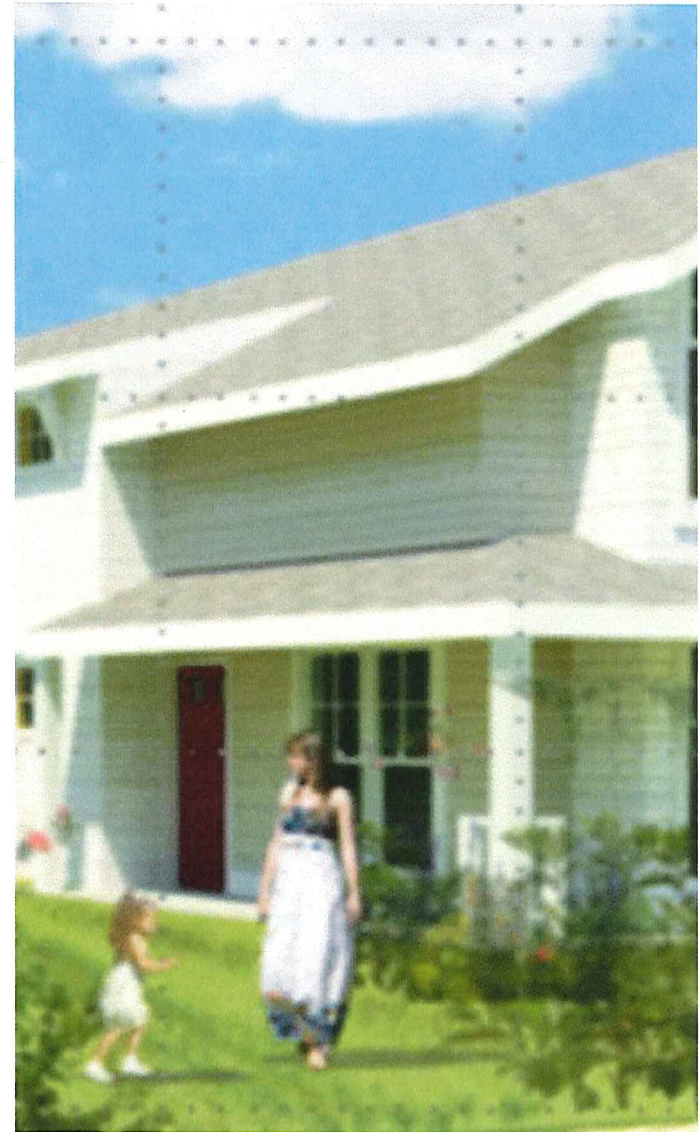
3. Housing Production

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Eastham to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources.

- *Continue to partner with developers*

Continue to reach out to area non-profit and for profit developers who have been active in producing affordable housing to discuss the Town's interest in promoting these units, possible areas and opportunities for new development, and priorities for new development that include the use of local zoning provisions, "friendly" comprehensive permits, the conversion of existing housing to long-term affordability and infill development.

The proposed Governor Prence Residences achieves this goal



Summary of Revisions – Collaborative Partnering

The proposed Governor Prence Residences achieves this goal

- Reduced Density
- Added techniques for phosphorous mitigation
- Adjusted location of the apartment buildings toward back of site
- Moved northern apartment building south for more visibility [per mtg with Police & Fire]
- Reduced total number of garages
- Modified overall design and articulation of the townhouse architecture to integrate porches, bracketed overhangs
- Added basements
- Adjusted design, massing , articulation of the apt building – lowered ht.
- Reconfigured access road with internal loop
- Added Sidewalks
- Brought a Residential building to define street edge
- Distributed parking into smaller clusters
- Pulled parking out of easement
- Consideration of Childcare at Community Building

Summary of Production Goals

If the state certifies that the locality has **complied with its annual affordable production goals**, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications... for an undesired (adversarial) development.

The proposed Governor Prence Residences achieves this goal



 HOUSING PRODUCTION PLAN

Controlled Access | Egress from SITE

COMMENTS FROM MassDOT

- Driveway Intersection Does Not Meet MUTCD Signal Warrants
- Right Turn Exit ONLY
- Left Turn From Site Would Likely Operate at Level of Service "F"
- Left Turn Not Favored by MassDOT
- Comprehensive Traffic Study Required
- Study Area Extends From Brackett Road to Nauset Road
- Application for Permit to Access State Highway Required



Wastewater System –Enhanced Nitrogen Removal

AMPHIDROME SYSTEM

- 26,000 GPD
- High Level of Nitrogen Removal
- Low Visual Site Impact
- Proven Track Record

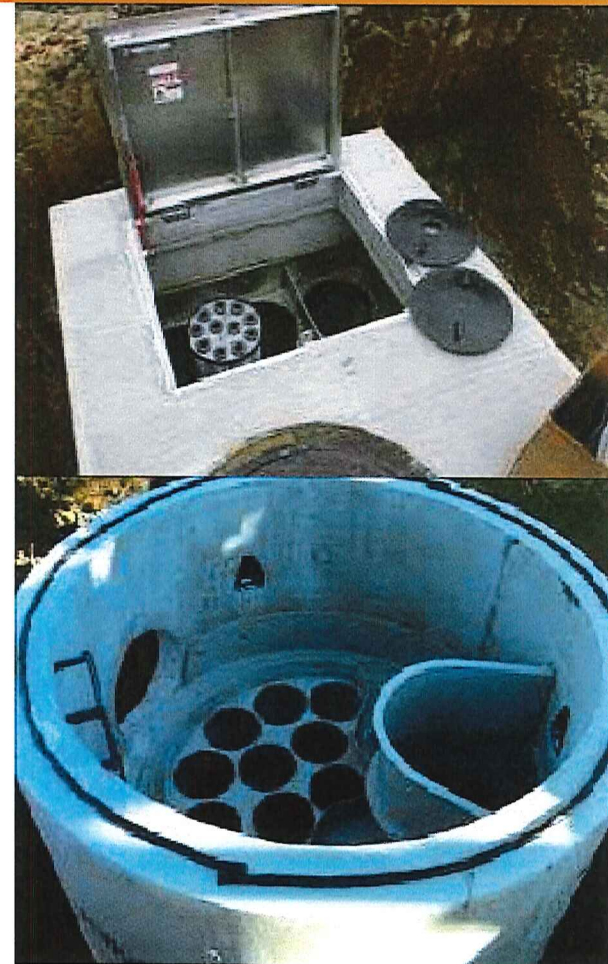


Stormwater Treatment

Project will include techniques for Phosphorus mitigation within the site as part of stormwater management

Jellyfish® Stormwater Treatment

- Stormwater Quality Treatment Technology
- High Flow Pretreatment and Membrane Filtration
 - Oil
 - TSS
 - High Percentage Particulate
 - Bound Pollutants
 - Phosphorus
 - Nitrogen
 - Metals and Hydrocarbons
- Field Test Verified by New Jersey DEP



Unit Mix - REVISED

Governor Prence Residences				
PHASE 1 Unit Type and Count by Building				
	Garden Apartment Building			
	1 BR	2 BR	3 BR	
	1 Bath	1 Bath	1.5 Bath	
Third Floor	7	2	0	
Second Floor	8	6	0	
First Floor	5	6	1	
Subtotal	20	14	1	
Total Apartment Units	35			
Average SF by Unit Type	700	930	1,100	
SF Phase 1	14,000	13,020	1,100	
Total Apt SF Phase 1	28,120			
	Townhouses			
	1 BR	2BR	2BR	3BR
	0	Type M	Type G	Type E
	0	no garage	garage	garage
	0	1.5 Story	2 Story	2 Story
	0	1.5 Bath	1.5 Bath	1.5 Bath
Units per Phase	0	8	12	5
Total Townhouse Units	25			
Average SF by Unit Type		1,095	1,195	1,515
SF Phase 1		8,760	14,340	7,575
Total TH SF Phase 1	30,675			
Total Units per Phase 1	60			
Community Building	3,500			
Total GSF Phase 1	62,295			

Governor Prence Residences				
PHASE 2 Unit Type and Count by Building				
	Garden Apartment Building			
	1 BR	2 BR	3 BR	
	1 Bath	1 Bath	1.5 Bath	
Third Floor	6	2	0	
Second Floor	8	4	0	
First Floor	5	4	1	
Subtotal	19	10	1	
Total Apartment Units	30			
Average SF by Unit Type	700	930	1,100	
SF per Phase	13,300	9,300	1,100	
Total Apt SF per Phase	23,700			
	Townhouses			
	1 BR	2BR	2BR	3BR
	0	Type M	Type G	Type E
	0	no garage	garage	garage
	0	1.5 Story	2 Story	2 Story
	0	1.5 Bath	1.5 Bath	1.5 Bath
Units per Phase	0	8	12	5
Total Townhouse Units	25			
Average SF by Unit Type		1,095	1,195	1,515
SF per Phase	-	8,760	14,340	7,575
Total TH SF Phase 2	30,675			
Total Units per Phase 2	55			
Total GSF Phase 2	54,375			
Total GSF for SITE	116,670			
TOTAL UNITS for SITE	115			

TOTAL BR count per Phase	1 BR	2 BR	3 BR
Phase 1	20 x 1 = 20	34 x 2 = 68	6 x 3 = 18
Phase 2	19 x 1 = 19	30 x 2 = 60	6 x 3 = 18
TOTAL BRs	39	128	36
for SITE	203		
SITE AREA	10.86 acres	115 units	Density 10.6 u/acre

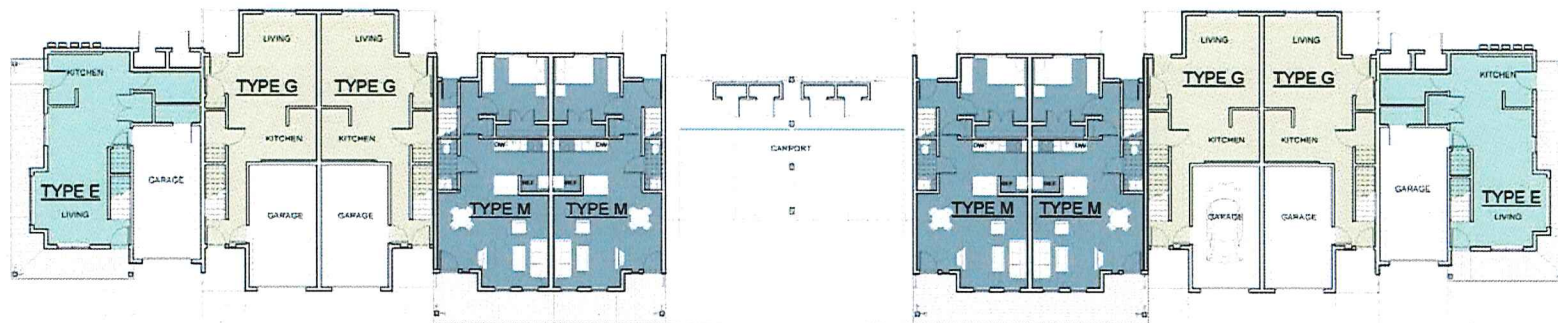
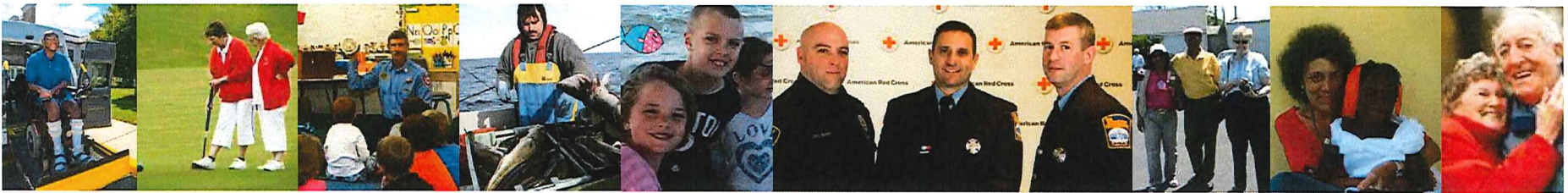
Demographics

IV Obstacles to Development

G. Community Perceptions

*"More people are recognizing that the **new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community.**"*

The proposed Governor Prence Residences provides a variety of units allowing a mix of residential types for all.



Senior and Family Units

	1 BR	2 BR	3 BR
Priority Housing Need [from Housing Production Plan]	40	140	20
Proposed Unit Mix [Gov Prencce Residences]	39* [33 or 85% - directed to elderly, single households]	64 [62.5% in TH; 37.5% in Apts]	12 [2 units in Apt Building]

Table III-35
Summary of Priority Housing Needs and Targeted Production Goals
Longer-term Goals/Shorter-term, Five-Year Goals

Type of Housing	Seniors/Single Persons** One Bedroom Units	Small Families/ 2 Bedrooms	Large Families/ 3+ Bedrooms	Total
Rental	40/10	140/35	20/5	200/50
Ownership	50/12	30/8	20/5	100/25
Total	90/22	170/43	40/10	300/75
Special Needs*	18/4	17/4	4/1	39/9

Source: 2000 HUD SOCDS CHAS and Census data, Karen Sunnarborg Consulting

* Represents 10% of all units created in family housing and 20% in senior and single person housing and includes handicapped accessibility and/or supportive services.

** Approximately 15% of units in this category directed to non-elderly, single person households.



INTERGENERATIONAL HOUSING

Demographics

III Housing Needs Assessment

3. Household Type.....

*“Correspondingly, the **average household size decreased** somewhat from 2.34 persons in 1990 to 2.24 persons in 2000, reflective of the growth in smaller, non-family households and significant number of retirees. This trend towards smaller households is part of a demographic shift that is occurring throughout the state and country.”*

4. Age Distribution.....

*“Given past trends in Eastham and the rest of the Cape, most of which is experiencing declining enrollments, it is probable **the town’s school-age population will not likely increase** much over the next few years particularly given the currently limited development of year-round housing that is affordable to young families.”*

D. School Enrollment

While the overall population increased by 57% between 1980 and 2000, those under the age of 18 increased by only 24.4%, growing by 189 children and representing a decreasing portion of the population – from 22.3% in 1980 to 17.7% in 2000. Buildout projections included in the Local Comprehensive Plan estimate that the student population will increase from 763 students to 1,085 assuming seasonal housing units are 40% of all housing units at buildout. Like most communities on the Cape, the Outer Cape in particular, school enrollments have been decreasing. For example, **enrollments have dropped for the Eastham Elementary School from a high of 355 students in 1999 to as low as 204 students in 2005 and up only a bit to 218 in 2009.** Many people with children have moved away due to the high cost of living, lack of jobs in particular, others are sending their kids to charter schools and private schools in the area, and increasing numbers of households have fewer children or no children at all.

School Year	Enrollment
1999	355*
2005	204*
2009-10	218*
2011-12	207
2012-13	205
2013-14	195
2014-15	182
2015-16	177

SCHOOL ENROLLMENT

Number of Residents

Estimated **223 residents** (including children)

IF ALL NEW* to Eastham [highly unlikely]...

-this equates to 4.5% increase to current population of 4,956.

OF the estimated 223 residents, **21** will be public school children.

IF ALL NEW* to Eastham [highly unlikely] ...

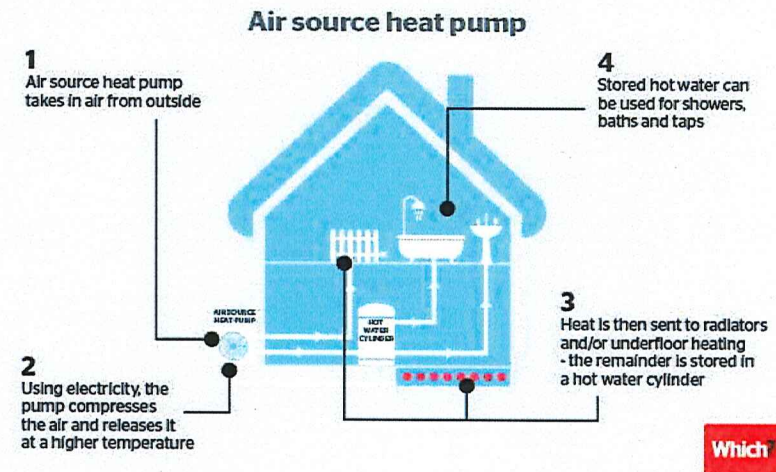
-this would represent a **4.9%** increase to current 429 public school enrollment.

*We know many in need are already living in Eastham

Based on local census and demographic information, the American Housing Survey, Nauset Public Schools

Air Source Heat Pump & Tight Exterior Skin

Fuel Source	Cost per Unit	Cost per Million BTUs	Cost to Heat Typical Home
Electric Baseboard	\$0.14 / kWh	\$44	\$4,489
Heating Oil	\$3.70 / gallon	\$41	\$3,938
Propane	\$2.50 / gallon	\$35	\$3,404
Natural Gas	\$2.00 / therm	\$26	\$2,587
Heat Pump	\$0.14 / kWh	\$18	\$1,706



Air source heat pumps extract heat from the outside air using a reverse refrigeration cycle (imagine if you took a window air conditioner and flipped it around). By extracting heat from the outside air and moving it inside, rather than directly heating the indoor air, the heat pump runs 2-3 times more efficiently than an electric baseboard heater.

E- ENERGY SOURCE | THERMAL ENVELOPE



 **THANK YOU**

Sheila Vanderhoef

From: Paul Lagg <plagg@eastham-ma.gov>
Sent: Thursday, November 12, 2015 8:07 AM
To: Sheila Vanderhoef
Subject: FW: Commitment

FYI: More on T-Time

PAUL LAGG | Town Planner | Town of Eastham
2500 State Highway | Eastham, MA 02642
508-240-5900 X228 | plagg@eastham-ma.gov

From: Richard Hayden [<mailto:RAH@stratfordcapitalgroup.com>]
Sent: Wednesday, November 11, 2015 3:50 PM
To: Elizabeth Gawron (egawron326@gmail.com); Bill O'Shea (BOShea10@gmail.com); Wally Adams (wallace.adams70@yahoo.com); Linda Burt (lsburt@hotmail.com); John Knight (knightflight2500@gmail.com); Paul Lagg
Subject: Commitment

Hi all,

Please consider this a commitment from Stratford Capital Group, LLC to act in good faith to actively work with the Town of Eastham on the development of an extension of the frontage road proposed to be developed on the Governor Prentice Residences site. Please let me know if you would like something more formal. I understand the Town may be drafting something, but in the meantime, I thought I would provide this.

Regards, Rich

Richard A. Hayden
Executive Vice President



100 Corporate Place
Suite 404
Peabody, MA 01960
☎ (978) 535-5600 ext. 114
📠 (978) 535-1141
rah@stratfordcapitalgroup.com
www.stratfordcapitalgroup.com

DISCLAIMER: This e-mail is only intended for the person(s) to whom it is addressed and may contain confidential information. Unless stated to the contrary, any opinions or comments are personal to the writer and do not represent the official view of the company. If you have received this e-mail in error, please notify us immediately by reply e-mail and then delete this message from your system. Please do not copy it or use it for any purposes, or disclose its contents to any other person. Thank you for your cooperation. Circular 230 Disclaimer: To ensure compliance with the requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

Sheila Vanderhoef

From: Paul Lagg <plagg@eastham-ma.gov>
Sent: Thursday, November 12, 2015 8:07 AM
To: Sheila Vanderhoef
Subject: FW: Governor Prence Residences

FYI

PAUL LAGG | Town Planner | Town of Eastham
2500 State Highway | Eastham, MA 02642
508-240-5900 X228 plagg@eastham-ma.gov

From: Richard Hayden [<mailto:RAH@stratfordcapitalgroup.com>]
Sent: Wednesday, November 11, 2015 2:35 PM
To: Elizabeth Gawron (egawron326@gmail.com); Bill O'Shea (BOShea10@gmail.com); Wally Adams (wallace.adams70@yahoo.com); Linda Burt (lsburt@hotmail.com); John Knight (knightflight2500@gmail.com); Paul Lagg
Subject: Governor Prence Residences

Hi all,

In order to help in any calculation of economic impact of this development to the Town, we had our market study and demographic group, Bonz and Co., run a projection on the number of residents likely to reside at the property. Their conclusions are:

- Based on local census and demographic information, they estimate that there will be a total of 223 residents (including children). If none of these residents already live in Eastham (which we know will not be the case by a long margin as many will be from Eastham), it would represent a 4.5% increase to the current population of 4,956.
- Based on local census and demographic information, the American Housing Survey, Nauset Public Schools, they estimate that of the 223 residents, 21 will be public school children. If none of these children already live in Eastham (which we know will not be the case by a long margin as many will be from Eastham), it would represent a 4.9% increase to the current number of 429 public school children.

Bonz is a recognized real estate advisory firm providing services to developers, public agencies and institutions in New England, nationally and overseas.

I hope this is helpful. Let me know if I can provide any further information.

Regards, Rich

Richard A. Hayden
Executive Vice President



STRATFORD
CAPITAL GROUP

100 Corporate Place
Suite 404
Peabody, MA 01960
☎ (978) 535-5600 ext. 114



TOWN OF EASTHAM

2500 State Highway, Eastham, MA 02642
All Departments 508-240-5900
www.eastham-ma.gov

DATE: November 13, 2015

TO: Eastham Board of Selectmen
Sheila Vanderhoef, Town Administrator

FROM: Paul Lagg, Town Planner

RE: Tee-Time Preliminary Zoning Assessment

Based on the limited information available on the Tee-Time proposal the following information summarizes the regulations that would likely to be applicable to a proposal of this size and scope under standard local and regional zoning.

The site for the proposed development falls under two overlapping zoning districts.

1. **District E: Residential and Limited Commercial** Focused on residential and limited commercial uses with provision for residential apartments located above businesses.
2. **North Eastham Overlay District** - The intent of the overlay district is to encourage cohesive, village-style development by providing for optional mixes of uses and alternative dimensional standards (setbacks, building height, site coverage, parking requirements). *Note: Tee-Time proposal is 100% residential. Dimensional flexibility in overlay district applies only to mixed-use projects. Based on information currently available, the current concept plan is not directly applicable to the dimensional flexibility permitted under the overlay district regulations.*

LAND USE

Tee Time Proposal - Residential use with mix of townhouse and apartment units

Eastham Zoning Bylaw Permitted Residential Uses:

- **District E** - Single and Two family dwellings and apartments located above businesses
- **Overlay District** - Apartments and Townhouses are allowed within the Overlay District via Special Permit issued by the Planning Board.

RESIDENTIAL LOT DENSITY

Tee Time Proposal - 10.6 units per acres

Eastham Zoning Bylaw Intensity Regulations:

- **District E** - Single Family Dwelling requires minimum 40,000 sf. and Two family dwelling required minimum 80,000 sf. The Tee-Time property could accommodate 11 single family dwellings or 5 two family dwellings
- **Overlay District** - No unit density thresholds are specified.

PARKING

Tee Time Proposal - 221 total spaces

Eastham Zoning Bylaw Parking Requirements:

- **District E** - No directly applicable requirements listed in bylaw
- **Overlay District** - No directly applicable requirements listed in bylaw

SETBACKS

Tee-Time Proposal - Detail information not currently available

Eastham Zoning Bylaw Setback Requirements:

- **District E** - 100 feet from all ways and 25 feet from side and rear property lines
- **Overlay District** - No applicable requirements listed in bylaw

Correspondence Received Re Proposed LIP at Former Tee-Time Property

Includes:

- A list of the names of 445 people who signed petitions to “Stop Proposed Tee Time Housing Development”
- 1 copy of the petition for review of content
- A list of 36 Individuals who submitted letters regarding the proposed development – some sent multiple letters
- A copy of all letters/emails received concerning the proposed development

Petition: Stop Proposed Tee Time Housing Development

I am signing the petition to stop the proposed project to develop 130 housing units on the parcel of land known as the Tee Time property. I am signing this petition for the many reasons explained below, but most notably because of the extraordinary density of this project.

While as a citizen of Eastham I understand and have a responsibility to support affordable housing, this project is not designed to help the citizens of Eastham, but is aimed at solving a regional problem proposed by an off Cape developer.

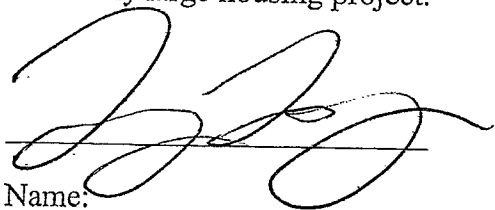
Ask yourself, who is this project helping?

I urge the Selectmen, The Town Administrator, the Boards of Finance, Conservation, Planning and the Town Planner, with the citizens of Eastham, to work and look at options for this property as well as other properties to solve this issue. These projects might resemble the Roach Property and Brackett Landing.

The Town has a dedicated caring group of volunteers that serve on the Eastham Affordable Housing Trust as well as several non-profit organizations that work to solve housing issues. It is clear that much work is to be done to achieve more affordable options for all residents. Let's look at options such as homes created by Habitat for Humanity, the work done by the Community Development Partnership and other scattered site options. Has an option been explored to purchase this property with CPA funds and add some rental properties to this parcel or another property in Town?

Eastham is a special community with much to offer. This project would have untold and changing affects on the community, including an untold increase in the population of year round residents and a substantial jump in the number of students in Eastham Elementary School. The cost of additional police and fire is untold. The current infrastructure is already taxed; note the traffic on Route 6.

Again, I support increasing affordable housing options in Eastham. I do not support this incredibly large housing project.



Name:

Address:

W meadow Drive N. Eastham

Contact: Phone or email

Letter #5

Gillespie-Lee, Laurie

From: Scott Andersen <skarock111@yahoo.com>
Sent: Wednesday, October 14, 2015 9:28 PM
To: Gillespie-Lee, Laurie
Subject: 130 unit affordable housing

Good Afternoon

We are writing to express how unhappy we are about this proposal for this massive affordable housing. We bought our house in Eastham 5 years ago and it was a dream come true. We understand the need for affordable housing but this will be a huge negative to the town for so many reasons and cost so much money in the long run, it seems it would be cheaper for the town to buy the land and maintain the beauty and peaceful feeling in Eastham. This would be more appropriate for Hyannis or another town, but definitely not Eastham, too many towns on the Cape have been ruined, let's keep Eastham the way it is.

We can't emphasize enough how much we would appreciate your no vote for this to keep Eastham beautiful!

Thank you for your consideration,

Scott & Patti Andersen

630 Herringbrook Road

Sent from my iPad

Gillespie-Lee, Laurie

From: Scott Andersen <skarock111@yahoo.com>
Sent: Saturday, November 07, 2015 9:55 AM
To: Gillespie-Lee, Laurie
Subject: Re: 130 unit affordable housing

I was VERY disappointed to hear about the 11-4 BOS Working Meeting to discuss the T-Time proposal. It seems very obvious to me that a large majority of Eastham is strongly against this proposal because it is WAY TOO LARGE. It is our first major project for affordable housing and it is way too big for an "experiment" and will most likely cause irreparable damage to Eastham. I believe we need to do something to resolve our affordable housing problem, including 55+ but this is not at all appropriate for Eastham. Start smaller to see how it goes, and then add on. This developer claims to be friendly but his actions speak louder than his words and proves he is not friendly at all, and he is in fact threatening us. This development will lead to increased traffic, accidents, crime... And will be a burden to the police and town budget!!!

We are asking the BOS to listen to the majority opinion of the town, and to think of the future of Eastham and say NO to this project. It is obvious that the developer and Jay Coburn want this in Eastham since they own homes in Wellfleet and Truro. This will turn Eastham into the affordable housing hub of the outer cape and once we do this, we can't un-do it. So again, please say NO and wait for a more appropriate project for Eastham.

Thank you,
Scott and Patti Andersen
630 Herring Brook Rd

Sent from my iPad

> On Oct 15, 2015, at 10:51 AM, Gillespie-Lee, Laurie <admin2@eastham-ma.gov> wrote:

>
> We have received your information and this is now considered public record.

>
> Laurie Gillespie-Lee
> Administrative Assistant
> Town of Eastham
> 2500 State Highway
> Eastham, MA 02642

>
> Telephone: 508-240-5900, ext 207
> Fax: 508-240-1291
> E Mail: admin2@eastham-ma.gov

> -----Original Message-----

> From: Scott Andersen [<mailto:skarock111@yahoo.com>]
> Sent: Wednesday, October 14, 2015 9:28 PM
> To: Gillespie-Lee, Laurie
> Subject: 130 unit affordable housing

>
> Good Afternoon

> We are writing to express how unhappy we are about this proposal for this massive affordable housing. We bought our house in Eastham 5 years ago and it was a dream come true. We understand the need for affordable housing but this will be a huge negative to the town for so many reasons and cost so much money in the long run, it seems it would be cheaper for the town to buy the land and maintain the beauty and peaceful feeling in Eastham. This would be more appropriate for Hyannis or another town, but definitely not Eastham, too many towns on the Cape have been ruined, let's keep Eastham the way it is.

> We can't emphasize enough how much we would appreciate your no vote for this to keep Eastham beautiful!

> Thank you for your consideration,

> Scott & Patti Andersen

> 630 Herringbrook Road

>

> Sent from my iPad

Gillespie-Lee, Laurie

11/16
agdn

From: Andersen, Patricia F <pfandersen@statestreet.com>
Sent: Monday, November 09, 2015 3:24 PM
To: gawronsoncapecod@comcast.net; knightflight12@hotmail.com;
burtl@nausetschools.org; wallace.adams@comcast.net; boshea@navizone.com;
Gillespie-Lee, Laurie
Subject: T-Time Proposal

Good Afternoon

We are writing to share our opinion regarding the proposal by Stratford Capital for the former T-Time site. There are obviously very strong emotions among the people in Eastham, but no matter what our opinions are about this proposal we all have one thing in common – we all believe there is a need in Eastham for affordable housing and we would like to work together on a solution that we are all comfortable with.

We think our opinion is similar to the majority of the people in Eastham – we are opposed to this project for many reasons detailed below:

Size - it's too large! In many ways this is our first major attempt at resolving our affordable housing problem and we should start off smaller and then add on as we work out any challenges along the way, to incorporate into the next project

Traffic and safety – we can all agree traffic and accidents (including recent fatalities) are both a major problem in Eastham and this project will have a major impact on both. The required right hand turn out of the development proves that this development is way too large for this location. There is no guaranty that people won't make a left hand turn, or run across Route 6 to catch a bus – they will probably do both, and do it often. Stratford has been asked about this and has offered nothing.

Heat – electric heat is outrageously expensive, an oxymoron in for affordable housing

Environmental concerns – the density of this proposal will have obvious septic concerns, they have addressed nitrogen concerns but not phosphorus, which is also very important. And the carbon emission from the heat has not been addressed

Deceptive developer – the more he speaks, the more we lose trust in Richard Hayden. He referenced a 2014 Town Meeting vote that never happened, flip-flopped on section 8, claims he chose electric heat over oil because of unsightly oil trucks, and keeps reminding us that he is a “friendly 40b” developer while sneaking in subtle threats. We believe he is trying to deceive the BOS as well as the people in Eastham, luckily we're all too smart for that ☺

Preference to Eastham residents – at the October BOS meeting he constantly referred to the affordable housing needs of the Lower Cape and this proposal would help resolve that. What about Eastham and the Outer Cape? How much preference, if any, will be given to Eastham residents or will it simply be first come first serve

55+ - when Richard was asked about senior housing he said there would be tons of seniors, not sure what that means. We all know Eastham has one of the highest average ages in the state, probably because it's a very desirable place to retire, and lack of jobs for younger people. 55+ communities have been very successful in Massachusetts and would offer our seniors a place to downsize from their homes

Drain on town services – we assume something this large will have a major impact on town services including police, fire and schools among other things. It would be nice to have a comprehensive analysis of the impact on town services before we move forward

Risks – there are always risk, in all neighborhoods, rich or poor. But because of the density of this project, all it would take is one bad egg to ruin it for everyone, and then nobody will want to live there. Again the reason we should start with a much smaller, and more manageable project.

What do we support?

Although we are lucky enough to own a home in Eastham we recognize home prices in Eastham, as well as all of Massachusetts, have made home ownership unattainable for many people, especially without a large supply of high paying jobs. So first and foremost, we believe there is a lack of affordable housing in Eastham, as well as many parts of the Cape, and we must all work together to resolve this.

Suggestions

Stay local #1 - work with a local builder, preferably one that already has a presence in Eastham and understands the needs of Eastham. This is a win-win because if we stay local we will create local jobs.

Stay local #2 - use a local property manager such as the CDP, another win-win

Start small – we love the phrase “go big or go home” but not here

Let’s do this TOGETHER – we obviously can’t make everybody happy here but we can do a lot better than what’s occurred over the last few weeks. We all love Eastham and all want to work together on a solution for affordable housing but what’s occurred over the last few weeks seems very dysfunctional. We’re all fighting, bickering, getting out of control on community Facebook pages (us included), and just not working together. This is wrong for such a major decision, it should be something we all feel good about, even if we aren’t in 100% agreement, and we strongly believe that is possible. People are upset about the November BOS meeting change and feel deceived by their own town, and that’s a horrible feeling. We personally think you did that because you know the majority of the town is against this project and you wanted people who are 100% in favor to have a chance to speak without feeling threatened, and we agree with that decision

Working on our affordable housing solution is a great and challenging opportunity for Eastham, but we must do it right, and in a way that most people are comfortable with. The town is very divided over this issue and that’s a bad thing - many of us are sick to our stomachs over this proposal and we are clashing with our neighbors, and it doesn’t have to be that way. When we do this, we must do it the right way, where we are all comfortable with the solution and set an example for the rest of the Cape. Let’s make this a positive learning experience for all of us, including Stratford Capital. We obviously can’t make everybody happy, but at least we can make people feel comfortable – this proposal with Stratford does not come close to doing that.

Our message to Richard would be – thank you for thinking of us, thank you for your time, and thank you for helping us accelerate our affordable housing discussion, but unfortunately this isn’t the right project for Eastham

Our message to Eastham (BOS and people) – lets work together for a compromise, find common ground, and establish a range where we are all comfortable, that way we all win

Good luck with your decision, it’s a difficult one.

Thank you for your time and consideration, we appreciate everything you do for Eastham

Scott and Patti Andersen

630 Herring Brook Road



Go green! Consider the environment before printing this email.

CONFIDENTIALITY NOTICE: This transmission is intended solely for use by the named addressee(s) and any information contained in this email transmission and any attachment(s) is confidential, proprietary and/or privileged information/communication and intended solely for the use of the named addressee(s). If you are not an intended recipient or a person responsible for delivery to an intended recipient, please immediately notify the author and destroy this transmission in its entirety, whether in electronic or hard copy format. Any unauthorized use (and reliance thereon), copying, disclosure, retention or distribution of this transmission or the material in this transmission is forbidden.

Sheila Vanderhoef

From: Elizabeth Gawron <gawronsoncapecod@comcast.net>
Sent: Friday, November 13, 2015 10:10 AM
To: Sheila Vanderhoef
Subject: Fwd: T-Time Proposal

ADMINISTRATION

NOV 13 2015

RECEIVED

Sent from my iPhone

Begin forwarded message:

From: "Andersen, Patricia F" <pfandersen@statestreet.com>
Date: November 13, 2015 at 9:58:13 AM EST
To: "gawronsoncapecod@comcast.net" <gawronsoncapecod@comcast.net>, "knightflight12@hotmail.com" <knightflight12@hotmail.com>, "burtl@nausetschools.org" <burtl@nausetschools.org>, "wallace.adams@comcast.net" <wallace.adams@comcast.net>, "boshea@navizone.com" <boshea@navizone.com>
Subject: FW: T-Time Proposal

Good Morning

We are following up to our November 9th email (attached). And again we want to remind you that we strongly believe there is a need in Eastham for affordable housing and we would like to see a solution sooner rather than later. However, after reading about yesterday's 40b meeting we only feel worse, not better. We could go on and on about the irreparable damage that can result from a development of this size – traffic, crime, environmental issues, drain on town services, increase in population with no new jobs...but the worst part has been the process. It is obvious that the majority of the residents oppose this project, but that doesn't seem to matter, only the small minority in favor are being heard.

In many ways, the future of Eastham is in the hands of Richard Hayden, and that is scary! All we've heard from him is lies and empty threats, and when asked about traffic and safety concerns including recent fatal accidents, his response was "it is what it is" (translation – I don't care). He does not deserve the power to control our future, **we as a community should work together to shape our future!**

The sooner this is over, the better, so please don't let this drag on with the ZBA. The sooner we put this behind us, the sooner we can come up with responsible affordable housing solutions. So again, we are urging you to please vote no at Monday's BOS meeting.

If this thing goes in, Eastham will never be the same.

Thank you again for your time and consideration

Scott and Patti Andersen
630 Herring Brook Road

From: Andersen, Patricia F

Sent: Monday, November 09, 2015 3:24 PM

To: 'gawronsoncapecod@comcast.net'; 'knightflight12@hotmail.com'; 'burtl@nausetschools.org'; 'wallace.adams@comcast.net'; 'boshea@navizone.com'; 'admin2@eastham-ma.gov'

Subject: T-Time Proposal

Good Afternoon

We are writing to share our opinion regarding the proposal by Stratford Capital for the former T-Time site. There are obviously very strong emotions among the people in Eastham, but no matter what our opinions are about this proposal we all have one thing in common – we all believe there is a need in Eastham for affordable housing and we would like to work together on a solution that we are all comfortable with.

We think our opinion is similar to the majority of the people in Eastham – we are opposed to this project for many reasons detailed below:

Size - it's too large! In many ways this is our first major attempt at resolving our affordable housing problem and we should start off smaller and then add on as we work out any challenges along the way, to incorporate into the next project

Traffic and safety – we can all agree traffic and accidents (including recent fatalities) are both a major problem in Eastham and this project will have a major impact on both. The required right hand turn out of the development proves that this development is way too large for this location. There is no guaranty that people won't make a left hand turn, or run across Route 6 to catch a bus – they will probably do both, and do it often. Stratford has been asked about this and has offered nothing.

Heat – electric heat is outrageously expensive, an oxymoron in for affordable housing

Environmental concerns – the density of this proposal will have obvious septic concerns, they have addressed nitrogen concerns but not phosphorus, which is also very important. And the carbon emission from the heat has not been addressed

Deceptive developer – the more he speaks, the more we lose trust in Richard Hayden. He referenced a 2014 Town Meeting vote that never happened, flip-flopped on section 8, claims he chose electric heat over oil because of unsightly oil trucks, and keeps reminding us that he is a “friendly 40b” developer while sneaking in subtle threats. We believe he is trying to deceive the BOS as well as the people in Eastham, luckily we're all too smart for that ☺

Preference to Eastham residents – at the October BOS meeting he constantly referred to the affordable housing needs of the Lower Cape and this proposal would help resolve that. What about Eastham and the Outer Cape? How much preference, if any, will be given to Eastham residents or will it simply be first come first serve

55+ - when Richard was asked about senior housing he said there would be tons of seniors, not sure what that means. We all know Eastham has one of the highest average ages in the state, probably because it's a very desirable place to retire, and lack of jobs for younger people. 55+ communities have been very successful in Massachusetts and would offer our seniors a place to downsize from their homes

Drain on town services – we assume something this large will have a major impact on town services including police, fire and schools among other things. It would be nice to have a comprehensive analysis of the impact on town services before we move forward

Risks – there are always risk, in all neighborhoods, rich or poor. But because of the density of this project, all it would take is one bad egg to ruin it for everyone, and then nobody will want to live there. Again the reason we should start with a much smaller, and more manageable project.

What do we support?

Although we are lucky enough to own a home in Eastham we recognize home prices in Eastham, as well as all of Massachusetts, have made home ownership unattainable for many people, especially without a large supply of high paying jobs. So first and foremost, we believe there is a lack of affordable housing in Eastham, as well as many parts of the Cape, and we must all work together to resolve this.

Suggestions

Stay local #1 - work with a local builder, preferably one that already has a presence in Eastham and understands the needs of Eastham. This is a win-win because if we stay local we will create local jobs.

Stay local #2 - use a local property manager such as the CDP, another win-win

Start small – we love the phrase “go big or go home” but not here

Let's do this TOGETHER – we obviously can't make everybody happy here but we can do a lot better than what's occurred over the last few weeks. We all love Eastham and all want to work together on a solution for affordable housing but what's occurred over the last few weeks seems very dysfunctional. We're all fighting, bickering, getting out of control on community Facebook pages (us included), and just not working together. This is wrong for such a major decision, it should be something we all feel good about, even if we aren't in 100% agreement, and we strongly believe that is possible. People are upset about the November BOS meeting change and feel deceived by their own town, and that's a horrible feeling. We personally think you did that because you know the majority of the town is against this project and you wanted people who are 100% in favor to have a chance to speak without feeling threatened, and we agree with that decision

Working on our affordable housing solution is a great and challenging opportunity for Eastham, but we must do it right, and in a way that most people are comfortable with. The town is very divided over this issue and that's a bad thing - many of us are sick to our stomachs over this proposal and we are clashing with our neighbors, and it doesn't have to be that way. When we do this, we must do it the right way, where we are all comfortable with the solution and set an example for the rest of the Cape. Let's make this a positive learning experience for all of us, including Stratford Capital. We obviously can't make everybody happy, but at least we can make people feel comfortable – this proposal with Stratford does not come close to doing that.

Our message to Richard would be – thank you for thinking of us, thank you for your time, and thank you for helping us accelerate our affordable housing discussion, but unfortunately this isn't the right project for Eastham

Our message to Eastham (BOS and people) – lets work together for a compromise, find common ground, and establish a range where we are all comfortable, that way we all win

Good luck with your decision, it's a difficult one.

Thank you for your time and consideration, we appreciate everything you do for Eastham

Scott and Patti Andersen

630 Herring Brook Road



Go green! Consider the environment before printing this email.

CONFIDENTIALITY NOTICE: This transmission is intended solely for use by the named addressee(s) and any information contained in this email transmission and any attachment(s) is confidential, proprietary and/or privileged information/communication and intended solely for the use of the named addressee(s). If you are not an intended recipient or a person responsible for delivery to an intended recipient, please immediately notify the author and destroy this transmission in its entirety, whether in electronic or hard copy format. Any unauthorized use (and reliance thereon), copying, disclosure, retention or distribution of this transmission or the material in this transmission is forbidden.

letter #17


October 14th, 2015

Dear Eastham Board of Selectman;

RE: EASTHAM NEEDS AFFORDABLE HOUSING- Letter of Support to be read into the record on 10/19

I'm writing in support of the Governor Prentice Residences Project proposed for the T-Time location on Rt. 6 in Eastham. I was born & raised in Eastham & feel our community could benefit greatly from this project. I find for myself and so many my age, consistently faced with the possibility of having to leave Cape Cod (my family's home for 14 generations) & Eastham because of the lack of Affordable Housing in combination with the shortage of good paying jobs. I urge Eastham residents that support this project to attend the BOS mtg. on Mon 10/19 @ Town hall to let yourselves be heard! This project will also help Eastham move closer to the states goal of 10% AH, currently Eastham is the lowest on the Cape with 1.9% AH. WE can & MUST do better, the future of Eastham depends on it!

Respectfully,



Edward Atwood

120B Massasoit Road, Eastham

Cc: Sheila Vanderhoef, Town Administrator

Begin forwarded message:

From: Lois Beard <loiscbeard@gmail.com>
Date: November 10, 2015 at 8:06:48 AM EST
To: gawronsoncapecod@comcast.net
Subject: Tee Time building proposal

ADMINISTRATION
NOV 09 2015
RECEIVED

Dear Ms Gowron,

My name is Lois Beard. My husband Glenn and I bought our home at 1080 Massasoit Rd three years ago with the intention of becoming full time residents within the next 5 years. We support providing reasonable affordable housing in our neighborhoods in this service economy.

I'm writing to voice our concerns about the 115-130 unit development proposed by Stratford Capital on the existing 10+ acre driving range on Rt 6.

* Safety: The developers laissez faire attitude of "it is what it is" with regards to the increased vehicle and pedestrian needs is unacceptable. Also, a project of this density is a magnet for trouble. Dense housing projects across the state show this to be true.

*Cost: The impact on the town's resources will increase. Without a thorough cost analysis no numbers can be considered accurate. The developers should be required to fund an independent analysis. Also, what are our neighboring towns offering to satisfy this need? Will there be similar projects in Wellfleet or Orleans?

*Transparency: Stratford Capital seems more interested in their profit margin than their integrity and public image. The proposed density of 12 units per acre was never approved by Eastham residents yet that is precisely what the developer stated as fact. (Town meeting of 10/19, Minute 14:05) If allowed that density would contain 12-18 bedrooms/half acre. Private homes are only allowed 3BR/half acre.

We understand the need for affordable housing and we support a reasonable approach that takes safety, cost and societal burden into consideration. Stratford Capital, like all businesses, is interested in making a profit. It is the town's responsibility to consider the best interests of all it's residents.

Thank you for your thoughtful consideration on this matter.

Sincerely,
Lois and Glenn Beard
1080 Massasoit Rd
Eastham, MA

Cell 508-560-1901

OCT 15 2015

Letter
#3

RECEIVED

Elizabeth Shaw

From: Steve Bizilj [Bizilj@nemsi.com]
Sent: Wednesday, October 14, 2015 3:28 PM
To: admin@eastham-ma.gov; admin2@eastham-ma.gov
Subject: Low Income Housing proposed to be built at the old Golf Driving Range, Rte 6, N. Eastham, MA

Dear Board of Selectmen:

I **completely oppose** this proposal to build 130 "Low Income Housing Units" at the old driving range location.

The influx of 130 low income families in our area will, without a doubt, bring to our town unwanted and undesirable side effects of this type of housing complex.

The strain on septic, water and traffic will be REAL.

The influx of illegal drugs will be present.

I am not able to attend the town meeting so I am sending this e-mail to state my opinion.

I am 100% against this proposed development.

DO NOT BUILD THIS COMPLEX.

Best regards,

Steve Bizilj
Service Project Manager
EMCOR Services New England Mechanical
166 Tunnel Road, Vernon, CT 06066
Office (860) 870 - 2247
Mobile (860) 324 - 8681
Fax (866) 481- 3250
E-Mail bizilj@nemsi.com



This message is for the named person's use only. It may contain confidential, proprietary or legally privileged information. No confidentiality or privilege is waived or lost by any mistransmission. If you receive this message in error, please immediately delete it and all copies of it from your system, destroy any hard copies of it and notify the sender. You must not, directly or indirectly, use, disclose, distribute, print, or copy any part of this message if you are not the intended recipient.

Adele Blong

115 Kingsbury Beach Rd., Eastham MA 02642
508-240-1355
capeporter@comcast.net

10/29/2015



Dear Selectmen,

Re: Proposal for Affordable Housing Complex at T-Time site

I regret that I was unable to attend the hearing on this subject because of travel. I do strongly support the proposal put forth for the site.

The need for greatly increased affordable housing is clear. In addition to its being demonstrated over and over in studies and reports on the Cape's housing situation, I have firsthand knowledge from my volunteer work at Lower Cape Outreach Council. I see client after client searching for housing at a rent they can manage and/or facing potential homelessness or other financial problems because of their inability to meet rent costs in current housing that are clearly out of whack with their incomes.

Recently I saw a homeless veteran in his 50's who couldn't hold on to his housing when he became unemployed and now is having difficulty finding a job because he doesn't have a place to live. And there is the senior who lives in a tent when she has to vacate her offseason rental for the summer. In the last lottery for affordable housing in Eastham 42% of the applicants were from Eastham and another 50% were from other Lower Cape towns. One can expect an even higher number of applicants from Eastham as the result of the greater publicity attached to this development.

I also am very impressed by the design of the complex, the attractiveness of the buildings and the large areas of open space. The buildings clearly fit in in a Cape setting. The open space is more extensive than what I've seen in some condo complexes in Orleans. What an improvement over the current eyesore.

I have heard the concerns that the complex would result in a 5% increase in our population. That number of course assumes that every bedroom will be occupied by two people which is far from a certainty. It also doesn't take into consideration that some of the tenants may be relocating from other less desirable living situations in Eastham – young adults living in parents' basements, seniors trapped in homes that no longer meet their needs because they can't afford an alternative, families squeezed into inadequate space because they can't afford more space, and others. The lottery that will be conducted for rental will give a preference to Eastham residents.

In addition, I have yet to hear a reason why population growth is bad for the town. Are we suffering from density? Would our resources be overstretched? Would additional population pose problems for our infrastructure? What I have heard is just "it's too big". By what standard? I suspect that if the residents of 20 or 30 years ago had anticipated the coming growth in the town they would have said "it's too big". But we're here and doing pretty well I think. Bigger is not necessarily bad.

I have heard some talk about decreasing the size at T-Time and building some affordable housing on the Purcell property. That of course does nothing to diminish any overall population increase. Moreover it may not be economically feasible for the developer to go forward with a reduced complex at T-Time. No doubt the per unit cost of development and operation goes up as the number of units goes down.

I do understand the concern about traffic egress from the complex. The simple answer seems to be a traffic light, either regular or treadle operated. And this also would be a welcome change to slow down the flow of traffic between Brackett Rd and Nauset Road. I know the difficulties of getting this change from the State Highway Department but this case might yield a different result. Certainly it's worth a try.

It also is important to be mindful of what might transpire if this complex is rejected. Building in Eastham has become far more attractive with the advent of town water and the land is for sale. It would be foolhardy to think the land will sit undeveloped long into the future. A less friendly developer could build on the property providing far less or no affordable housing. And current zoning for the site allows sizable multiple housing development on the site. We have a bird in hand, a developer with local ties and a proven record of building quality affordable housing with appropriate consideration for town concerns. I urge you to support moving forward with the proposed T-Time development.

Yours truly,



Adele Blong

Letter # 6

Gillespie-Lee, Laurie

From: Kevin Cavanaugh <icukevin@aol.com>
Sent: Thursday, October 15, 2015 2:26 AM
To: Gillespie-Lee, Laurie

To whom it may concern...i have been a summer resident in north Eastham for for 39 years. I've seen the town develop over time often in wonderful ways. The public library, the clean beaches , the recycle center and a sense of community that has prevailed. In the last 5 years, however, the police sirens are consistent and more frequent. I now fear the night and lock all doors. This summer, I found 5 mattresses on our deck. The purpose was unknown. Also evidence that somebody was inside using the fireplace was disturbing. We are near the edge of this proposed low income development . Lets not kid ourselves. There are drugs,increased crime and homeless already in town...this will be a magnet for even more. Property values will shrink as well as constant concern for the safety home and self. Too many older folks live right in that area and victims they will be. I predict a larger police presence will be required as is always the case. My mother loves it here and as out of state tax payer, she has valid concerns. We are within sight of thus proposed shortsighted money grab. This is happening all over the state and country. Enough. Orleans is a sanctuary city and i smell a rat. As a son if a taxpayer and future taxpayer, I vehemently opose this folly. .thank you for your time...kevin Cavanaugh...

Sheila Vanderhoef

From: Linda Burt <burtl@nausetschools.org>
Sent: Friday, November 13, 2015 8:32 AM
To: Sheila Vanderhoef
Subject: Fwd: Opposed to Section 8 Housing Project for Rte 6
Attachments: PastedGraphic-2.pdf

----- Forwarded message -----

From: **Michele Clarke** <michele.clarke@mac.com>
Date: Sun, Nov 8, 2015 at 4:02 AM
Subject: Opposed to Section 8 Housing Project for Rte 6
To: burtl@nausetschools.org

Good morning –

Four years ago, my husband and I returned home to Massachusetts with our two girls. And after much consideration, we chose to buy a home in Eastham and are currently year-round residents. I'm a marketing manager and my husband is a teacher who's substituted at Nauset and now teaches special education full-time at the Lighthouse Charter School.

We live on the north side of town, off Massasoit and near the trailer park on the Wellfleet line. Our younger daughter attended Eastham Elementary and is a Cadet in the local Girl Scout troop. Our older daughter attends Nauset High School.

One of the things that struck us as we began to meet school officials, neighbors and merchants, is how many people were elated that we were both planning to live in Eastham year-round and bringing children into the community. So many said, "You're exactly the kind of people we're trying to attract to our town. Thank you for choosing Eastham." Needless to say, we felt warmly welcomed.

We could've lived anywhere on the Cape. We chose to invest in Eastham. That investment, of course, began with hundreds of thousands of dollars to purchase our home, and continues with the money we spend every year maintaining and improving our house (local landscapers and nurseries, plumbers, carpenters, pest control companies, the list goes on), the money we spend with local merchants (restaurants, Eastham Hardware, gas stations, clothing stores, etc.), contributions to local charities and fundraisers (including the Community Development Partnership), and of course paying property and excise taxes, for dump and beach sticker fees, and other assorted revenues to the town.

We are very concerned that the town appears to be ready to accept the proposed Section 8 Housing Project for Route 6. We are alarmed by both the density of the plan (even as amended) and the fact that Section 8 residents will be accepted.

I grew up in Brockton and am extremely familiar with housing projects of this type. I can tell you with certainty that Section 8 housing brings drugs – hard drugs – and crime to a community. And puts extreme stress on the community's public health, public safety, public works, and economic infrastructures.

We have been here for four years and are quite familiar with the town's resources – or more accurately, lack thereof. Speaking as someone who grew up intimately familiar with Section 8 Housing Projects, Eastham cannot handle a housing project of this density and economic category. Mid-Cape and Upper-Cape towns – which have town water, sewer, adequate public transportation, larger police and fire forces, and extensive public works departments – are suited for housing projects of this density and economic level. Eastham is not.

The town has no water (and won't until 2019), no sewer, can neither pave nor plow its existing roads, is understaffed in multiple public safety areas for the current population level, is facing a startling increase in pedestrian deaths along the Rte 6 corridor even at current population levels, is not serviced by the level of public transportation required by Section 8 residents, and is in the early stages of a massive, \$100 million+ public works project - the largest ever undertaken by the town.

And in a very troubling example, please look closely at this data - Eastham already is stretched by the drug problem it currently faces:

We are also concerned that the math on the project doesn't seem to be available. Section 8 Housing Projects, especially at even this amended density, are a tremendous economic drain on a community – additional police personnel will need to be funded, additional fire personnel, an enormous increase in the town's contribution to the Nauset Regional School District will be necessary, additional payments for ambulance services, and so on. Nowhere can we find a spreadsheet that shows where the funds for all these additional budget demands are coming from. We're deeply concerned that this additional economic stress will have a severe negative effect on the town.

Also, it is confusing to see town officials as well as the strongest third-party advocates of this project (who seem to be people who own homes in Wellfleet and Truro?) claim that this off-Cape financier – who is most certainly

no longer a “friendly” developer – is the only one interested in developing this piece of property. There are any number of local developers – Cape Associates and - come immediately to mind, who would jump at the chance to co-develop this land with Eastham’s Board of Selectmen.

And finally, we are very concerned that public hearings about this issue were scheduled either during the workday (at 2pm, 3pm or 5pm), were rescheduled to those earlier times at the last minute, or have been outright cancelled when originally scheduled for 7pm. Were there really zero public hearings held for residents who work full time?

We are also concerned to hear that for the most recent meeting, residents were told the topic would not be discussed at a working meeting and that public questions/comments would not be taken, but in fact the topic was discussed with a full presentation from the financier for the proposed housing project – and that there were a number of supporters of the plan in the room and that public comments and questions were taken.

We have seen estimates from those running public polls that 80% of the town’s residents are against this project. One can’t create a situation where opponents cannot be heard and then claim there is no opposition.

Please do not approve this proposal - in its original or amended form.

Please instead seek a revenue-positive use for the land or work with a local developer to create a truly viable, sustainable, affordable housing development that will be equally beneficial for its residents and our town. The Adventure Park in Sandwich has demonstrated that demand for recreational projects, which are revenue and resource positive for a town like Eastham, is enormous. There’s also serious discussion about a Cape Cod League expansion team for the town that can create an appropriate field and surrounding merchant / commerce facilities.

And, of course, there are outstanding locally based developers ready to go – Cape Associates and Coastal Land Design jump to mind.

Please, for the good of our town, do not engage with the current proposal. The unintended consequences of bringing in a Section 8 Housing Project will achieve exactly the opposite of Eastham’s goals to increase viable, safe, sustainable Affordable Housing.

As amended, as a Section 8 Housing Project, the proposal before the BOS will be devastating to our town.

With Kind Regards,

Michele Clarke

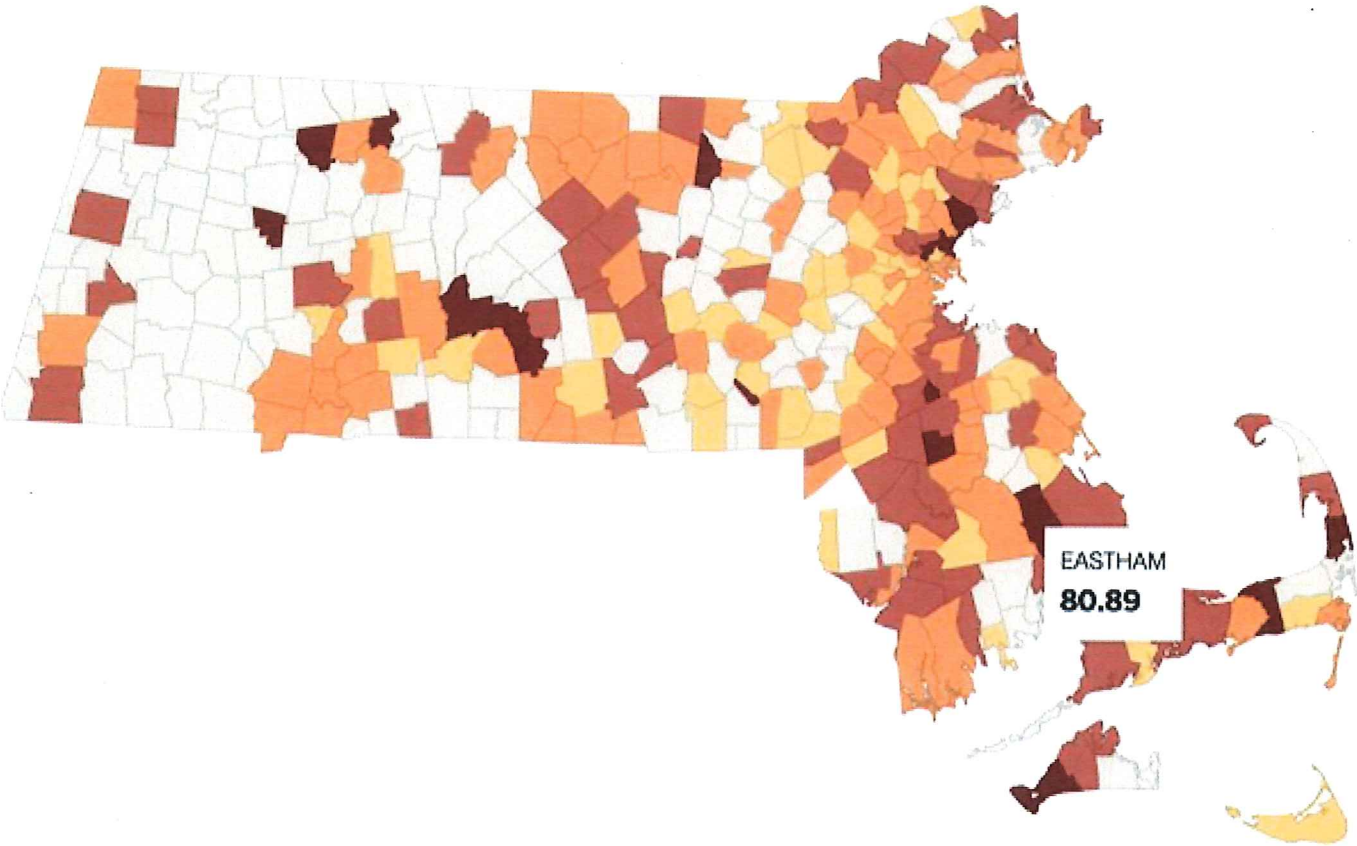
Home: (508) 255-2161

Mobile: (203) 912-0560

Email: michele.clarke@mac.com

Opioid deaths per 100,000 people, 2014

0-0.999 1-9.999 10-19.999 20-39.999 40-300



SOURCE: Massachusetts Department of Public Health; US Census Bureau

PATRICK GARVIN/GLOBE STAFF

ADMINISTRATION

OCT 15 2015

Elizabeth Shaw

RECEIVED

From: Nancy Cook [cook82@mac.com]
Sent: Wednesday, October 14, 2015 3:02 PM
To: admin@eastham-ma.gov; admin2@eastham-ma.gov
Subject: I am against the 130 unit proposal - way too big for Eastham & that location

Letter #2

Dear Board of Selectmen:

I am totally against this proposal.

I am out of town so cannot attend the meeting about the proposed 130 unit low income housing proposal that is being discussed for the old golf driving range. That's way too many units, way too many people to be living on that piece of property! Not only do I have concerns about safety and the increase in traffic, but also about our taxes increasing, more children in our schools, crime would probably increase, and our town qualities and culture would be diminished. What about an increased drain on our police and fire departments? Bracket Road and that section of route 6 is already a traffic and safety hazard. The whole atmosphere of our lovely, charming town will be downgraded.

Please do NOT approve this 130 unit project.

Thank you,

Nancy Cronin-Cook
30 Helm Road
North Eastham

Letter # 16

Gillespie-Lee, Laurie

Subject: FW: 40b project on route 6

From: Nancy Daniels [mailto:nancy.daniels@comcast.net]

Sent: Thursday, October 15, 2015 9:35 AM

To: Gillespie-Lee, Laurie

Subject: Re: 40b project on route 6

I was writing to give my support to the 40b projecting proposed for Eastham.

I am lucky enough to be a year round retiree owning my own home. We are in desperate need for good affordable housing for many people. I am willing to pay more in taxes for additional police fire teachers etc. To make that happen.

There is a groundswell of support to stop this development however. I think the issue would be how can we ensure:

1. That Eastham residents, workers, and relatives will get priority to move into there?
2. How can you ensure that riff raff won't take over that area? See the Swan Pond development in Yarmouth for horror stories.
3. Can there be a way to make it less dense? 130 units seems like a lot.

There would need to be very good management put into place to make this work.

I hope it passes.

Thank you.

Nancy A. Daniels

10 Mary Rd

Eastham, MA

Gillespie-Lee, Laurie

From: WILLIAM DEMARZO <wj41@optonline.net>
Sent: Friday, October 16, 2015 9:38 AM
To: Gillespie-Lee, Laurie
Subject: Oct. 19th BOS meeting - Affordable Housing Proposal

Dear Board of Selectmen,

I'm writing to you ahead of the Board meeting on October 19th where the Stratford Capital Group will ask for your endorsement of a 130 unit affordable housing development at the site of the former T-Time driving range on Route 6. I would like to express my concern about the size and scope of the current proposal. My concerns include but are not limited to the following points:

- increased competition to current Eastham residents for year-round/full-time jobs in Eastham and the surrounding towns
- the safety and security of residents as emergency vehicles may have a difficult time accessing all of the units, especially during adverse weather conditions like were experienced last winter
- traffic being routed northbound only onto Route 6 and use of secondary, residential roads for those that need to travel south
- the temptation for drivers exiting the complex to make a left turn, across traffic, onto Route 6, to travel south
- an impulse or inclination for occupants to walk across Route 6 at that location if they need to catch a southbound bus

I ask that you do not give your endorsement to the developer for this complex and that a more manageable housing development may be planned to meet the needs of the town.

Regards,

Bill DeMarzo
Eastham address:
35 Leeward Way

Eastham, MA 02642
774-316-4854

Gillespie-Lee, Laurie

From: seldridge4 <seldridge4@verizon.net>
Sent: Thursday, October 15, 2015 9:08 PM
To: Gillespie-Lee, Laurie
Subject: T time property



Please note that this project is way to big for eastham and will be a huge mistake. We need to protect the charm and small town feel of our town or we run the risk of becoming overcrowded and over built as Dennis and Yarmouth. Sincerely, Laura Eldridge

Sent from my Verizon Wireless 4G LTE smartphone

Letter # 4

Gillespie-Lee, Laurie

From: Michael Farah <michaelfarah@me.com>
Sent: Wednesday, October 14, 2015 3:34 PM
To: Gillespie-Lee, Laurie
Subject: concern with Selectmen approval of 130 units @ Stop and Shop property

Dear Eastham Board of Selectmen and Zoning Board,

- 1) The number of units / bedrooms suggests approx 448 people could be living on this projected development. That's 10% of the Eastham population living in one location. The proposed scale and density of this project have not been built by this developer before without detriment to community. For comparison, the Swan Pond development in Yarmouth widely recognized for extremely high crime rates, is 150 units on a 30 acre lot compared to the Eastham proposal of 130 units on a 10 acre lot - that's nearly the same number of units on 1/3 of the lot size. Deputy Chief Xiarhos specifically calls out the "large number of units on a small tract of land" as a contributing factor to the high crime rates in Swan Pond. As a result, Yarmouth is seeking a police substation at the development to control crime.
- 2) There will be 2 THREE story buildings (+ 10 more apartment buildings + 1 community center building) which is clearly not in keeping with current Eastham characteristics
- 3) Traffic from this massive development will be routed via a right hand only development exit through back roads and directly through our existing town center. Safety concerns will also arise as people inevitably attempt to turn left out of the development.
- 4) The development would have 94 second or third rooms. Assuming 1 child per room and \$18k average schooling cost, that's \$1.7M in schooling expenses. This is not to mention other expenses such as police.
- 5) The claim that smaller developments are not viable is false. The executive director of the Community Development Partnership in Eastham has quoted the 16 unit Sally's Way 40B development in N. Truro as a success story. Note this development was built on a similarly sized 10 acre lot.
- 6) Sewage treatment plant required is not within legal limits based on water protection requirements effective 2016- This developer is gaming this Board of selectmen- 130 units is going to make investors wealthy at the detriment to Eastham. 130 Units is irresponsible.
- 7) no consideration is given to older Eastham residence who struggle to maintain their properties and would like to remain in our town
- 8) proper amount of parking for 300 plus residents and visitors from 130 units - there just is not enough space to allow for legal amount of parking space for residents and visitors and allow for proper emergency vehicle access. Fire Department may not have necessary equipment to respond to 3 story building .

Thank you for not allowing the developer take advantage of you. I support affordable housing, this project benefits the developer only - Additional residents drawn from off cape

will be a detriment to the ability of many Eastham residents to keep their local employment.

Michael Farah

please read into minutes of the October meeting and following zoning board meeting

Sheila Vanderhoef

From: Michael Farah <michaelfarah@me.com>
Sent: Friday, November 13, 2015 1:19 AM
To: Sheila Vanderhoef
Subject: Stratford Capital BOS meeting : MOA - local initiative project designation.

Dear Ms. Vanderhoef,
Please forward my letter to each of the Selectmen and the members of the ZBA, I was not able to do so.
Thank you in advance,
Mike
November 11, 2015

Members of the Eastham Board of Selectmen,
Members of Eastham Zoning Board of Appeals
2500 State Highway
Town Hall
Eastham, MA 02642

Dear Selectmen and Board Members ,

I am witting to implore Eastham's Board of Selectmen not to move forward with an unconditional Memorandum of Agreement to indicate that Stratford Capital Group has satisfied the outstanding issues that include traffic conditions that create an adverse safety and unresolved environmental issues. The State would not permit such adverse conditions being created , and in the spirit of a " friendly 40B " Stratford would not challenge your legal responsibility to insist on a planned resolution prior to approval . We support affordable housing and a scope closer to Sallie's way with a goal of duplicating the success at the Purcell property. It is not reasonable for Board of Selectmen to approve and leave the ZBA open to legal challenges.

This should stop now with a focus on a plan to move forward with a plan to truly serve those of us who need affordable housing, not a developer as the primary beneficiary.

At this juncture, this has not been evaluated enough to meet the developers demand of the BOS to elicit approval or unconditional endorsement indicating that this comes anywhere close to being a proper "local initiative project" at this time. I understand a financial impact meeting is scheduled for Friday afternoon. Mr. Hayden told you directly at your 11/2 work meeting that Eastham would have to do its own financial impact study. Please do not let him do our homework. An independent consultant is a reasonable expectation for a transformative housing project that will impact Eastham for generations to come.

Stratford Capital, along with Mr.Hayden's Stratford consultant's assurances should be enumerated and become conditional approval action items.

They assured that there would be landscaping that would improve the property. They also said all the right things when Mr. Knight suggested that he was all for this project and that childcare @ community center for Eastham would be part of the vision. Mr. Hayden concurred - the community room should be built to specifications that would allow Mr. Hayden to be consistent with his agreement. A condition that the community center is built to meet minimum standard to facilitate childcare (# of bathrooms : ratio) including all regulations that would not lock out the potential for this facility meeting its agreed upon potential.

Unresolved safety issues and developer promises should be documented actionable time based conditions.

Mr. Hayden stated that he would " not entertain " any conditions put on the project that was deliberated on 11/4 to deal with the unsafe plan to handle the right turn only design. This is pivotal actionable requirement :Either he will continue to push forward without regard to his original presentation (friendly 40-b - if the town doesn't want it - we would pull out ,or if BOS / ZBA looks at this with the proper legal obligation not to approve without conditions that require the developer to

address several unresolved environmental and safety concerns. Mr. Hayden's only objective is to get unconditional approval now. Stratford's timeline requirements are not Eastham's requirements.

Stratford is in the business of creating financial instruments from Tax incentives that result from projects like this. The needs of Eastham are not even secondary as it relates to the scale and use mix. If building less than 115 units isn't "economically feasible" for Stratford Capital, why is it that of their 8 New England developments, 6 are under 80 units? The two that aren't are in Leominster (population 40,000+) and Hartford Ct (population 125,000)? Who over at Stratford determined that Eastham and it's 5,000 year round residents should get something they've typically built for large metro areas? A development 1/4 of the proposal fits into that space. He is not being consistent with the truth when he states Eastham voted in town meeting 2014 for his density. Inconsistencies also are presented by Mr. Hayden dependent on his audience.

Your responsibilities to Eastham stand in the way providing a path to Stratford's demand for designation of "local initiative project" status at this moment in time.

Again, Mr. Hayden is very close to taking advantage of the Board members and the long term future of Eastham. It would be reckless and unconscionable for the BOS and ZBA to approve without very specific conditions detailing an entrance and exit from this proposed development that does not risk more pedestrian fatalities and significant traffic and safety concerns. At this juncture, it is clear that conditions must be in place to address the multitude of concerns not addressed. Mr. Hayden's comment "It is what it is" as it relates to contributing to potentially more pedestrian fatalities within the Bracket Rd. intersection area and significant negative impact that is clearly going to be created by the Right turn only "solution" unconditional approval would be essentially endorsing high density community trapped within by poor planning. We can do better.

Respectfully,
M. Farah

November 11, 2015

Members of the Eastham Board of Selectmen,
Members of Eastham Zoning Board of Appeals
2500 State Highway
Town Hall
Eastham, MA 02642

ADMINISTRATION

NOV 13 2015

RECEIVED

Please read into meeting minutes of Monday meeting and forward individually to each selectman and Zoning Board members

Dear Selectmen and Board Members ,

I am witting to implore Eastham's Board of Selectmen not to move forward with an unconditional Memorandum of Agreement to indicate that Stratford Capital Group has satisfied the outstanding issues that include traffic conditions that create an adverse safety and unresolved environmental issues. The State would not permit such adverse conditions being created , and in the spirit of a " friendly 40B " Stratford would not challenge your legal responsibility to insist on a planned resolution prior to approval . We support affordable housing and a scope closer to Sallie's way with a goal of duplicating the success at the Purcell property. It is not reasonable for Board of Selectmen to approve and leave the ZBA open to legal challenges.

This should stop now with a focus on a plan to move forward with a plan to truly serve those of us who need affordable housing, not a developer as the primary beneficiary.

At this juncture, this has not been evaluated enough to meet the developers demand of the BOS to elicit approval or unconditional endorsement indicating that this comes anywhere close to being a proper "local initiative project" at this time. I understand a financial impact meeting is scheduled for Friday afternoon. Mr. Hayden told you directly at your 11/2 work meeting that Eastham would have to do its own financial impact study. Please do not let him do our homework. An independent consultant is a reasonable expectation for a transformative housing project that will impact Eastham for generations to come.

Stratford Capital, along with Mr.Hayden's Stratford consultant's assurances should be enumerated and become conditional approval action items.

They assured that there would be landscaping that would improve the property. They also said all the right things when Mr. Knight suggested that he was all for this project and that childcare @ community center for Eastham would be part of the vision. Mr. Hayden concurred - the community room should be built to specifications that would allow Mr. Hayden to be consistent with his agreement. A condition that the community center is built to meet minimum standard to facilitate childcare (# of bathrooms : ratio) including all regulations that would not lock out the potential for this facility meeting its agreed upon potential.

Unresolved safety issues and developer promises should be documented actionable time based conditions.

Mr. Hayden stated that he would " not entertain " any conditions put on the project that was deliberated on 11/4 to deal with the unsafe plan to handle the right turn only design. This is pivotal actionable requirement :Either he will continue to push forward without regard to his original presentation (friendly 40-b - if the town doesn't want it - we would pull out ,or if BOS / ZBA looks at this with the proper legal obligation not to approve without conditions that require the developer to address several unresolved environmental and safety concerns. Mr. Hayden's

only objective is to get unconditional approval now. Stratford's timeline requirements are not Eastham's requirements.

Stratford is in the business of creating financial instruments from Tax incentives that result from projects like this. The needs of Eastham are not even secondary as it relates to the scale and use mix. If building less than 115 units isn't "economically feasible" for Stratford Capital, why is it that of their 8 New England developments, 6 are under 80 units? The two that aren't are in Leominster (population 40,000+) and Hartford Ct (population 125,000)? Who over at Stratford determined that Eastham and it's 5,000 year round residents should get something they've typically built for large metro areas? A development 1/4 of the proposal fits into that space. He is not being consistent with the truth when he states Eastham voted in town meeting 2014 for his density. Inconsistencies also are presented by Mr. Hayden dependent on his audience.

Your responsibilities to Eastham stand in the way providing a path to Stratfords demand for designation of "local initiative project" status at this moment in time.

Again, Mr. Hayden is very close to taking advantage of the Board members and the long term future of Eastham. It would be reckless and unconscionable for the BOS and ZBA to approve without very specific conditions detailing an entrance and exit from this proposed development that does not risk more pedestrian fatalities and significant traffic and safety concerns. At this juncture, it is clear that conditions must be in place to address the multitude of concerns not addressed. Mr. Hayden's comment "It is what it is" as it relates to contributing to potentially more pedestrian fatalities within the Bracket Rd. intersection area and significant negative impact that is clearly going to be created by the Right turn only "solution" unconditional approval would be essentially endorsing high density community trapped within by poor planning. We can do better.

Respectfully,
M. Farah

Gillespie-Lee, Laurie

From: Eastham Townhall <townhall@eastham-ma.gov>
Sent: Monday, November 02, 2015 8:13 AM
To: Gillespie-Lee, Laurie
Subject: FW: General Comments to the Town
Attachments: Attach0.html

From: Rohmer, Edward [<mailto:mis@eastham-ma.gov>]
Sent: Friday, October 30, 2015 8:03 AM
To: Eastham Townhall
Subject: FW: General Comments to the Town

Edward Rohmer
Chief Technology Officer
Town of Eastham
2500 State Highway
Eastham, MA 02642
508-240-5900 x204
mis@eastham-ma.gov
www.eastham-ma.gov

From: Jeff Fierson [<mailto:jefff@js-telecom.com>]
Sent: Friday, October 30, 2015 7:17 AM
To: Rohmer, Edward
Subject: General Comments to the Town

Request From: Jeff Fierson
Email: jefff@js-telecom.com
Source IP: 24.44.230.159

Address: 12 Mary Road
City: Eastham
State: Ma
Zip: 02642
Phone:
Organization:

This comment is to the board of Selectmen. I have just discovered through a Chamber of Commerce newsletter (my business is a member) of the proposed affordable housing development on the Tee Time property. My wife's family has owned a home in Eastham since 1985, we pay taxes here and we cannot be more opposed to this development. Eastham is a small town with a small town feel. This is exactly how we like it and want it kept. Development that makes sense is always welcome. Out of scale development that will bring over 100 units of affordable housing to an area that is not set up to handle it is not something that makes sense. Lets be clear here: Affordable housing brings issues along with it, lets be frank. Crime, population density, additional stress placed on our school system, our police and fire r

resources, public transportation. Who and how will these issues be addressed and who will pay for them. Who will be responsible for the change in character of the Town of Eastham? The developer? As soon as they leave with their bags of money, we will be left to deal with the aftermath of a project that is out of scale, in a town that does not have the infrastructure to deal with that aftermath. I would rather fund a tax increase and see the Tee Time property bought by the town and have a park put in. Affordable housing on this level and scale does not belong here. I urge the Board of Selectmen to reject this proposed development outright.

Letter #13

Gillespie-Lee, Laurie

From: Anne Garton <anniegarton@comcast.net>
Sent: Thursday, October 15, 2015 8:30 AM
To: Gillespie-Lee, Laurie
Subject: Affordable housing proposal

To the Eastham Board of Selectmen

I am writing in order to voice my objection to the enormous housing project on the table for the former T-time property off route 6. While i know affordable housing is a goal here in this town, and i support the initiative, bringing what amounts to an urban project into this small, rural Cape Cod town could mot be more wrong-headed.

NPR recently chose Eastham as one of its ten recommended and desirable towns to visit. Clogging our roads will dampen the spirit of any tourist. But more important, speaking as a long time year-rounded and as a grandmother of two children in the Nauset school system, clogging our schools and our fragile infrastructure with this sudden and reckless proposal is problematic. Surely we deserve better.

Eastham is a hidden gem. With the introduction of a project on the scale it will neither be hidden or a gem any longer. I am reminded of the town fathers who must have permitted a state highway to slice through this lovely town decades ago, changing its make-up forever.

The town does not want this. Compromise is essential. Please do not ram such a drastic project down our collective throat. Let us revisit the proposal and restructure it so that it does not pose such a threat to our beloved town. Yes to a well considered proposal for affordable housing: no to this ill-considered, one size fits all monster.

Sincerely

Anne Garton

Anne Garton

www.annegarton.com

PO Box 233
Eastham, MA 02642
November 4, 2015

ADMINISTRATION

NOV 09 2015

RECEIVED

Board of Selectman (Elizabeth Gawron, John F. Knight, Linda S. Burt, Wallace F. Adams II, William O'Shea
Sheila Vanderhoef, Town Administrator

I am writing to you with hopes you will consider a proposal which will help the people impacted by the current state of Hay Road. I believe my proposal will considerably take the pressure off the town and assist with this winter's potential hazards on Hay Road.

My proposal is this, improve Hay Road now where the town has been granted license. This is the area between Uncle Nate's Way/Country Lane up to Hattie's Way. These 5 property owners have already granted license (55 Country Lane, 640,655,660 Hay Road & 10 Uncle Nate's Way). There is no legal issue. The road will eventually be improved so there seems to be no added expense.

This part of Hay Road is the narrowest, has the most elevation and is the most hard to navigate in the winter. This is where the ambulance had a very difficult time this past winter. I believe if this was accomplished this fall, a dramatic improvement will be realized and a great deal of difficulty avoided by those travelling Hay Road. I think this would be a very compassionate act by the town, relieving much of the frustration and potential litigation. The town already has the license to do this. My question is why not? Also, based upon what Carolyn Fleming stated at the November 2nd meeting, the Flemings and the Kerstens had no objection to snow plowing from Governor Prentice in front of their properties (they did not however grant license for road improvement). That means the town could snow plow from Governor Prentice to Hattie's thus keeping most of Hay Road open during winter weather.

I believe this proposal is a win-win for everyone and a compassionate endeavor for those sorely isolated and placed in harm's way due to lack of egress.

Sincerely,

Charles R. Gatti
20 Uncle Nate's Way

From: "Howard Gostin" <hghostin@comcast.net>

Date: November 9, 2015 at 6:33:09 PM EST

To: <gawronsoncapecod@comcast.net>

Subject: Solution for Southbound Traffic from T-Time Development

Dear Selectman Gawron,

What worries us about the T-Time development is the traffic pattern which requires southbound traffic to make the hairpin turn from Railroad Ave. to Nauset, skimming or crossing the bike path. On a busy day, that intersection is crowded with cyclists. Some stop (as they should), but some don't. Children with training wheels wobble on and off the path, large groups congregate off-path waiting for others to catch up, fast cyclists swerve around slower ones, entering the street. The many additional cars added by the development, combined with beach traffic and buses, create a potentially serious hazard. It's an accident waiting to happen.

We urge all members of the Board of Selectmen to drive that route before voting on the issue and observe how risky this traffic plan is, picturing what it's like on a busy day in summer. Don't risk lives.

Jennifer and Howard Gostin

North Eastham

Letter # 9

Sheila Vanderhoef

From: Don and Sheila <WNDYBAY@aol.com>
Sent: Thursday, October 08, 2015 2:55 PM
To: Sheila Vanderhoef
Subject: Proposed 40B Apartment Complex

Hi Sheila,

I read the following with much concern. I don't like this idea, on many fronts, and thought as one Eastham taxpayer, I would let you know.

<http://m.capecodtimes.com/article/20150928/NEWS/150929477>

Respectfully,

Don Grobeis
25 Windy Bay Rd
Eastham, MA

Elizabeth Shaw

From: Robert Jacovino [rjacovino@icloud.com]
Sent: Monday, October 19, 2015 3:26 PM
To: Admin@eastham-ma.gov
Subject: T time property

ADMINISTRATION

To : Board of Selectman
Re: T Time property

RECEIVED

Dear Members of the Board

I am against the present plan which could allow up to 160 people in a 10 acre development. I am not against affordable housing however, this appears to put a great strain on the resources of Eastham and a good deal of profit in some developers assets.

I ask you to please vote against this until a new plan is presented that meets the zoning requirements of our town or is more compatible with them, and has less impact on our water system to come, our fire services and police.

Sincerely

Robert Jacovino

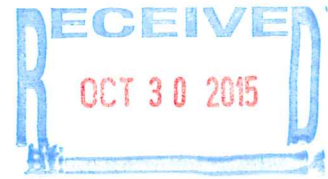
15 Eastwind Dr

Sent from my iPhone

Sent from my iPhone=

Jeffrey and Trisha Karlson

PO Box 1601
East Orleans, MA 02643



Town of Eastham
Board of Selectmen
2500 State Hwy.
Eastham, MA 02642

Stratford Capital Group
Richard A. Hayden
100 Corporate Rd. #404
Peabody, MA 01960

October 28, 2015

Dear Sirs:

We applaud the time and effort by yourselves and the Selectmen of the town of Eastham to allow the residents to air some of their concerns relative to the proposed project. Quite clearly, an overwhelming number are concerned about the scale of the project, and as an abutter, this was my first concern as well.

We understand the necessity of affordable housing, but also appreciate that the issue cannot, and should not be resolved with the construction of one project. It was our hope, that at a minimum, we would see additional commerce along Route 6, and additional housing, similar to Brackett Landing, to the rear.

The suggestion of reduced number of units, and mixed housing to include seniors seems to be a solution for the balance in the area. Also, in an effort to maintain some balance of aesthetics, it would be preferable if the arrangement of buildings may be back to back, allowing parking/landscaping on the perimeter, and maybe a core of parking/landscaping.

We will be at the next meeting to hear some of your thoughts relative to going forward.

Respectfully,

Jeffrey and Trisha Karlson

Hern

10/16/15
2130 Naudet Rd
N. Paxham

Paxham Board of Selectpersons.
Town Hall

Paxham, Me 02642

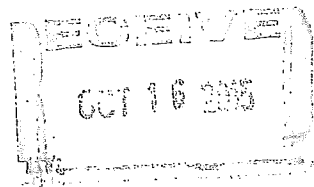
Being unable to attend the selectpersons meeting on Monday, October 19th, we write to vigorously support the proposal to build the Governor Pence Residence on Route 16 in town.

Paxham has a goodly number of senior citizens, yet little affordable housing available for seniors to rent. As we understand there will also be units in which the disabled can live. Primarily, however we

uld welcome younger residents who can live and work here.

The need seems to be great, & plan can be part of a solution.

Hank P. Kern
Lisa M. Kern
2130 Hauket Rd.



Letter #
12

October 1, 2015

Board of Selectmen
2500 State Highway
Eastham, Ma 02642

Re: Tee Time Property and Proposal

Dear Board of Selectmen:

After seeing the article in Friday September 18th, 2015 and a subsequent article in Monday September 28, 2015 a loose group of citizens has been formed and a petition has been circulating and gathering momentum. A copy of the said petition that I wrote has been given to the Town Administrator. The unanimous consensus is the proposed project is massive and ~~not something~~ the citizens would support and would work tirelessly to derail.

These started to be circulated on Monday afternoon of this week and as of Thursday morning we have over 175 signatures. I will wait to outline the issues until we meet in person. I just wanted you to be aware of how much opposition I have encountered in 72 hours.

I also write to volunteer to be part of the solution going forward. I have reached out to Peter Wade to learn more about the Community Preservation Funds, Sarah Mumford to discuss traffic and Aimee Eckman has offered her advice.

I have compiled a general consensus of the opinions offered and welcome a chance to put a proposal together for this property. I think we could gather great support for something different.

As citizens we are aware of the moral obligation to provide additional housing options for low and moderate income citizens of Eastham.

I look forward to meeting with you and discussing a proposal. I did not call each of you for fear of open meeting law violations.

Sincerely:

W. Scott Kerry

Scott Kerry

October 26, 2015

Town Of Eastham
Attn: Elizabeth Gawron, Chair
2500 State Highway
Eastham, Ma 02642

Dear Elizabeth:

Thank you for taking time to meet with Aimee Eckman and me this past Saturday. I enjoyed our discussion and hope we were able to outline our concerns about the Tee Time proposal and offer a willingness to work for an alternative proposal to increase rental housing for citizens of Eastham. I thought I would follow up with a letter and attach the signed petitions from the 400 or so full time residents that share our concern that the proposal presented is too massive and not the solution for Eastham. I have broken their concerns in six general areas:

1. Density and Size
 - a. 400 residents on 8 acres of buildable land is extraordinarily dense.
 - b. This would amount to approximately 6.2 to 8% of our year round population on 8 acres.
 - c. The claim that the 2014 town meeting voted to allow 12 units per acre is incorrect.
2. Qualification for Affordable Units
 - a. A further study is needed to determine what eligibility income requirements make the most sense for Eastham. The \$42,000 for a married couple is extremely low and would not allow many young couples to live in these units.
 - b. An overwhelming amount of citizens who signed the petition mentioned a need for senior rental housing to be a large part of the mix.
 - c. Sadly, this development as proposed will provide no additional jobs or services required for 400 new residents in town.
3. Building Regulations and Impacts
 - a. Eastham has laws regarding building regulations.
 - b. Zoning, Planning and Town Planner should have been consulted before the proposal was submitted.
 - c. Stakeholders were not consulted prior to the plan being submitted. A chance to speak with many community leaders prior to presenting the proposal was not chosen.
 - d. Traffic and the impact on North Eastham neighbors. The larger the project the more negatively this will impact our current fellow citizens in North Eastham.
 - e. No known plan to stop/allow or permit additional developments
4. Developer

- a. Eastham needs "skin in the game". Eastham is only a partner in this relationship until the permit is signed. Then the developer no longer needs the Town.
 - b. A relationship with the CDP, a wonderful organization is not guaranteed forever.
 - c. The argument the next developer could build a bigger project is a scare tactic and not a selling point.
 - d. The developer is in business to maximize profits, which is his prerogative. The developer has lots of properties with many less units than proposed.
 - e. A study needs to be completed to review the cost of electric heat for the units versus other options.
 - f. Lottery for Eastham Residents only initial rent up and not guaranteed in the future.
5. Community Character
- a. Long Range Planning Advisory Board Committee statement states, "If growth occurs, it should be consistent with the carrying capacity of the Town's Natural Resources and community facilities and should reflect the desire of the town.
 - b. 400 petitions stating this project is too massive is impressive. This without social media or any protests or stand outs in town.
6. Impacts
- a. Increased traffic
 - b. No public transportation available heading West without dangerous Route 6 crossing
 - c. Untold change in Eastham Elementary School. The large increase in student population would require additional teachers and aides if you desire to keep the same level of educational services currently provided.
 - d. Tax increase for current residents to pay for the increase in school expenditures.

Again, several citizens have offered to work with the Board to plan and investigate a much smaller project. Please do not let this massive development change the character and feel of Eastham.

Sincerely:


W. Scott Kerry

Sheila Vanderhoef

From: Denise Kopasz <denisekhs@gmail.com>
Sent: Monday, November 09, 2015 9:02 AM
To: Gillespie-Lee, Laurie; Sheila Vanderhoef
Subject: 40 B

Dear BOS, Thank you so much for serving our Town and your dedication to making Eastham a great place to call home. I am writing to you today to present some important considerations of our proposed 40B project. First I want to say I think that the whole project borders on segregation. I know that is a strong word but I feel like it is being decided people with low income should be delegated to live in a certain place in our town. When we look at the way things have been handled in the past we note that mental institutions have been closed as it was discrimination of the mentally challenged to force them to live in one place. People were integrated back into society in hopes of a "normal" life. Special education in schools dissolved the "special ed programs and rooms" and children were mainstreamed so they might be able to have a "normal" environment. Why here in Eastham would want to herd a class of people into a project. This is segregation. The people here in Eastham (and that is the only town we need to be thinking about at this time) deserve good jobs, safe housing and not be told where to live. We need to integrate housing that is affordable into our town. I admit with most of our town being national seashore that is not easy but lets not take the easy way out on this one. We need to incorporate the talent of our selectman - town planners - housing commission- cape cod commission and find solutions that are long term and suit the needs of the taxpayers HERE in Eastham. We can do it and I am willing to step up and help but you need to listen to the majority of people and stop all the division of this town. People all want the same thing we just need to figure out the best way to acheive it and fighting and holding meetings with developer is not the way. You as the selectman (woman) need to be telling the developer what you want from his project and seeing if he can meet your terms- the terms laid out by the town planner and agreed on by the taxpayers. STOP letting the developer tell us. We know what is good for our residents. Everything in this town is done in contention and arguing. Can we stop that. I sent Sheila a document from Truro that spelled out exactly what the town was broken down into and educated the people in Truro instead of forcing projects on them. Please take a look at that. Thank you for taking the time to read this.

Denise Kopasz
650 Cableroad

letter #15

Gillespie-Lee, Laurie

Subject: FW: General Comments to the Town
Attachments: Attach0.html

From: William Krum [mailto:wdkrum@comcast.net]
Sent: Wednesday, October 14, 2015 3:46 PM
To: Rohmer, Edward
Subject: General Comments to the Town

Request From: William Krum
Email: wdkrum@comcast.net
Source IP: 75.150.65.21

Address: 4 Honesty Ln
City: Eastham
State: Massachusetts
Zip: 02642
Phone: 5082557155
Organization: Eastham Ace Hardware/Seattoller Shops

I would like to express my support as a resident, business owner, and residential landlord for the proposed 40b affordable housing proposal at the former T-Time property.

Leonard

W. Scott Kerry

From: Nauset2255@aol.com
Sent: Friday, November 06, 2015 3:58 PM
To: kerry@c4.net
Subject: Letter to Board Of Selectman Re: Driving Range Affordable Housing Proposal.

November 6, 2015

Board of Selectman
Town Hall Offices
2500 State Highway
Eastham, Massachusetts 02642

Honorable Members of the Board:

We are writing this letter to voice our opposition to the affordable rental housing proposal, under consideration for the former T-Time Driving Range on Route 6, Eastham. We concur, that there is a need for affordable housing, however this proposal for rental affordable housing in Eastham, may try to fix the affordable housing problem, but with it, comes many more problems that the Town of Eastham is not equipped to deal with.

Nowhere, in the Town Of Eastham is there the type of density that is being proposed by this developer, or a project of this size, which will possibly create more motor vehicle accidents, and generate additional traffic congestion on Route 6, Nauset Road, and the surrounding neighborhoods. This development will increase taxes, due to the additional burden on the school system, Police and Fire Departments, and other services provided by the town. The Town Of Eastham does not need a development of this size, and more importantly does not need rental housing. A more appropriate proposal would be a development which provides the ability, for a person or family to purchase a home, wherein they have a vested interest in the home, along with pride of ownership, and the ability to create equity, which rental housing does not provide.

It is our understanding that the initial lottery will be offered to 70 or 80 percent, of Eastham residents, and the balance, offered to residents of other towns. After the initial lottery, this rental development will be wide open to anyone from any other town on the Cape and else where. THIS IS NOT GOOD FOR THE TOWN OF EASTHAM, ITS RESIDENTS, OR THE TAXPAYERS WHO FUND THE BUDGET TO RUN OUR TOWN.

It appears that the only ones who will benefit from this project, is STOP & SHOP AND THE DEVELOPER. As it is rumored that Stop & Shop only purchased this property to prevent another supermarket from possibly being built on this parcel, that would have offered the residents of Eastham lower prices such as Market Basket, etc. It is also the belief of many people, that Stop & Shop only wants to protect the Sales and Profits of their Orleans and Provincetown stores, by preventing another supermarket from coming into the market place, apparently at the expense of the residents of Eastham. There is also speculation by many, that they are doing the same thing in Harwich, by purchasing the former automobile dealership on Route 137, to protect their Harwich store. If this is true, perhaps the State Attorney General, should investigate this possible restraint of trade, as it not only affects the residents of Eastham it also affects the other towns on the Cape as well.

We hope, that the Board of Selectman, will not support this project as proposed, and act in the best interests of all the residents of Eastham, by disapproving this proposal.

Mr. and Mrs. Francis X. Leonard
2255 Nauset Road
North Eastham, Massachusetts 02651

November 8, 2015

Board of Selectmen
Town of Eastham
2500 Route 6
Eastham, Ma 02642

Dear Ms. Gawron and Fellow Board Members:

Please find a letter from a citizen urging you to stop the Tee Time proposal.

Thank you and on behalf of Mr. and Mrs. Leonard I hope you will put a stop to the proposal presented.

Thank you.

Sincerely:

W. Scott Kerry

Sheila Vanderhoef

From: Elizabeth Gawron <gawronsoncapecod@comcast.net>
Sent: Friday, November 13, 2015 6:24 AM
To: Sheila Vanderhoef
Subject: Fwd: Affordable Housing Project

Sent from my iPhone

Begin forwarded message:

From: Alison Smith Marcinek <alismar@aol.com>
Date: November 12, 2015 at 9:25:56 PM EST
To: gawronsoncapecod@comcast.net, knightflight12@hotmail.com, burtl@nausetschools.org,
wallace.adams@comcast.net, boshea@navizone.com
Cc: robert.marcinek@essexfinancialservices.com
Subject: Affordable Housing Project

To the Board of Selectmen of Eastham:

We recently purchased a house in Eastham. We love the town because it is old Cape Cod with plenty of open space, beautiful beaches and great access to the wild, natural beauty of Truro, Wellfleet and Provincetown. Indeed we have been vacationing in Eastham, 2 week rentals annually, for over 25 years.

We write to express our deep misgiving over the possibility of a 130-unit housing development at the former T-Time on Rte. 6. The extreme density of this proposed development simply does not fit with the character of the town. Additionally, the safety issues with pedestrians, potential traffic disasters with the "no left turn" out of the development and concerns about new tax burdens on Eastham residents have not been satisfactorily addressed.

These and many, many other issues brought up by so many Eastham residents are only some of the reasons this proposed development should be tabled or withdrawn completely.

We appreciate the need to develop affordable housing in Eastham, and we recognize the challenges you face in tackling this topic. However, we feel that any affordable housing approved should complement and perpetuate the character and charm that make Eastham special. The proposed project - with its unprecedented density and scale - has no features that are evident anywhere else in Eastham; it simply does not fit. We are certain that a balance can be achieved, and we ask you - as our town leaders - to approve a project that responsibly addresses the need without dramatically changing the town.

Please note: our new house abuts a town-owned affordable housing property and that did not deter us in our decision to purchase the house.

Sincerely,
Alison & Bob Marcinek
1000 Schoolhouse Rd.

Sheila Vanderhoef

From: Dan Martin <wsitgm@gmail.com>
Sent: Thursday, November 12, 2015 4:35 PM
To: Sheila Vanderhoef; Elizabeth Shaw
Subject: 40 B Proect Proposed for Tee-Time Land

I am writing this to convey my thoughts about the 40B real estate project proposed for the former Tee-Time property in North Eastham.

1. Far too many units. If our "friendly" developer conceived of a project involving 50-60 units, maybe I'd change my mind.
2. Traffic Concerns: with two fatalities this season within a half-mile of Bracket Road, the notion of requiring everyone from a too large development to turn right onto Rt 6N, turn right onto Railroad Ave, turn left on Nauset Road, wait for a light cycle and then turn south on Rt. 6S shows rampant disregard for the safety of our citizens. The intersection of Nauset Road and Rt 6 is already a nightmare for pedestrians and bicyclists. Why does MassDOT think that sending traffic from a large new development to awkwardly use a hazardous intersection never designed or intended for such volume inbound from Nauset Road is a viable solution? Answer: because MassDOT doesn't want to pay for it. Too bad there is no one from the state worrying about Eastham taxpayers.
3. Septic Considerations: Major addition of pollutants to the aquifers north of the former landfill. Perhaps we can create a pollutant plume from Wellfleet down to the Salt Pond Visitor Center. We'll get more use out of that water system whose cost we don't still understand.
4. Crime: experience in adjacent towns that have done large projects has shown significant upticks in drug, robbery and assault/battery related incidents. This project is just that...."The Projects".
5. Town Services: no attempt has been made to model and predict the impact the proposed project will have on town services, especially police, ambulance, schools and traffic enforcement.
6. Taxes: just as with the Water System, the BOS appears poised to make another bad decision without any credible projections on the impact to the tax payers of Eastham.
7. "friendly" 40B: there is no such thing and referring to it as such makes it seem OK to accept unsubstantiated statements and weak answers (or no answers) out of fear that "an unfriendly developer" will come in next. This is pabulum that only an uninformed and inexperienced select-person would dare to consume.
8. Section 8 Subsidies: Many folks using Section 8 subsidies are not in a position to add to the economy of the town through employment participation.
9. Timeline vs. Competency: I do not believe that the BOS members in majority possess the job skills to assess the impact of this project to our town, especially in the timeline being followed, yet they have the power to vote for it. This is not a personal affront to the board members, it's simple

acknowledgment of the professional skills required. We need to hire a credible consultant with a good track record in other towns to do a more complete assessment of this project and its ramifications.

I strongly urge the BOS to withhold any approval until its impacts are understood and questions honestly answered by our friendly developer and solutions added for unacceptable outcomes.

Dan Martin
17 Fallon Rd.
Eastham, MA 02642

Sheila Vanderhoef

11/16
agenda

From: David Maynard <railroadco@comcast.net>
Sent: Wednesday, October 28, 2015 12:04 PM
To: Sheila Vanderhoef
Subject: Affordable Housing

David and Lennis Maynard want you to know we are in favor of the Affordable Housing that is proposed for Eastham. I am concerned that I've heard that it will be an Electric Heating plan. Best would be Gas which I know is not possible till 2019. What about Oil Heat? Solar? A Friendly 40B development is far better than an alternative plan that the Town would have little say. The traffic plan should be addressed too.

Sincerely,

Lennis and David Maynard
360 Ireland Way

October 13, 2015

Letter # 1

McManis

Members of the Eastham Board of Selectmen

2500 State Highway, Town Hall

Eastham, MA 02642

RE: 10/19/2015 Board of Selectmen Meeting: Tee-Time 40B Affordable Housing Development Proposal

To our Board of Selectmen,

On Monday 10/19 Stratford Capital Group will seek your endorsement for the 130 Unit 40B Housing Development proposed at the former T-Time Driving range. I am writing to express my concerns, and the concerns of the majority of our community based on a recent survey, with the current proposal. I hope that these concerns will be useful to you as you seek to influence this "Friendly" 40B proposal to meet the needs and desires of the Eastham community.

The survey was conducted on the Eastham Cape Cod Facebook page on 10/8 to gauge community support for this project. As of 10/10/2015 more than 100 people took at least one of the six housing unit polls and many, many more commented. Given the number of people who participated and the passionate comments, it's clear people believe this is a critical issue for Eastham to get right. Survey results show that the overwhelming majority do not support the current proposal, with 82% opposed, 13% in favor and 5% undecided. A similar percent of people, ranging from 74% to 81%, believe income would be reduced as new renters compete for limited jobs, taxes would increase, crime would increase, and town qualities and culture would be diminished. At 91%, nearly all believe a project of this magnitude would result in increased traffic and safety concerns. Additionally, I believe the density of this project will also present great potential for negative environmental impacts since this location is in our Aquifer Well Protection Zone. I understand your need to validate these survey findings but offer the survey results to at least alert you to what appears to be very clear opposition to this project.

While the survey results clearly demonstrate that the overwhelming majority oppose the current 130 unit proposal, the comments suggested that there was broad alignment on the need to finding a solution to address the affordable housing need. We just believe there is a BETTER AND MORE RESPONSIBLE APPROACH to achieve it. Specifically, opponents feel the scale and density of the existing proposal is wildly excessive. If built, this single development would house nearly 10% of our town's population in one location. In all 50 developments Stratford Capital has built statewide, none exceed the scale and density of this proposal. For reference, Sally's Way in Truro included 16 units on 10 acres. That represents 8 times fewer units on the same size lot as this proposal. Sally's Way was celebrated by affordable housing advocates, the community, local and state officials, the Community Development Partnership and the new residents. By all measures Sally's Way was a success. In contrast, I'd like to call to your attention to the Swan Pond development in Yarmouth. The Swan Pond development has 150 units on 30 acres. That's a similar number of units as the current Eastham proposal however Eastham's plot of land is only 1/3 of the size. Swan Pond, which is significantly less dense than the Eastham proposal, has been labeled as the "No. 1 criminal hot spot" by Cape Cod Times. Deputy Chief Xiarios specifically calls out the "large number of units on a small tract of land" as a contributing factor to the extremely high crime rates in Swan Pond. To reiterate, the density of this proposal not only impacts crime rates. It also creates traffic and safety issues, creates a negative

impact to town aesthetics, increases strain on town resources, reduces earning potential for existing workers in town as more people compete for the same jobs and poses negative environmental threats.

I appreciate the developer approaching this as a "Friendly" 40B proposal and their commitment to pursuing this project ONLY if the community wants it. At the currently proposed scale and density, I do not support this proposal. Additionally, based on the above referenced survey of the Eastham community, I also believe the overwhelming majority of the Eastham community does not support this proposal. I ask that you encourage the developer to create a more agreeable proposal, one that is more in keeping with the density of the Sally's Way development in Truro. If this particular developer is unwilling to consider developments of smaller scale I suggest we seek proposals from developers who will. We have an immediate need for affordable housing but we need to think for the long-term when finding the best solution for Eastham.

Sincerely,

Ryan and Marlie McManus

7 Marions Way

Eastham, MA 02651

Elizabeth Shaw

McManus

From: Eastham Townhall [townhall@eastham-ma.gov]
Sent: Friday, October 23, 2015 12:38 PM
To: Elizabeth Shaw
Subject: FW: Tee-Time 40B Affordable Housing Development Proposal

-----Original Message-----

From: mcmanus_r@verizon.net [mailto:mcmanus_r@verizon.net]
Sent: Friday, October 23, 2015 12:22 PM
To: Eastham Townhall
Subject: Tee-Time 40B Affordable Housing Development Proposal

Members of the Eastham Board of Selectmen

2500 State Highway, Town Hall

Eastham, MA 02642

ADMINISTRATION

OCT 23 2015

RECEIVED

To our Board of Selectmen,

On Monday 10/19 Stratford Capital Group presented their proposal for a 130 Unit 40B Housing Development proposed at the former T-Time Driving range. At that meeting Stratford Capital acknowledged that the 130 unit development was very large and dense for Eastham - Richard Hayden says "I certainly knew that it would be a controversial proposal, I recognize fully that it's a large development for Eastham". At the center of the developer's rationale for proposing a development this dense was their belief that Eastham residents voted a maximum of 12 units per acre into our bylaws at our town meeting in May 2014. They repeatedly told Eastham residents and the BOS that we have permitted this level of density. Based on my review of our bylaws and the May town meeting notes, I do not see any indication that this belief is accurate. I do not believe Eastham residents made this vote and nowhere in our bylaws can I find language that allows 12 units per acre in this overlay district.

If my assessment is correct, As Stratford prepares for the next meeting on 11/2 I feel it would be helpful for them to understand this. Stratford Capital has said "we want to work with you, we want to be collaborative". If Stratford now knows that Eastham residents never actually voted for this level of density, I am hopeful that they will drastically reduce the proposed density to bring it inline with the clear desires and concerns of Eastham residents.

Can you please assist me with getting this information to Stratford Capital or let me know how I can / should contact them directly?

Sincerely,

Ryan and McManus

Elizabeth Shaw

From: mcmanus_r@verizon.net
Sent: Thursday, November 12, 2015 3:21 PM
To: admin@eastham-MA.gov
Subject: Letter to the BOS for 11/16 BOS MEETING
Attachments: BOS 11_16_2015 Letter.docx

Hi, please find the attached letter to be forward to the BOS for consideration in the Monday, 11/16 BOS meeting.

If you could please acknowledge receipt I would greatly appreciate it.

Thanks, Ryan

ADMINISTRATION
NOV 12 2015
RECEIVED

November 12, 2015

Members of the Eastham Board of Selectmen
2500 State Highway, Town Hall
Eastham, MA 02642

ADMINISTRATION

NOV 12 2015

RECEIVED

RE: 11/16 Board of Selectmen Meeting: Tee-Time 40B Affordable Housing Development Proposal

To our Board of Selectmen,

On Tuesday 11/16 you are scheduled to make your decision on whether or not you will endorse this 115 Unit 40B Housing Development. I wrote to you prior to the 10/19 meeting to express my opposition of the project. I was hopeful that the developer would make significant changes to the proposal following concerns raised by many residents on 10/19. I listened to the proposal changes presented by the developer on 11/4 and feel that many of the concerns raised on 10/19 were either completely unaddressed or were insufficiently addressed. For the below reasons, I remain opposed this proposal and ask that you take this into consideration when choosing how you will vote on Monday night.

- 1) **Size of Development:** The majority of concerns raised on 10/19 were directly related to the unprecedented excessive size and density of this development. It appeared that the developer arrived at 130 units in their original proposal due to the incorrect assumption that 12 units per acre were permitted, by virtue of town vote, on this parcel (10.86 acres x 12 units per acre = 130.32 units). Given the realization that our bylaws do not permit 12 units per acre in the overlay district, as was previously incorrectly assumed by the developer, I was hoping that the developer would substantially reduce his proposal from the existing 130. At 115 units, this represents only a 12% reduction and remains the largest and most dense property in Eastham. It will change the feel of Eastham that we appreciate today and exacerbate the issues listed below.
- 2) **Traffic and Safety Concerns:** Multiple safety concerns were raised on 10/19 and on this important issue I have seen absolutely no progress since 10/19. It continues to be a right hand only turn when the majority of tenants will want to turn left. Bus riders heading south will be required to "dodge" traffic as they cross the road to catch the bus. There are no cross-walks. There are no traffic lights. Solutions exist, as were discussed in the 11/4 meeting. I'm afraid that unless you make these or other safety improvements a condition for proceeding with this project, this is a disaster waiting to happen.
- 3) **Financial Impact:** This is a "Friendly 40b" and as such it is your right to support this project only if you feel it is aligned with Eastham's objectives. At this stage this is a voluntary decision. With all voluntary decisions it seems reasonable to require that we understand the costs and benefits of pursuing a project. We understand some of the benefits, most notably a significant contribution to our Affordable Housing stock. But we know almost nothing on the cost side, will our taxes increase? Will this development serve the needs of existing Eastham residents or spur an influx of people from outside of

Eastham (Cape or off-Cape)? If we are serving the Affordable Housing needs of people outside of Eastham, what will the schooling, ambulance and police costs be to provide town services to this population? Can Eastham residents afford this cost? At this point we don't even have an estimate of how many units will serve Eastham residents versus non-Eastham residents which makes this financial assessment nearly impossible. Until this turns into an "Unfriendly 40b", you have the power to approve or not approve this project. Eastham deserves to know the costs associated with this project before choosing to move forward with it. We didn't proceed with the water project in Eastham without knowing the costs and we shouldn't do so with this project either.

- 4) **Environmental & Septic concerns:** There was mention of efforts to "mitigate" phosphorous release but there were no specifics shared. Has this been solved? Have we done our own environmental impact study to fully understand the impact to this sensitive Aquifer Protection Zone – due to both Phosphorus and Nitrogen release?

For the above reasons, I do not feel Eastham is ready to endorse this project. I very much realize and share the desire to make progress on meeting our Affordable Housing goals and hope that we can continue to work with this developer and/or others to meet this need in a manner more forgiving to the town of Eastham.

Lastly, there was concern raised on Facebook that the developer claimed Section 8 would not be part of this development in the 10/19 meeting. I believe you are already aware, but the developer did not make this claim on 10/19, it was one of the speakers from the public. As you prepare to make your decision on Monday night, I wanted to make sure you are clear that the developer did not misspeak on this issue on 10/19.

Sincerely,

Ryan and Marlie McManus

Marions Way

Eastham, MA 02651

Board of Selectmen,

Because we were unable to attend the town meeting regarding the proposed 40B Housing Development abutting Route 6, we wanted to write you a letter to share the reasons we are strongly against this plan.

Vehicular/Bike/Pedestrian Safety

The stretch of Route 6 near Tee Time (and near our home on Nauset Road) is already known as being treacherous. Increasing daily traffic by roughly 1,000 vehicles, never mind the fact that a traffic light apparently cannot be added, is unthinkable, and would make an already dangerous situation horrific. Our opinion against this dense development being added to the current Tee Time property was made even stronger when we lost a dear friend and Eastham resident recently in a bicyclist/vehicular crash on Route 6. How many more children, teens and adults would be putting their lives at risk by walking/riding from the development to the post office or other businesses/restaurants around town on Route 6 without crosswalks?

Routing traffic via Railroad Avenue and having these drivers make a u-turn onto Nauset Road in order to drive north on Route 6 would put even more pedestrians and bicyclists in harm's way as they cross that intersection while on the bike path — with only a stop sign between them and the additional cars. Not to mention that "prohibiting" cars from making turns (left or right depending on heading north or south) won't realistically prevent drivers from making poor decisions and turning in the "wrong" direction anyway, risking their lives and those of other drivers on the road. Also, during the summer, Route 6 before Railroad Ave. could potentially back up due to the number of vehicles stopping at the bike path stop signs. We use the bike path often and it is not an exaggeration to say that the cars are backed up in multiple directions on a mid-summer day (and especially on a weekend.) This back up on Route 6 would create additional safety hazards and disgruntled tourists and residents.

Aquifer

The town of Eastham has always treated our aquifer as a natural resource as precious as our beaches and other beautiful terrain. The proposed units would add an estimated 25,000 gallons of wastewater per day (9,000,000 gallons per year) into a leaching field in the center of the development. Why would our Selectmen allow the denigration of our ponds and private wells with added nitrates and phosphorus? The long term municipal water project will not address this critical issue. And, as we understand it, since we live on Nauset Road between Wonderstrand and Squanto Roads, we will not be getting access to Town Water until the final phase. Assuming the development is done prior to the final phase of the water project being completed, there will be a large block of residents directly behind the development that will not have an alternative water supply should the wastewater find its way into our well systems. This is really not an acceptable situation (and could produce crippling lawsuits in the future for the town.)

Affordability

Because of the gas line moratorium, these 40B homes must be heated with electric heat. Affordable and electric heat are mutually exclusive terms. How would low income residents afford electric heat? It's just not feasible.

Density

The scope of a project of this magnitude is not supported by the local economy in Eastham. Town business owners have already said there are not enough jobs to support the growth in population. And where will the tax dollars come from to support the extra teachers, police and fire staff needed? Our residents are already strapped by adding to their annual taxes with the water project.

This is not a case of "not in my backyard," because we believe in providing truly affordable housing in our community. But jeopardizing the safety of our residents, visitors, aquifer and pocketbooks of 40B tenants paying their electric bills is not the answer.

Nancy and Frank Netcoh
2540 Nauset Road Rear
North Eastham

[Print](#)

Letter #7,8 [Close](#)

From: **Nathan Nickerson** (capenate51@gmail.com)

Sent: Wed 10/07/15 9:33 PM

To: sheila (vanderhoef@hotmail.com)

Hi Sheila

I'd like to write a letter to the editor regarding this potential nightmare. Before I do I want to know more about the project. Does the town planner have the preliminary information? If the rumor is true that a developer plans 135 affordable housing or apartment rental units at that location, the selectmen better be prepared to answer why they did not perform a taking by eminent domain unless of course there's some legal reason why the town can't. I can't imagine anyone who cares about this town, who would not support a taking. You probably know there is already a petition being circulated to encourage the town authorities to deny approval. Little do they know that the town is basically powerless to stop it. The developer does not have to conform to our zoning restrictions if they can pass title V. I assume that means they can increase the height restriction to however many stories high they can build economically.

Nate Nickerson

Sent from my iPhone

I don't have to tell you what a disaster it would be if the developer actually got approval for this. I hope you will consider taking the property by eminent domain and let Eastham do their own affordable housing or farm it out to a private developer with Eastham's specifications. The impact on this town, should the 135 units gain approval, would be disastrous for many reasons which I'm sure you have already thought about.

Nate Nickerson

--

Nathan Nickerson III

Arnolds Lobster & Clam Bar

P.O. Box 1568

North Eastham, MA. 02651

508 240 8000 cell

508 255 2575 restaurant

508 255 8255 FAX

arnoldsrestaurant.com

Nuendel

Gillespie-Lee, Laurie

From: Paul Lagg <plagg@eastham-ma.gov>
Sent: Tuesday, November 03, 2015 8:19 AM
To: Gillespie-Lee, Laurie
Subject: FW: Information on T-Time Housing Proposal

Hi Laurie:
Copy of email I sent to Ms. Nuendel - for Sheila's BOS file.

Thanks
-Paul

PAUL LAGG | Town Planner | Town of Eastham
2500 State Highway | Eastham, MA 02642
508-240-5900 X228 | plagg@eastham-ma.gov

From: Paul Lagg
Sent: Monday, November 02, 2015 3:26 PM
To: 'nuendelcapecod@aol.com'
Subject: Information on T-Time Housing Proposal

Dear Ms. Nuendel,
Your email from October 27th was forwarded to me by the Town Administrator's office. In response to your request for information regarding the comments made by the developer from Stratford Capital Group at the October 19, Board of Selectmen meeting, I am providing the following information.

Unit Density Concerns

The 12 units per acre threshold referenced by Mr. Hayden is not specified in the Zoning Bylaw. However, Section V of the Zoning Bylaw does reference the North Eastham Overlay District. The Overlay District was adopted at the 2014 Annual Town Meeting. The intent of the overlay district is to encourage cohesive, village-style development by providing for optional mixes of uses and alternative dimensional standards (e.g. setbacks, building heights, lot coverage). Apartments and Townhouses are allowed by Special Permit within the Overlay District but the **zoning bylaw is silent regarding specific unit density within the Overlay District (i.e. there are no minimums or maximums listed for units per acre in this section of the bylaw)**. The density numbers referenced by Mr. Hayden were taken from background information and draft versions of the overlay regulations that are currently posted on the Eastham Planning Board's webpage for general reference purposes. This background information was part of the analysis conducted by the Planning Board. I believe Mr. Hayden's design team mistakenly thought that the background data posted on the Town's webpage (specifically the 12 units per acre) was part of the official bylaw. Mr. Hayden has been made aware of this oversight.

Traffic Concerns

The developer has indicated that their concept does not meet the warrants for a traffic signal according to MassDOT guidelines. The developer has been trying to coordinate with MassDOT to determine if any other traffic mitigation could be undertaken on the State Highway to improve safety and access. I do not have any further information on the status of those discussions at this time.

Electric Heating/Energy Concerns

The developer has indicated that electric heat is not the first choice and that they would prefer to install natural gas at the sight. Unfortunately at this time the moratorium on new gas lines put in place by National Grid is hampering the developer's preferred energy plans. Unfortunately, this situation is beyond the developer's control but it is my

understanding that the developer is exploring all feasible options to ensure that the development minimizes energy costs to the greatest extent possible.

It is my understanding that the developer is considering all the comments and concerns raised at the October 19th Board of Selectmen meeting and analyzing whether or not those issues could or should be mitigated. I anticipate they may have some revised concepts at their next meeting.

I hope this information helps clarify the issues mentioned in your email. Please feel free to contact me if you have any further questions.

Best regards,

Paul Lagg
Town Planner
508-240-5900 x288
plagg@eastham-ma.gov

ORIGINAL MESSAGE 10/27/15

Could you kindly share with the BOS? I would like to know how to respond to the following internet post:

Mistaken Assumption: On 10/19 Stratford Capital acknowledged that the 130 unit development was very large and dense for Eastham - Richard Hayden says "I certainly knew that it would be a controversial proposal, I recognize fully that it's a large development for Eastham". At the center of the developer's rationale for proposing a development this dense was their belief that Eastham residents voted a maximum of 12 units per acre into our bylaws at our town meeting in May 2014. They repeatedly told Eastham residents and the BOS that we have permitted this level of density - THIS IS FALSE, Eastham residents never made this vote and nowhere in our bylaws does it permit 12 units per acre in this overlay district.

In the attached video both the developer and their architect tells Eastham that 12 units per acre is what we voted in.

-Minute 14:05, "it is in the N. Eastham overlay district, what we're proposing is what the district was designed to accommodate...by virtue of the town meeting vote in 2014. I think that is an important point. I know density is an issue but again, your guidelines permit 12 units per acre and we are under that slightly".

-Minute 17:05, "it is in the overlay district, that really is an important point because it reinforces the point that YOU all set out in that district".

-Minute 21:25, "density is right in the sweet spot of what was permitted in the overlay district of 12 units per acre".

If Stratford now knows that we (Eastham residents) never actually voted for this level of density, I'm hopeful that they will drastically reduce the proposed density to bring it in line with the clear desires of Eastham residents. Stratford Capital has said "we want to work with you, we want to be collaborative", I hope that we see evidence of that when they return on 11/2 to address the concerns raised on 10/19 - density being the number one issue raised.

END OF POST

Additionally, it's my understanding that the board chairperson and another select person will be meeting with the developer before the 11/2 meeting. If so, it appears to me that other than the concern over the number of proposed units, Easthammers are upset about the right turn only and the plan for electric heating. Personally, I believe we need every one of those units to keep young families and our workforce in town. I hope the state can be persuaded to place a traffic light at the entrance as every additional traffic light in town improves safety by slowing the traffic. It would be safer for residents of the development to enter and exit. We all know that electric heating is not the most eco friendly or economical. Thank you, Bonnie Nuendel, 255 Meetinghouse Rd. Eastham

PAUL LAGG | Town Planner | Town of Eastham
2500 State Highway | Eastham, MA 02642
508-240-5900 X228 plagg@eastham-ma.gov

Sheila Vanderhoef

11/26
agenda

From: Pam and Dave <werpanda@verizon.net>
Sent: Saturday, October 24, 2015 2:43 PM
To: Sheila Vanderhoef
Subject: Proposed Affordable housing plan

HAY

Dear Sheila,

We would like to go on record as supporting the proposed plan for affordable housing on Rt 6 in Eastham. We feel it is in the best interest of the town to offer affordable housing for our young families who would like to stay here on the Cape. We feel a diverse population of all ages is important for the growth of our town. We need young teachers, tradespeople, those who service the population, to be able to live and work here, as well as our aging population who need smaller, affordable housing in their hometown. This is an opportunity which shouldn't be wasted. Having said that, we also feel that perhaps this could be done in phases, or scaled down somewhat so that it isn't quite such high density. Also for traffic safety and ease, we believe a light should be placed on Rt 6 to coordinate with the Brackett Light and Aspinet Light.

We hope the town will take advantage of this opportunity to gain some much needed affordable housing, and not wait until it is forced upon us by the state.

Pam and Dave Root
50 Limerick Way
Eastham, MA 02642
508-240-0387

10/16
ag

To: The Board of Selectmen of Eastham:

We are against the proposed 40B housing abutting Route 6 in Eastham for many reasons. We have had many vehicular, biking and pedestrian accidents in the vicinity of the proposed site. The density of cramming 130 units onto 10 acres, adding 1,000 plus cars daily turning onto Route 6 without a traffic light is irresponsible. Navigating Route 6 and Nauset Road is already challenging. The proposed route via Railroad Avenue and then a U-turn onto Nauset at a 3 way intersection with a bike path crossing is dangerous. Nauset Road is already the pathway to our two ocean beaches.

Eastham is currently implementing a long term Municipal water project to protect our water. These proposed units will add 25,000 gallons of wastewater PER DAY (9,000,000 gallons a year) into a leaching field in the center of this monstrosity and our aquifer, impacting our private wells and ponds with added nitrates and phosphorus. Cut the units in half and we still have over 4,500,000 gallons leaching "where"?

Affordable housing with ELECTRIC heat is far from "affordable". Eastham has no town center and few jobs. Threatening citizens by stating "take our plan or else..." doesn't sound that "friendly" to me. 40B Housing matters, but not more than the safety of Eastham taxpayers already residing here.

Barbara & Kate Ryan
2570 Nauset Road
PO Box 1743
North Eastham, MA
02651
516-946-1756



OCT 26 2015

Schultz

11/26
agenda

RECEIVED

Dear Board of Selectmen:

I am writing this letter to inform you that I am not in support of the Affordable Housing Project ✓ that is planned for North Eastham as it is currently being presented.

Eastham and other government policy makers haven't always protected our small, beautiful town over the years. While some of the most costly decisions were made many, many years ago, I would like to think that they happened because people didn't "do their homework" and were not knowledgeable enough to foresee the consequences. Decisions such as:

Creating a landfill. As a result we now have a polluted water supply with plumes of hazardous materials under our homes and years of monitoring costs and studies ahead.

Changing Route 6 from a 2 lane rural road to a 4 lane highway. As a result we now have a dangerous stretch of highway with tragic, heartbreaking results.

Lack of septic regulations for many years. As a result we now have ponds and private wells that are tainted with nitrates. (I had to stop drinking the tap water at my house years ago.)

In the last 22 years since I purchased my small North Eastham home I have closely followed debates and policy making about building the cell tower, allowing Dunkin Donuts to open, installing wind turbines, opening a new ocean beach, building a Town Center, preserving open space, protecting waterways, and the municipal water system. In each case, the policy makers "did their homework" in the most transparent ways to build consensus and garner community support. In each case the policy makers voted to preserve our community and enhance our safety. Why is the T-Time project being handled so differently? Why are we rushing this large development?

I feel strongly that we need to provide affordable housing for all income groups and people at different stages of life right here in our backyard. I welcome a well researched, mixed income project that we can all take pride in. The Eastham project that is being proposed, unfortunately does not meet that criteria. These are the issues that are unacceptable and need to change:

1. The scale of this project is much too large for our town and the high traffic Route 6 location. I recommend that no more than 50 homes be included, no higher than 2 stories. Open park space should also be provided in addition to a playground.

2. If the T-Time site is going to be used, a traffic light must be installed. If a light can't be installed, the site should not be utilized. Sending additional traffic over the bike path crossing is not a prudent decision.

3. The project should address energy and environmental concerns. We should set the highest LEED building standards possible to assist the tenants with their utility costs and to protect our groundwater. How can we possibly offer costly electric heat and a large septic system that will add nitrates to our groundwater in 2015? Isn't our new municipal water system right around the block?

4. The project should be integrated into the community. The beautiful Brackett Landing

development is part of the community. The T-Time project will be an isolated area without any connection to North Eastham neighbors or business areas.

5. The Town should establish written guidelines for tenant selection. Eastham seniors, veterans, disabled persons, municipal workers and residents should be given priority.

Town policy makers are at an important turning point with this development. They can continue to ignore the concerns of the community or they can make a serious effort to build support and trust for the project. We should all do our "homework" and make an affordable housing development in our neighborhood that brings us pride. The T-Time development should be a model for other future affordable projects in Eastham. It's time to listen to all concerns and to protect our Town from the unintended consequences of a very large, single project in a very small town. Yes, let's build it in our backyard, but let's get this one right.

Sincerely,
Barbara Schultz
475 Queen Anne Drive
North Eastham, Ma. 02651
baschultz1@aol.com

October 26, 2015

Letter #14

Gillespie-Lee, Laurie

From: Amy Szep <aszep67@gmail.com>
Sent: Thursday, October 15, 2015 10:03 AM
To: Gillespie-Lee, Laurie
Subject: To whom it may concern, Myself and my two childre

To whom it may concern, Myself and my two children are year round residents of Eastham. I believe this project is far too big for our lovely beautiful Eastham. I live here because it feels small and safe to raise my children. I don't live in Hyannis or Yarmouth which is what this town will feel like if said project were to go though. I am the exact demographic to want this project and I do not.

Having moved from the southshore about seven years ago where these huge housing projects are littered through towns like Weymouth and Marshfeild. It's an absolute nightmare for those communities. Drugs and crime have skyrocketed through the towns-It's all localized in one dense area! No matter how cheap these apt are as a single mother I would never want my children living or exposed to all that exists in these projects. This is what comes with huge housing projects whether people want to believe it or not! Domestic violence- crime. The added burden of putting this many people in one dense area is nightmare waiting to happen. The beauty and character of his old New England town will be lost forever! I do not want that for the future of Eastham!! I do believe in AH. But this is NOT a good idea..praying it is reworked and renegotiated to something smaller and more manageable for the town to handle.. Has to be another solution.

Sent from my iPhone

11/16
agenda



TOWN OF EASTHAM

2500 State Highway, Eastham, MA 02642-2544 All

departments 508-240-5900 • Fax 508-240-1291

www.eastham-ma.gov

November 5, 2015

Elizabeth Gawron, Chair

Eastham Board of Selectmen

Dear Elizabeth,

This is to let you know that, at its monthly meeting last night, the Community Preservation Committee approved the following motion by a vote of 6-0 (Ed Casarella and Ed Brookshire were absent):

"Moved that the Town of Eastham's Community Preservation Committee recommends that the Board of Selectmen support the Stratford Capital Group's concept proposal to build affordable homes at 4790 State Highway."

The CPC recognizes the need for more affordable housing in Eastham, and feels that the traffic and environmental issues at this site are solvable.

While the proposed project goes a long way towards ameliorating the housing burden for individuals and families with incomes at or below 60% of Area Median Income (AMI), the CPC is concerned that it does little to help renters who earn between 61% and 100% of AMI and are similarly housing burdened. Perhaps a future project could address this segment of the population, and/or perhaps the 10% of units that Stratford is currently proposing to be market rate could be restricted for people earning between 61% and 100% of AMI.

Sincerely,

Peter Wade, Chair

Community Preservation Committee

Underhill

✓ call ✓
keep me in touch.

508 560-5765

Nancy Underhill re:
affordable hsg
lot more things to be
addressed;
Not a good fit to accept as is.
When there will be other mtgs

40B Training Handouts

From the Meeting
Thursday
November 12, 2015

40B DEADLINES:

- 7 Days: From receipt of Application. ZBA must distribute the application and waiver list to all local agencies and invite comment. 760 CMR 56.05(3)
- 30 Days: From receipt of Application. ZBA must open PH on the application (unless there is a written extension of this deadline). Use the notice requirements under G.L. c.40A, §11. See, G.L. c.40B, §21.
- Constructive grant may result if PH not opened within 30 days. Open PH even if application appears “incomplete,” to avoid costly litigation.
- 15 Days: From initial opening of the PH. ZBA must determine if a safe harbor exists (760 CMR 56.03(1)) and give written notice to Applicant and DHCD. 760 CMR 56.05(3). Procedure: 760 CMR 56.03(8).
- 15 Days: From receipt by applicant of safe harbor claim. Applicant must challenge the ZBA’s safe harbor claim to DHCD. 760 CMR 56.03(1).
- 30 Days: From receipt of applicant’s safe harbor challenge. DHCD must decide the safe harbor challenge or the claim is granted. 760 CMR 56.03(8).
- 180 Days: From opening of the PH. ZBA must close the PH, presuming Applicant provided all necessary materials, unless an extension exists.
- 40 Days: From close of the PH. ZBA must render the decision, unless there is an extension by the Applicant.
- 14 Days: From making the decision. ZBA must file decision with Town Clerk.
- 20 Days: From filing of ZBA’s decision with Town Clerk. Deadlines to appeal. Abutter appeal under G.L. c.40A, §17. (760 CMR 56.05(9)(a)) Applicant appeal under G.L. c.40B, §22. (760 CMR 56.05(9)(b) or (c))
- 20 Days: From receipt of insubstantial modification request. ZBA must determine, reduce determination to writing, notify the Applicant; or a constructive grant results. 760 CMR 56.05(11) (a) and (b).
- 20 Days: From determination of substantiality. Applicant must object to the determination and give notice whether it elects to continue before ZBA and preserve right to appeal to the HAC after a decision on the merits is made or to appeal the determination directly to the HAC.
- 30 Days: From determination a modification is substantial. ZBA must open PH on the substantial modification request. 760 CMR 56.05(11)(c).

TOWN OF EASTHAM
COMPREHENSIVE PERMIT (G.L. c. 40B) INFORMATION
KOPELMAN and PAIGE, P.C. – NOVEMBER 12, 2015 WORKSHOP

I. Statutory and Regulatory Authority

- A. G.L. c.40B, §§20-23 (1969); G.L. c.40A, §11
- B. 780 CMR 56.00

II. Statutory and Regulatory Minima – “Safe Harbors”

A municipality that satisfies any of the following statutory and regulatory exemption thresholds has a right to either deny an application for a comprehensive permit or impose its local regulations on the approval and the decision shall be considered consistent with local needs:

1. Ten Percent Affordable Housing Exemption:
10% of the Town’s total housing stock is part of the subsidized housing inventory. G.L. c. 40B, §20; 760 CMR 56.03(3)(a). **2,632 x 10% = 264**
The Town has **50** SHI units or **1.9%**, as of December 5, 2014.
2. Existing Development Exemption:
Affordable housing land exceeds 1½% of total land area, excluding government-owned land.) G.L. c. 40B, §20; 760 CMR 56.03(b).
3. New Construction Exemption:
New affordable housing construction land area in calendar year exceeds .3 of 1% of the total land area. G.L.c.40B,§20; 760 CMR 56.03(c).
4. Recent Progress: Affordable units created during the prior 12 months exceed 2% of the total housing stock. 760 CMR 56.03(5): **53 units**.
5. Large Scale Project: The Application is for more than a certain number of units, depending on the Town’s affordable housing stock. 760 CMR 56.03(6)(c). An application for more than **200 units**.
6. Related Application: The Application is related to an application for zoning or subdivision approval on the same land made within the prior 12 months. 760 CMR 56.03(7).
7. Planned Production: Certified progress on approved affordable housing planned production. 760 CMR 56.03(4). The Town’s 2010 HPP expired 8/16/15. **It is strongly recommended the HPP be renewed.**
(One year safe harbor, if .5% SHI achieved: 14 units.)
(Two year safe harbor, if 1% SHI achieved: 27 units.)

General Minimum Land Area Safe Harbor
760 CMR 56.03(1)(a); 760 CMR 56.03(3)(b).

Under 760 CMR 56.03(1)(a), any “decision by a Board to deny a Comprehensive Permit, or (if the Statutory Minima defined at 760 CMR 56.03(b) or (c) have been satisfied) grant a Comprehensive Permit with conditions, shall be upheld if one or more of the following grounds has been met as of the date of the Project’s application: (a) the municipality has achieved one or more of the Statutory Minima, in accordance with 760 CMR 56.03.(3),” including under 760 CMR 56.03(3)(b), which provides that the Statutory Minima shall be deemed satisfied if SHI Eligible Housing exists in the municipality “on sites comprising more than 1 1/2 % of the total land area zoned for residential, commercial, or industrial use....” (Emphasis added.)

Under 760 CMR 56.03(8)(a), the process for raising a safe harbor is for the board to provide written notice to the Applicant and DHCD within 15 days of the opening of the public hearing on the 40B application of the assertion of the safe harbor claim and the factual basis for the claim. The Applicant then has 15 days to challenge the claim to DHCD and DHCD has 30 days to render a decision, with the Board having the burden of proof. Any failure by DHCD to act is deemed a determination in favor the municipality.

The regulation provides as follows:

56.03(8) Procedure for Board Decision.

(a) If a Board considers that, in connection with an Application, a denial of the permit or the imposition of conditions or requirements would be consistent with local needs on the grounds that the *Statutory Minima* defined at 760 CMR 56.03(3)(b or c) have been satisfied or that one or more of the grounds set forth in 760 CMR 56.03(1) have been met, it must do so according to the following procedures. Within 15 days of the opening of the local hearing for the Comprehensive Permit, the Board shall provide written notice to the Applicant, with a copy to the Department, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the Applicant wishes to challenge the Board’s assertion, it must do so by providing written notice to the Department, with a copy to the Board, within 15 days of its receipt of the Board’s notice, including any documentation to support its position. The Department shall thereupon review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The Board shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent with local needs, provided, however, that any failure of the Department to issue a timely decision shall be

deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

The method for making the General Land Area Minimum calculation, as required under 760 CMR 56.03(3)(b), is set forth below as it appears in the regulation:

(b) General Land Area Minimum. For the purposes of calculating whether SHI Eligible Housing exists in the city or town on sites comprising more than 1½% of the total land area zoned for residential, commercial, or industrial use, pursuant to M.G.L. c. 40B, § 20:

1. Total land area shall include all districts in which any residential, commercial, or industrial use is permitted, regardless of how such district is designated by name in the city or town's zoning bylaw;
2. Total land area shall include all unzoned land in which any residential, commercial, or industrial use is permitted;
3. Total land area shall exclude land owned by the United States, the Commonwealth or any political subdivision thereof, the Department of Conservation and Recreation or any state public authority, but it shall include any land owned by a housing authority and containing SHI Eligible Housing;
3. Total land area shall exclude any land area where all residential, commercial, and industrial development has been prohibited by restrictive order of the Department of Environmental Protection pursuant to M.G.L. c. 131, § 40A. No other swamps, marshes, or other wetlands shall be excluded;
4. Total land area shall exclude any water bodies;
5. Total land area shall exclude any flood plain, conservation or open space zone if said zone completely prohibits residential, commercial and industrial use, or any similar zone where residential, commercial or industrial use are completely prohibited.
6. No excluded land area shall be counted more than once under the above criteria.

In addition, only sites of SHI Eligible Housing units inventoried by the Department or established according to 760 CMR 56.03(3)(a) as occupied, available for occupancy, or under permit as of the date of the Applicant's initial submission to the Board, shall be included toward the 1½% minimum. For such sites, that proportion of the site area shall count that is occupied by SHI Eligible Housing units (including impervious and landscaped areas directly associated with such units).

A qualified professional could reviewed the above calculation requirements closely and all necessary plans and GIS data and calculate the total relevant land area within the Town on which SHI Eligible Housing exists, to determine whether this safe harbor exists.

Housing Production Plan Safe Harbor
760 CMR 56.03(1)(b) and 760 CMR 56.03(4)

Under 760 CMR 56.03(1)(a), any “decision by a Board to deny a Comprehensive Permit, ... shall be upheld if one or more of the following grounds has been met as of the date of the Project’s application.” (b) the Department [i.e., DHCD] has *certified* the municipality’s compliance with the goals of its approved Housing Production Plan, in accordance with 760 CMR 56.03(4). (Emphasis added.)

The first step toward achieving certification status for an HPP is for a municipality to develop an HPP and obtain approval for the HPP from DHCD under 760 CMR 56.03(4)(a)-(e). The next step, however, is for the Town to achieve *certification* of the HPP under 760 CMR 56.03(4)(f).

A municipality may request certification of an approved HPP if the Town has increased its number of SHI Eligible Housing units in an amount equal to or great than the Town’s .50% production goal for that calendar year. Once certification is achieved, that the .50% production goal has been achieved, then the certification shall remain in place for one year from its effective date. If the 1.0% production goal is achieved in a calendar year, then the certification remains in place for two years from its effective date.

III. 40B Comprehensive Permit Application

A. Project Eligibility Application

Under 760 CMR 56.04(2), an application shall include an application for Project Eligibility to the Subsidizing Agency, with a copy to the Chief Executive Officer of the municipality and written notice to the Department, which shall include:

- (a) the name and address of the Applicant;
- (b) the address of the site and site description;
- (c) a locus map identifying the site within a plan of the neighborhood, accompanied by photographs of the surrounding buildings and features that provide an understanding of the physical context of the site;
- (d) a tabulation of proposed buildings with the approximate number, size (number of bedrooms, floor area), and type (ownership or rental) of housing units proposed;
- (e) the name of the housing program under which Project Eligibility is sought;
- (f) relevant details of the particular Project if not mandated by the housing program (including percentage of units for low or moderate income households, income eligibility standards, the duration of restrictions requiring Low or Moderate Income Housing, and the limited dividend status of the Applicant);
- (g) conceptual design drawings of the site plan and exterior elevations of the proposed buildings, along with a summary showing the approximate percentage of the tract to be occupied by buildings, by parking and other paved vehicular areas, and by open areas, the approximate number of parking spaces, and the ratio of parking spaces to housing units;
- (h) a narrative description of the approach to building massing, the relationships to adjacent properties, and the proposed exterior building materials;
- (i) a tabular analysis comparing existing zoning requirements to the Waivers requested for the Project; and
- (j) evidence of control of the site.

B. Application to the ZBA

Under 760 CMR 56.05(2), the submission shall include the following items, in order to be considered a complete application:

Elements of Submission, Filing Fees. The Applicant shall submit to the Board an application and a complete description of the proposed Project. Normally the items listed below will constitute a complete description. Failure to submit a particular item shall not necessarily invalidate an application. The Board shall not require submissions for a Comprehensive Permit that exceed those required by the rules and procedures of Local Boards for review under their respective jurisdictions.

- (a) preliminary site development plans showing the locations and outlines of proposed buildings; the proposed locations, general dimensions and materials for streets, drives, parking areas, walks and paved areas; and proposed landscaping improvements and open areas within the site. An Applicant proposing to construct or rehabilitate four or fewer units may submit a sketch of the matters in 760 CMR 56.05(2)(a) and (c) which need not have an architect's signature. All Projects of five or more units must have site development plans prepared by a registered architect or engineer;
- (b) a report on existing site conditions and a summary of conditions in the surrounding areas, showing the location and nature of existing buildings, existing street elevations, traffic patterns and character of open areas, if any, in the neighborhood. This submission may be combined with that required in 760 CMR 56.05(2)(a);
- (c) preliminary, scaled, architectural drawings. For each building the drawings shall be prepared by a registered architect, and shall include typical floor plans, typical elevations, and sections, and shall identify construction type and exterior finishes;
- (d) a tabulation of proposed buildings by type, size (number of bedrooms, floor area) and ground coverage, and a summary showing the percentage of the tract to be occupied by buildings, by parking and other paved vehicular areas, and by open areas;
- (e) where a subdivision of land is involved, a preliminary subdivision plan;
- (f) a preliminary utilities plan showing the proposed location and types of sewage, drainage, and water facilities, including hydrants;
- (g) **the Project Eligibility letter**, showing that the Applicant fulfills the requirements of 760 CMR 56.04(1);
- (h) a list of requested Waivers.

The Board may require the payment of a reasonable filing fee with the application, if consistent with subdivision, cluster zoning, and other fees reasonably assessed by the municipality for costs designed to defray the direct costs of processing applications, and

taking into consideration the statutory goal of M.G.L. c.40B, §§ 20 through 23 to encourage affordable housing development. The fee must be established before the application is received.

C. 40B Public Hearing

The comprehensive permit regulations require the Board to distribute a notice of the Application and the list of Waivers to all Local Boards and may provide a full copy of the Application when the Board deems that appropriate. 760 CMR 56.05(3).

The Board is allowed to invite participation at the Public Hearing by any Local Board the Board deems would necessary or helpful to the process. 760 CMR 56.05(3). The Board may seek general input and/or specific input regarding conditions it may want to impose.

1. Regulatory Deadlines

There are a number of regulatory deadlines that the Board should be aware of, unless the developer grants a written extension.

First, the Board shall open the public hearing within 30 days of receipt of a “complete application.” 760 CMR 56.05(3).

Second, the Board must close the public hearing on the Application 180 days after it opens. Id. The 180-day period is based on a presumption that the Applicant timely responds to reasonable requests for submission of materials and may be extended by written consent of the Applicant. Id.

Third, after the public hearing is closed, the Board must make its decision, by majority vote, within 40 days.

Fourth, once the decision is voted, the Board has 14 days to file the decision with the Town Clerk and forward a copy to the Applicant and to the Department of Housing and Community Development. 760 CMR 56.05(8)(a).

2. Outside Consultants

The Board may employ outside consultants to assist in reviewing the Application. In addition, the Board may request the Applicant to supplement the Application with studies or reports in response to health, safety, environmental, design, open space, planning or other local concerns.

In particular, the comprehensive permit regulations limit the Board’s authority to review the project *pro forma* only after meeting the following preconditions:

1. a consultant review has identified issues with the Application;
2. the Applicant had an opportunity to modify the original proposal;

3. the Board proposed conditions to mitigate the project's impacts and considered requested waivers; and
4. the Applicant indicated that it did not agree with the Board's conditions and waiver denials because they would render the project uneconomic.

Only then may the Board require the *pro forma* and engage a consultant to analyze the Applicant's claim that the Board's conditions and/or waiver denials render the project uneconomic. 760 CMR 56.05(6)(a) and (b).

If, after receiving an application, the Board determines that in order to review that application it requires technical advice in such areas as civil engineering, transportation, environmental resources, design review of buildings and site, and (in accordance with 760 CMR 56.05(6)) review of financial statements that the necessary review services are unavailable from municipal employees, it may employ outside consultants.

The regulations require that, whenever possible the Board shall work cooperatively with the Applicant to identify appropriate consultants and scopes of work and to negotiate payment of part or all of consultant fees by the Applicant. Alternatively, the Board may, by majority vote, require that the Applicant pay a reasonable review fee in accordance with 760 CMR 56.05(b) for the employment of outside consultants chosen by the Board alone.

The Board should not impose unreasonable or unnecessary time or cost burdens on an Applicant. Legal fees for general representation of the Board or other Local Boards shall not be imposed on the Applicant. 760 CMR 56.05(5)(a).

Review Fees. A review fee may be imposed only if:

1. the work of the consultant consists of review of studies prepared on behalf of the Applicant, and not of independent studies on behalf of the Board;
2. the work is in connection with the Applicant's specific Project;
3. all written results and reports are made part of the record before the Board. A review fee may only be imposed in compliance with applicable law and the Board's rules. All fees assessed pursuant to 760 CMR 56.05(5)(b) shall be reasonable in light of:
 - i. the complexity of the proposed Project as a whole;
 - ii. the complexity of particular technical issues;
 - iii. the number of housing units proposed;
 - iv. the size and character of the site;
 - v. the projected construction costs;

vi. fees charged for similar consultants and scopes of work in the area.

Amount of Fee. As a general rule, the Board may not assess any fee greater than the amount which might be appropriated from town or city funds to review a project of similar type and scale in the town or city.

Consultant Procedure. The Board's rules shall set out procedures for inviting proposals by qualified outside consultants, and for the deposit of review fees in a special municipal account. The Board's rules may provide that if the Applicant fails to pay the review fee within the stated time period, the Board may deny the Comprehensive Permit. Any unspent excess in the account, including accrued interest, shall be reimbursed to the Applicant upon the issuance of the Board's decision or withdrawal of the application.

An administrative appeal from the selection of the outside consultant may be lodged within 20 days of the consultant's selection, with the city council or town board of selectmen. The grounds for such an appeal shall be limited to claims that the consultant selected has a conflict of interest or does not possess the minimum, required qualifications. The minimum qualifications shall consist either of an educational degree in or related to the field at issue or three or more years of practice in the field at issue or a related field. The required time limits for action upon an Application by the Board shall be extended by the duration of the administrative appeal. In the event that no decision on the appeal is made by the city council or the town board of selectmen within one month following the filing of the appeal, the selection made by the Board shall stand.

3. Waivers from Local Requirements and Regulations.

The Applicant may request Waivers, as listed in its application or as may subsequently arise during the hearing, and the Board shall grant such Waivers as are Consistent with Local Needs and are required to permit the construction and operation of the Project.

Zoning waivers are required solely from the "as-of-right" requirements of the zoning district where the project site is located; there shall be no requirement to obtain waivers from the special permit requirements of the district.

If a Project does not request a subdivision approval, waivers from subdivision requirements are not required (although a Board may look to subdivision standards, such as requirements for road construction, as a basis for required project conditions, in which case the Applicant can seek Waivers from such requirements).

4. Decision Standards

Whether the Board may approve the Application with conditions or deny the Application is governed in the first instance by whether or not the Town has met the statutory minimum of low and moderate income housing or satisfied other comprehensive permit "safe harbors", as set forth in set forth in G.L. c. 40B, §20 and 760 CMR 56.03.

Unless there is evidence that the Town has achieved one or more of the other comprehensive permit safe harbors, then there is a presumption that a substantial Housing Need outweighs Local Concerns. 760 CMR 56.07(3)(a).

The effect of the presumption, that a substantial Housing Need (i.e., that regional affordable housing need when considered with the number of Low Income Persons in the municipality affected) exists that outweighs Local Concerns may be rebutted; but only if it can be proven that there is a valid health, safety, environmental, design, open space or other Local Concern that outweighs the regional affordable housing need (760 CMR 56.07(2)(b)(2) or unless existing municipal services or infrastructure is inadequate and the installation of adequate services is not technically or financially feasible (760 CMR 56.07(2)(b)(4)) and financial feasibility may be considered only where there is evidence of unusual topographic, environmental or other physical circumstances that make installation of the needed service prohibitively costly.

However, the Board may approve the Application with conditions, so long as the conditions imposed do not render the project uneconomic and are consistent with local needs **or** if the Applicant proves to the Board (with a peer reviewed pro forma) that the condition or conditions would render the project uneconomic, the Board still may impose the conditions but only if the conditions imposed are required to serve a Local Concern that outweighs the regional need for affordable housing. 760 CMR 56.07(2)(b)(3).

Please note that applications often present complex issues that require in-depth factual analysis, with the assistance of technical and legal consultants.

Insubstantial Modification Requests
760 CMR 56.05(11)

- Within 20 days, the Board shall met, make a determination of substantiality and notify the Applicant of the determination; and, if substantial, notice and open a public hearing on the proposed change within 30 days of the determination
- If the Board misses any portion of the 20 day deadline (including notifying the application of the determination), the permit shall be deemed modified to incorporate the change.
- Use the criteria set forth under 760 CMR 56.07(4) to determine substantiality
 - Generally, substantial changes are: 760 CMR 56.07(4)(c)
 1. Increase in more than 10% of the height of the buildings
 2. Increase in more than 10% of the number of units
 3. Reduction in land by more than 10% in excess of any decrease in units
 4. Change in unit type (townhouses, single-family, garden apartments, single-family, high-rise)
 5. Change from one form of housing tenure to another (rental to ownership and under 55 to over 55)
 - Generally, insubstantial changes are: 760 CMR 56.07(4)(d)
 1. Reduction in housing units
 2. Decrease of less than 10% in floor area of the units
 3. Change in bedroom count of not more than 10%
 4. Change in color or style of the materials to be used
 5. Change in financing program to be used
- A permit lapses in 3 years. 760 CMR 56.05(12)
 - Unless there is an appeal (3 year deadline is tolled during the appeal for the comprehensive permit and any other permit or approval required for the project)
 - Except for good cause once it becomes final
 - Unless the ZBA sets a later date
 - Unless an extension is requested and granted
 - "An extension may not be unreasonably denied or denied due to other Projects built or approved in the interim.
 - "Extension of a permit shall not, by itself, constitute a substantial change pursuant to 760 CMR 56.07(4)."
- Look for changes in circumstances, though, that might require the need for a PH

**Subsidized Housing Inventory ("SHI") Criteria
760 CMR 56.03(2)**

- DHCD maintains the SHI: 760 CMR 56.03(2)(a)
- Units count toward the SHI at the earliest of: 760 CMR 56.03(2)(b)
 - The date when the comprehensive permit is filed with the municipal clerk's office;
 - The date when the last appeal for the CP is fully resolved;
 - The date when the building permit issues for the CP units that are eligible;
 - The date when the occupancy permit issues for the CP units that are eligible
 - Local Action Units count when building or occupancy permits issue.
- Units on the SHI lapse if: 760 CMR 56.03(2)(c)
 - If one year elapses between issuance of the comprehensive permit and the building permit;
 - If 18 months elapses between issuance of the building permit and the occupancy permit
 - The comprehensive permit lapses
 - The affordability restriction lapses
- If a project is phased: 760 CMR 56.03(2)(c)

Then the entire project will be eligible as set forth above, provided that each phase has at least 150 units and the time between the phases is not more than 15 months and each phase contains the same portion of SHI eligible units.

All low- and moderate-income units developed through LIP and meeting all regulatory requirements are eligible for inclusion on the Subsidized Housing Inventory (SHI).

G. L. c. 40R SMART GROWTH

Enacted in 2004

A 40R development is allowed for "eligible locations" which are defined under G.L. c.40R, §2 as: areas near transit stations (including bus and ferry terminals), areas of concentrated development, areas that by virtue of their infrastructure, transportation access, existing underutilized facilities and/or location make the location highly suitable for residential or mixed use smart growth zoning districts.

40R Incentive payments are available as follows, subject to appropriation, provided that a Smart Growth District is adopted by a 2/3rds vote and the development is approved and built.

Under 40R, §9(a), Zoning Incentive Payments are available, again subject to appropriation and adoption of a smart growth district and approval and construction of a project, for "new construction," which is defined under G.L. c.40R, §2 as excluding those units which could have been constructed under the underlying zoning:

Units	Incentive Payment
Up to 20	\$ 10,000
21-100	\$ 75,000
101-200	\$200,000
201-500	\$350,000
501 or more	\$600,000

Under 40R, §9(b), density bonus payments of \$3,000 per units are available.

40S Smart Growth Cost Reimbursement for "eligible students," subject to appropriation. Adopted 2005

Eligible student:

A child living in a new smart growth development enrolled as of the prior year in a district or charter school K-12 and attends a residential or other school pursuant to special education requirements. Provided via the community's cherry sheets.

Funds received under G.L. c.40R should be escrowed and not used until construction of the project starts because, if construction does not start within three years of the day the funds are paid, then the community is required to repay all of the funds to the trust fund from which the funds issued, as required under G.L. c.40R, §13. As a result, a community may wish to consider adopting a provision that requires that any 40R project that is permitted should be required to begin construction within three years of receipt of the 40R funds by the Town or the permits shall lapse.

LOCAL ACTION UNITS:

DHCD's Guidelines provides as follows:

Local Action Units (LAU) reflect a program component that gives communities the opportunity to include housing units on the state's Subsidized Housing Inventory (SHI) that are being built **without a Comprehensive Permit but that meet LIP criteria and are suitable for inclusion in LIP**. Such units must be built pursuant to a local action such as a zoning provision, a condition of a variance or special permit issued by the planning board or zoning board of appeals, an agreement between the town and a Developer to convert and rehabilitate municipal buildings into housing, the donation of municipally-owned land, or the use of local funds to develop or write down housing units.

While communities are developing many innovative strategies to expand their supply of affordable housing, only units meeting the following criteria will be approved as LAU and, as a consequence of their inclusion in LIP, be added to the SHI for the community:

- a. they have resulted from city or town action or approval;
- b. they meet the requirements for SHI eligibility as set forth at Section II.A of these Guidelines; and,
- c. except for the requirements related to receiving a Comprehensive Permit, **they otherwise meet the requirements for LIP units set out in Section II of the LIP Guidelines**.

II. MEASURING PROGRESS TOWARDS LOCAL GOALS

A. Subsidized Housing Inventory

1. Project Eligibility Criteria

A Project or other unit(s) of Low or Moderate Income Housing shall be eligible to be included on the SHI consistent with the provisions of 760 CMR 56.03(2) and with the following requirements.

- a. Eligible Subsidy Programs

The housing programs listed in Appendix II.1 are considered eligible subsidy low or moderate-income housing programs for purposes of G.L. c.40B, §§ 20-30, 760 CMR 56.00.¹ Such programs are eligible if they are administered through a Subsidizing Agency; in the case of federal or local programs not administered through a Subsidizing Agency, projects must generally receive a Project Eligibility Letter through DHCD's Local Initiative Program ("LIP") or receive LIP Local Action Unit ("LAU") approval.²

¹ This listing does not provide a conclusive indication as to whether any housing development or housing unit is within the statutory definition of low- or moderate-income housing, though this listing is used by DHCD in making such determinations. Such determinations are subject to review by the Housing Appeals Committee in the context of formal appeals concerning particular housing proposals.

² Exceptions apply for locally administered CDBG and HOME rehabilitated housing units.

b. Affordability – Household Income

In order for a household to be eligible to rent or purchase a restricted unit the household's income shall not exceed 80% of the AMI. A Subsidizing Agency may establish lower thresholds for its programs.

c. Affordability - Household Assets

The Subsidizing Agency may establish, for its housing programs, asset limitations for eligible households. In the absence of such provisions, eligible households shall be subject to the following asset limitations:

(1) For age-restricted homeownership Projects, household assets shall not exceed \$275,000 in value, including equity in a dwelling (to be sold). (Note: For New England Fund, Housing Starts, and the Local Initiative Program, this asset limit applies for projects which applied for a determination of project eligibility on or after February 22, 2008. For such projects which applied for a determination of project eligibility prior to that date, then-existing program asset limits apply.)

(2) For non-age restricted homeownership units, household assets shall not exceed \$75,000 in value.

(3) For rental units, the greater of the following will be added to income: the income derived from the assets or an imputation of value calculated in a manner consistent with HUD requirements in place at the time of marketing.

(4) If a potential purchaser divests him/herself of an asset for less than full and fair cash value of the asset within two years prior to application, the full and fair cash value of the asset shall be included for purposes of calculating eligibility.

For a detailed description of assets and the treatment of such in determining eligibility, please refer to HUD's "Occupancy Requirements of Subsidized Multifamily Housing Programs"; Handbook 4350.3, Chapter 5, and Appendix II.2, "Additional Guidance on Income". In the event of any conflict between the Handbook and the explicit requirements of these Guidelines or of a Subsidizing Agency (e.g. rules regarding owning a residence at the time of application), the requirements of the Subsidizing Agency and these Guidelines, in that order, shall take precedence over the Handbook.

d. Housing Cost

Generally, the housing program, through its statutory basis, regulations, or guidelines establishes the maximum monthly housing cost. In the absence of such a provision, the following provisions shall apply:

(1) Rental -- monthly housing costs (inclusive of utilities) shall not exceed 30% of monthly income for a household earning 80% of area median income, adjusted for household size. If there is no city trash collection, a trash removal allowance shall be included. If the utilities are separately metered, they may be paid by the tenant and the maximum allowable rent will be reduced to reflect the tenants' payment of utilities, based on the area's utility allowance. Developers should secure the amount of the current Section 8 utility allowance for the specific unit size and type from the local/regional housing authority.

(2) Assisted Living Facility -- ALFs shall be treated as rental housing.

(3) Homeownership

(a) Down payment must be at least 3% of the purchase price, at least half of which must come from the buyer's funds unless the Eligible Subsidy Program permits a smaller down payment.

(b) Mortgage loan must be a 30-year fully amortizing mortgage for not more than 97% of the purchase price with a fixed interest rate that is not more than 2 percentage points above the current MassHousing interest rate (www.masshousing.com).

(c) Monthly housing costs (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) shall not exceed 38% of monthly income for a household earning 80% of area median income, adjusted for household size.

(4) Continuing Care Retirement Communities – CCRs shall be treated as homeownership units.

(a) Entry Fee -- Any requisite entrance fee policy must be reasonable, taking into account that many otherwise eligible households may not have owned a home previously, and therefore the value of their Household Assets may be limited. A policy that sets a minimum entry fee for such households at a figure that is equivalent to 10% down payment on a homeownership unit for which a household at 80% of area median income, adjusted for household size, would be eligible, shall be deemed to be reasonable. **Note: Resident selection for the Affordable Units must comply with the requirements of a lottery or other fair and equitable procedure approved by the Subsidizing Agency (see Section III, Affirmative Fair Housing Marketing Plan), and without regard to the amount of their assets.**

(b) Monthly fees – generally may not exceed 35% of household income plus an allowance for meals, if provided.

(c) Health care reserve fund – to the extent required, such fund must be reasonable and must be held for the benefit of the household for the exclusive purpose of paying for acute and skilled nursing care. The health care reserve fund shall be funded prior to determining whether a household has sufficient resources for the entrance deposit and shall be excluded from calculation of assets for the purposes of determining asset eligibility.

e. Use Restriction

All Use Restrictions must meet the following minimum standards:

(1) Runs with the land and recorded at the appropriate registry of deeds or filed with the appropriate land court registry district for a term that shall be not less than 15 years for rehabilitated housing units and not less than 30 years for newly created units.³

³ Newly created units includes units that were converted from a prior use (e.g., commercial or public use) into housing units

(2) Identifies the Subsidizing Agency and monitoring agent, if applicable.

(3) Effectively restricts occupancy of Low and Moderate Income Housing to Income Eligible Households. A Use Restriction may require that an Income Eligible Household must have a lower percentage of area median income than 80%.

(4) Requires that tenants of rental units and owners of homeownership units shall occupy the units as their domiciles and principal residences.

(5) Provides for effective administration, monitoring, and enforcement of such restriction.

(6) Contains terms and conditions for the resale of a homeownership unit, including definition of the maximum permissible resale price, and for the subsequent rental of a rental unit, including definition of the maximum permissible rent.

(7) Subjects the units to an Affirmative Fair Housing Marketing and Resident Selection Plan for approval by the Subsidizing Agency and consistent with the guidelines in the following Section III, as may be amended from time to time, for the term of the restriction.

f. Affirmative Fair Housing Marketing and Resident Selection Plan

(1) For Projects that received a determination of Project Eligibility on or after March 1, 2014, the Project is in compliance with the Bedroom Mix Policy as set forth in the "Interagency Agreement Regarding Housing Opportunities for Families with Children"; see, <http://www.mass.gov/hed/docs/dhcd/hd/fair/familyhousinginteragencyagreement.pdf>.

(2) The affordable housing units shall be subject to an Affirmative Fair Marketing and Resident Selection Plan that, at a minimum, meets the requirements set out in the following Section III, Affirmative Fair Housing Marketing Plan.

2. Unit Eligibility Criteria

a. General

Regardless of the zoning or permitting mechanism utilized, all affordable housing units that meet the criteria outlined in Section II.A.1 shall be eligible for inclusion on the SHI at the earliest of the following:

(1) For units that require a Comprehensive Permit under M.G.L. c.40B, §§ 20 through 23, or a zoning approval under c.40A or completion of plan review under M.G.L. c.40R, the date when

(a) the permit or approval is filed with the municipal clerk, notwithstanding any appeal by a party other than the Board, but subject to the time limit for counting such units set forth at 760 CMR 56.03(2)(c), or

(b) on the date when the last appeal by the Board is fully resolved.

(2) When the building permit for the unit is issued.

(3) When the occupancy permit for the unit is issued.

(4) When the unit is occupied by an Income Eligible Household and all the conditions of 760 CMR 56.03(2)(b) have been met (if no Comprehensive Permit, zoning approval, building permit, or occupancy permit is required.)

b. Rental & Assisted Living Facility

(1) General - In a rental or ALF development, if at least 25% of units are to be occupied by Income Eligible Households earning 80% or less than the area median income, or alternatively, if at least 20% of units are to be occupied by households earning 50% or less of area median income, and meet all criteria outlined in Section 1, (Emphasis Added) then all of the units in the rental development shall be eligible for inclusion on the SHI. In determining the number of units required to satisfy either percentage threshold, fractional numbers shall be rounded up to the

nearest whole number (e.g.: in a 51 unit development, one would restrict 13 units in order to meet the 25% standard).

If fewer than the aforementioned percentages of units in the development are so restricted, then only the units that meet the requirements of Section II.A.1 shall be included.

(2) Accessory Apartments - shall be eligible for inclusion in the SHI provided they meet the requirements of Section VI, Local Initiative Program.

(3) Tenants Who Become Over-Income: If, after initial occupancy, the income of a tenant of an affordable unit increases and exceeds the maximum allowable income at the time of annual income determination, such a Update in income shall not affect the treatment of the Project or the unit with respect to the SHI provided that the Owner is in compliance with the related provisions of the affordability restriction. If the affordability restriction does not address the matter of over-income tenants, then such a change in income shall not affect the treatment of the Project or the unit with respect to the SHI provided that either (i) the tenant's income does not exceed 140% of the maximum allowable income, or (ii) the owner rents the next available unit as an affordable unit to an eligible tenant pursuant to the terms. If, after initial occupancy, the income of a tenant of an affordable unit increases and exceeds 140% of the maximum allowable income at the time of annual income determination, then at the expiration of the tenant's lease term, the rent restrictions will no longer apply to the tenant.

c. Homeownership

Only the units that meet the requirements of Section II.A.1 shall be eligible for inclusion in the SHI.

d. Continuing Care Retirement Communities (CCRCs)

With respect to the independent living units in a CCRC, only those that meet the requirements of Section II.A.1 shall be eligible for inclusion in the SHI.

e. Long-Term Subsidized Housing for Individuals with Developmental or Mental Health Disabilities

All Group Home units in each community as reported every two years to the DHCD by the Department of Mental Health (DMH) and the Department of Development Services (DDS) shall be eligible to be included on the SHI. Please note that Group Home units serving clients of the DMH and DDS are subject to privacy restrictions, but the number of such units in each community which are eligible will be included on the SHI as provided to DHCD by the respective departments.

f. Housing Rehabilitation Units

Housing units that are rehabilitated through a program funded through the Community Development Block Grant (CDBG) or HOME program are eligible to be included on the SHI and that meet the requirements of Section 1 above (excluding the mortgage loan standards). Information on individual grant recipients will remain confidential.
(May 2013 Update: insertion of language on over-income tenants.)

3. Household Eligibility Criteria

a. Rental -- Unless otherwise required or permitted by an Eligible Subsidy Program, if any household member owns a residential property, the property must be sold before the household enters into a lease for a unit. For age-restricted units, the Subsidizing Agency may allow a grace

period, to be determined on a case-by case basis in the sole judgment of the Subsidizing Agency, for a household to sell a residential property after entering into a lease for a unit.

b. Homeownership In addition to meeting the requirements for qualifying a Project or dwelling unit for the SHI under Section II.A, the household shall not have owned a home within three years preceding the application, with the exception of: (1) displaced homemakers, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner; (2) single parents, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of whom the individual has custody or joint custody, or is pregnant); (3) households where at least one household member is 55 or over; (4) households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and (5) households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

c. Individuals who have a financial interest in the development and their families are not eligible for affordable units. Therefore, affordable units leased or sold to individuals who have a financial interest in the development or a Related Party, or to their families, shall not be eligible. For the purposes of this Section II.A.3, "financial interest" shall mean anything that has a monetary value, the amount of which is or will be determined by the outcome of the Project, including but not limited to ownership and equity interests in the Developer or in the subject real estate, and contingent or percentage fee arrangements; but shall not include third party vendors and contractors.

4. Application to Include Units on the SHI a. A community may request units be included on the SHI at any time by submitting a "Requesting New Units Form" with supporting documentation. The "Requesting New Units Form" is available at: <http://www.mass.gov/dhcd/>

b. With respect to rehabilitation units, only, the party administering the grant locally is responsible for submitting the necessary information. The request form, "Housing Rehab Units Only Form" is available at <http://www.mass.gov/dhcd/>.

c. Requests to add new units and suggested corrections to the SHI may be submitted with supporting documentation, in writing, by the municipality, a developer, or a member of the public to: Department of Housing & Community Development Office of General Counsel 100 Cambridge Street, Suite 300 Boston, MA 02114-2524 Attention: Subsidized Housing Inventory. d. All submissions will be reviewed and revised SHI percentages will be published online at: <http://www.mass.gov/dhcd/>.

5. Expiration

- a. If a Comprehensive Permit or zoning approval lapses permanently, the units become permanently ineligible for the SHI.
- b. Generally, units shall no longer be eligible for inclusion on the SHI upon expiration or termination of the Use Restriction. However, if the affordability has been preserved by operation of law or other means that effectively meets the standards for a Use Restriction set out above in Section II.A.1.e, then upon review of the relevant documentation, the Department, in its sole discretion, may determine that the units remain eligible for inclusion in the SHI.
- c. Homeownership Opportunity Program (HOP) resale controls are intended to be in effect in perpetuity. If an eligible purchaser cannot be located for a HOP affordable unit and the resale controls lapse in accordance with the program, the unit shall continue to be counted. Likewise, provided that the requirements relating to the resale of the unit contained in the Use Restriction have been observed, then housing units that are subject to a Use Restriction that survives foreclosure and that is approved by Fannie Mae and DHCD shall count on the SHI for the full term of the restriction, even if the unit is occupied by an ineligible household.

6. Time Lapses

As set forth in 760 CMR 56.03, units shall be removed from the SHI upon any of the following events:

- a. If more than one year elapses between the date of issuance of the Comprehensive Permit or zoning approval under M.G.L. c.40A or completion of plan review under M.G.L. c.40R, as that date is defined in 760 CMR 56.03(2)(b.1), and issuance of the building permit, the units will become ineligible for the SHI until the date that the building permit is issued.
- b. If more than 18 months elapse between issuance of the building permits and issuance of the certificate of occupancy, the units will become ineligible for the SHI until the date that the certificate of occupancy is issued.
- c. Notwithstanding the foregoing, if a Comprehensive Permit or zoning approval permits a project to be constructed in phases, and provided that (i) each phase contains at least 150 units, (ii) each phase contains the same proportion of SHI Eligible Housing units as the overall project, and (iii) the projected average time period between the start of successive phases does not exceed 15 months, then the entire project shall remain eligible for the SHI so long as the phasing schedule set forth in the permit approval continues to be met.
- d. If more than one year elapses between the date of issuance of the Comprehensive Permit or zoning approval under M.G.L. c.40A or completion of plan review under c.40R, as that date is defined in 760 CMR 56.03(2)(b.1), and final resolution of any pending appeal by a party other than the Board, the units will become ineligible for the SHI until the date that the last appeal is fully resolved.

7. Biennial Updates

The SHI shall be updated by DHCD once every two years, or more frequently if information is provided by the municipality or otherwise received and verified by DHCD. With respect to the continuing eligibility of LIP units (§VI, LIP) DHCD may rely upon the verification and certification by the municipality or its agent.

II. 6:00

Eastham Water System

Board of Selectmen Meeting

November 16, 2015

Environmental  Partners

GROUP

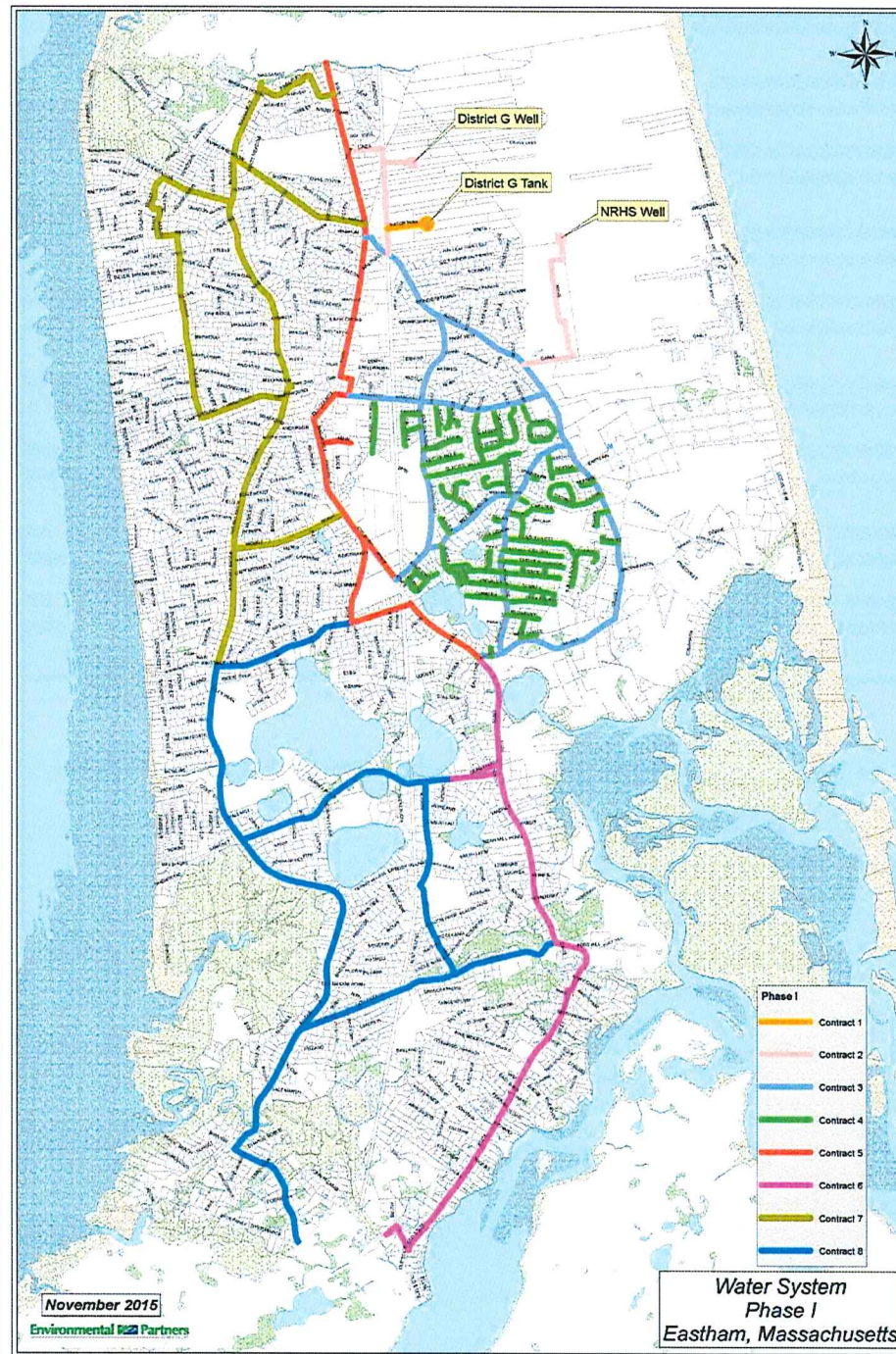
A partnership for engineering solutions.

www.envpartners.com

Agenda of Items

- Construction Activities
 - Storage Tank (Contract 1)
 - Well Fields (Contract 2)
 - Landfill Area (Contracts 3 & 4)
 - Route 6 (Contracts 5 & 6)
- BOS Planning
 - Rules & Regulations
 - Meter Procurement





Contract 1 – District G Tank













Landfill Area Water Mains

- Contract 3 – Areas Completed
 - School House Road, Meetinghouse Road
 - Old Orchard Road, portion of Brackett
 - Nauset Road
- Contract 4 – Areas Completed
 - Alston Avenue Area
 - Glacier Hills Road Neighborhood
 - Candlewood Drive Neighborhood
 - Cestaro Way, Fairview, Deerfield



Contract 3 Statistics

Approx. 43% complete

- Contract Value: \$3.99M
- Total Work Completed to Date: \$2.59M
- Water Mains
 - 32,100 feet installed
 - 6,500 feet remaining
- Hydrants: 56
- Valves: 213
- Pavement: 2,400 Tons



Contract 4 Statistics

Approx. 20% complete

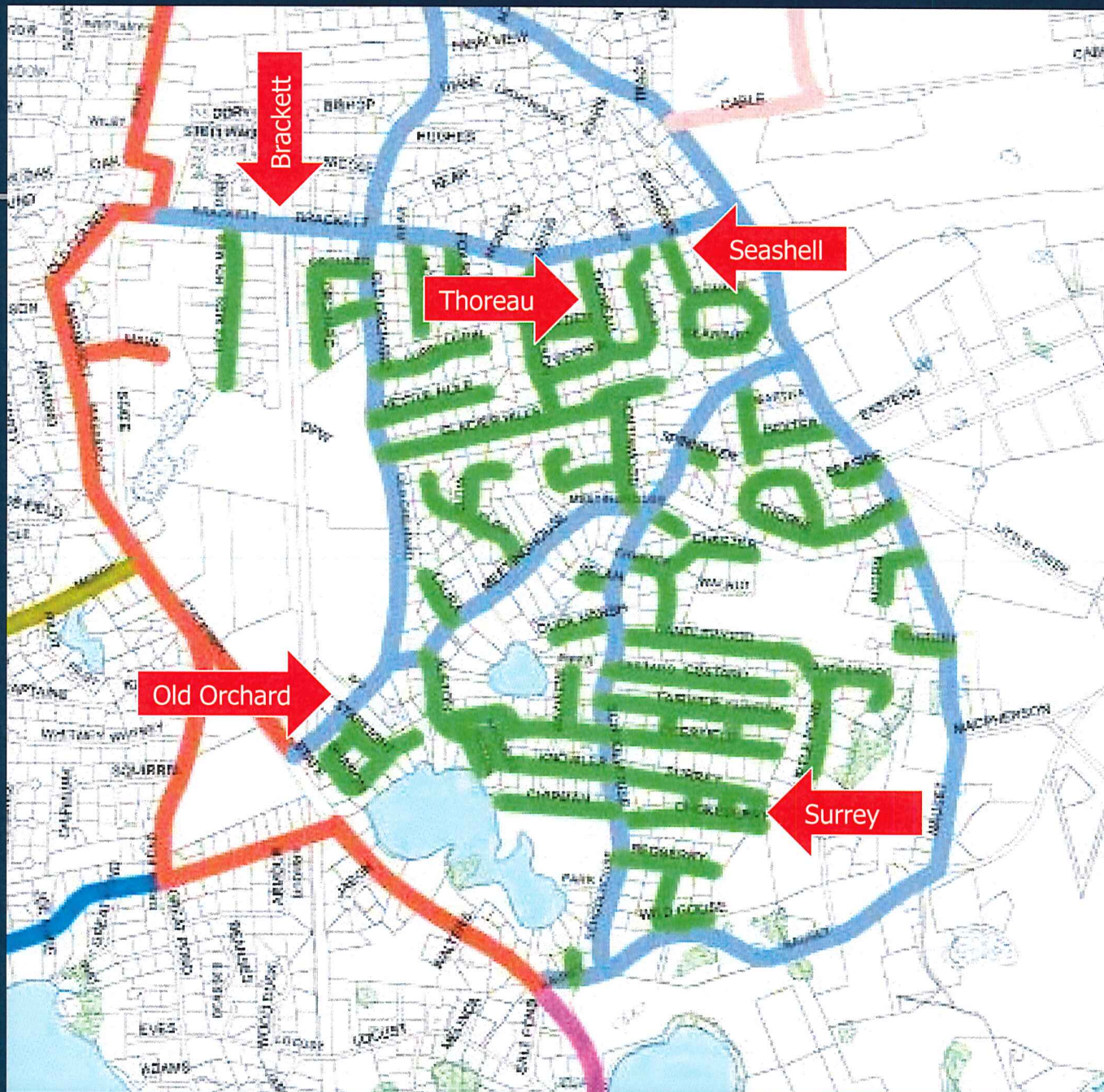
- Contract Value: \$4.32M
- Total Work Completed to Date: \$1.13M
- Water Mains
 - 16,900 feet installed
 - 30,500 feet remaining
- Hydrants: 34
- Valves: 60
- Pavement: 775 Tons



Landfill Area Water Mains

- Contract 3 - Upcoming
 - Old Orchard (Meetinghouse to Route 6)
 - Brackett Road (Route 6 to Old Orchard)
- Contract 4 - Upcoming
 - Seashell Lane
 - Thoreau Drive
 - Vesper Lane
 - Elder Road
 - Surrey Drive





A partnership for engineering solutions.



Route 6 Water Mains

- Contract 5 – Construction Began 10/5
 - First Work Zone Completed – Wellfleet to Aspinet
 - Directional Drilling began Monday 10/26
 - Current - Work Zone #2 – Aspinet to Oak Road
- Contract 6 – Construction began 10/19
 - First Work Zone Completed – Nauset Road south at Visitor's Center
 - Second Work Zone Completed – Locust to Depot
 - Next zone – Samoset to Governor Prence



Contract 5 Statistics

Approx. 12% complete

- Contract Value: \$4.47M
- Total Work Completed to Date: \$0.79M
- Water Mains
 - 4,500 feet installed
 - 19,500 feet remaining
- Hydrants: 9
- Valves: 37
- Pavement: 700 Tons



Contract 6 Statistics

Approx. 3% complete

- Contract Value: \$4.77M
- Total Work Completed to Date: \$0.22M
- Water Mains
 - 1,000 feet installed
 - 23,400 feet remaining
- Hydrants: 2
- Valves: 5
- Pavement: 160 Tons



Directional Drill Water Main Installation









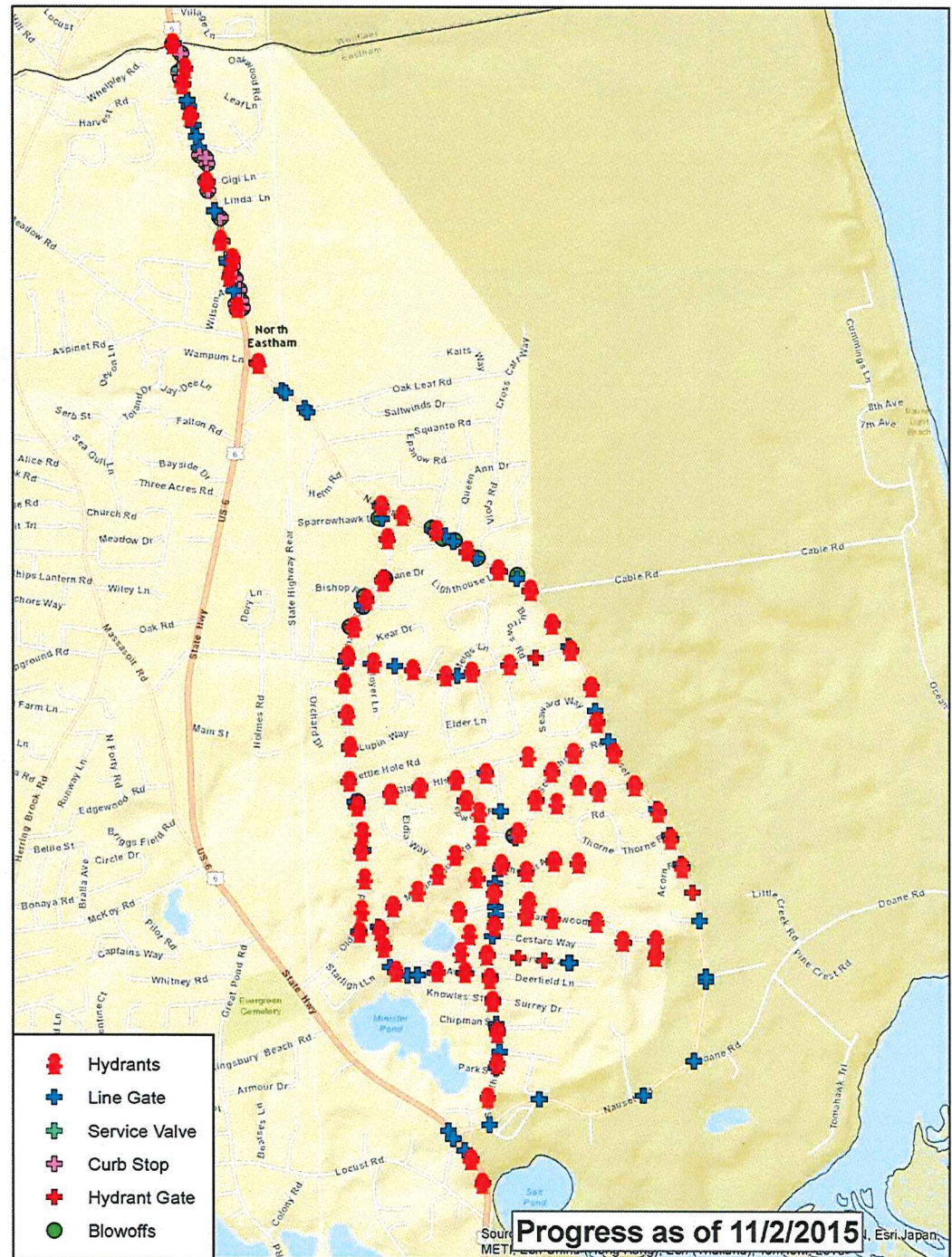






Water System

- GPS Field Location of Installed Valves & Hydrants



Public Outreach & Information

- Eastham web page

<http://easthamwaterproject.weebly.com>

- Eastham Water Projects Email Address:

easthamwater@envpartners.com

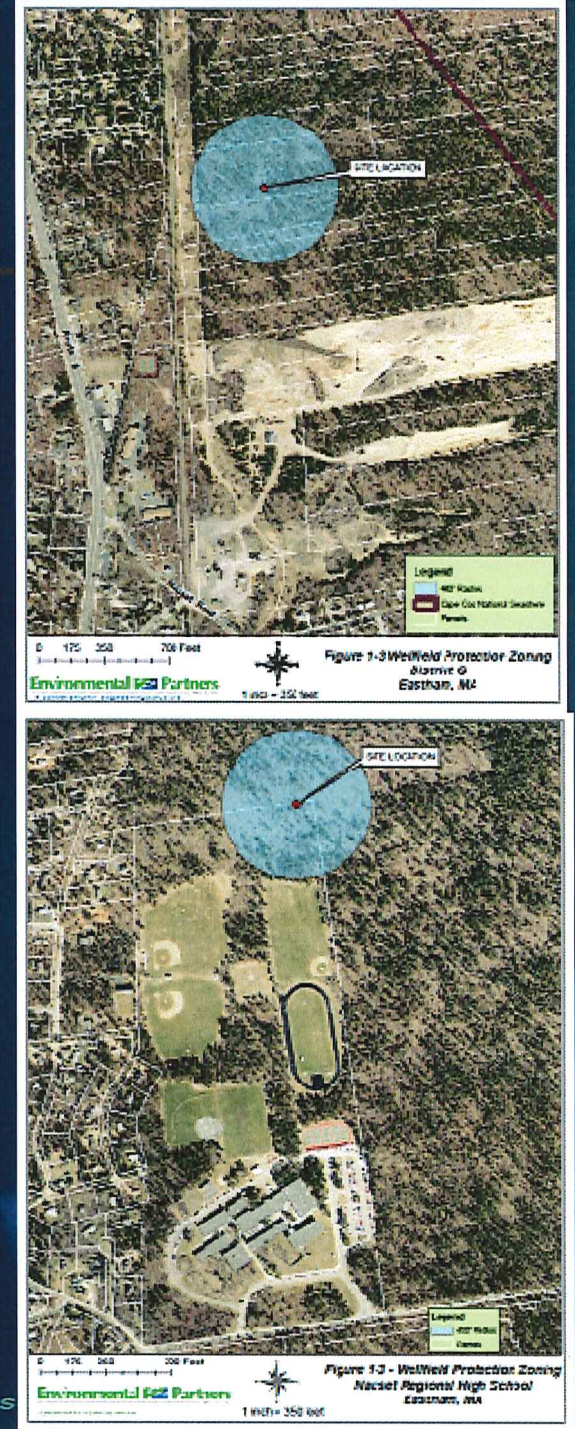
- Eastham Water Project Phone Number

617-657-0279



Well Fields (Contract 2)

- DCR
 - Construction Access Permit received
 - DCAM easement process will take months
- Eversource
 - Easement documents due this week
- NHESP compliance finalized
- NRHS coordination at District G
- Activities: site clearing, building foundation



Contracts 7 & 8: West of Route 6

- Contract 7 (northwest area)
 - Design: 100% complete
 - OPM review: ongoing
 - DEP permit: received
- Contract 8 (southwest area)
 - Design: 90% complete
- Bidding
 - Advertise mid-Jan 2016
 - Receive bids mid-Feb 2016

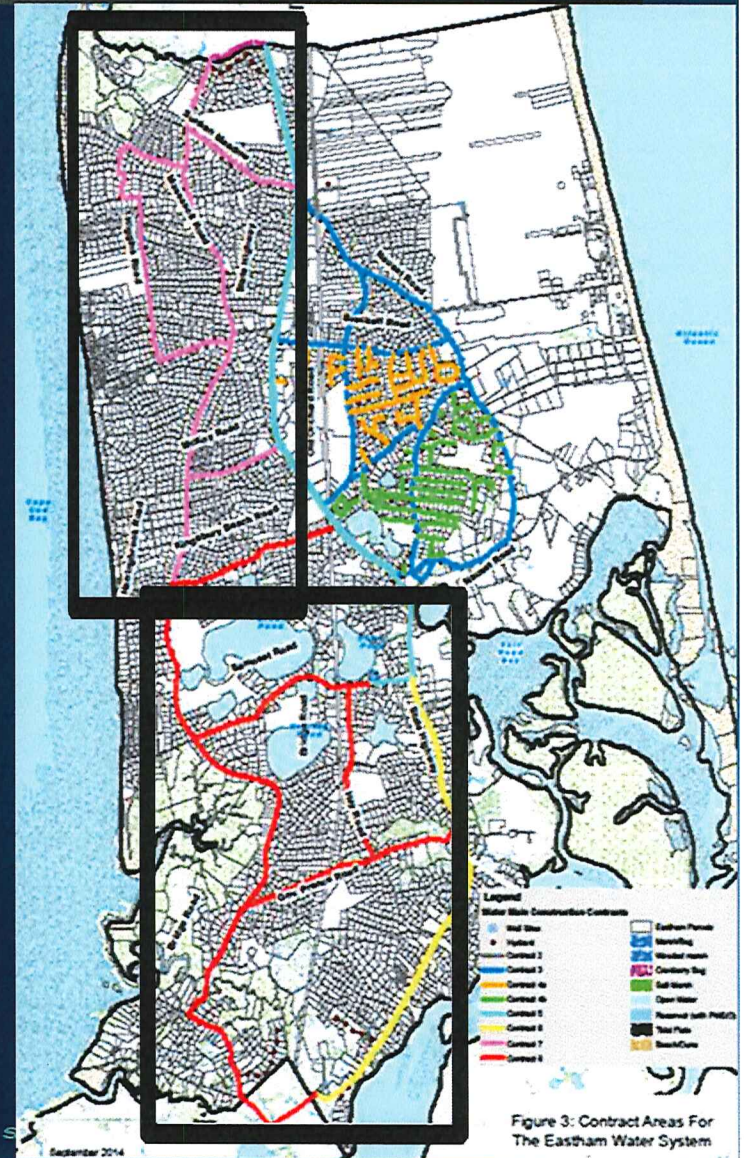


Figure 3: Contract Areas For The Eastham Water System

Water System Rules & Regulations

- BOS Work Session: Nov 4th

- Topics

Service connection policies

Landfill area connection requirements

Water system rates



Meter Procurement

- Request for Proposal

Draft RFP has been prepared

Selection criteria reviewed at Nov 4th
work session

- Solicitation Schedule

Issue RFP	mid-Dec. 2015
Receive Proposals	late Jan. 2016
Vendor Selection	February 2016



Phase 2 Activities

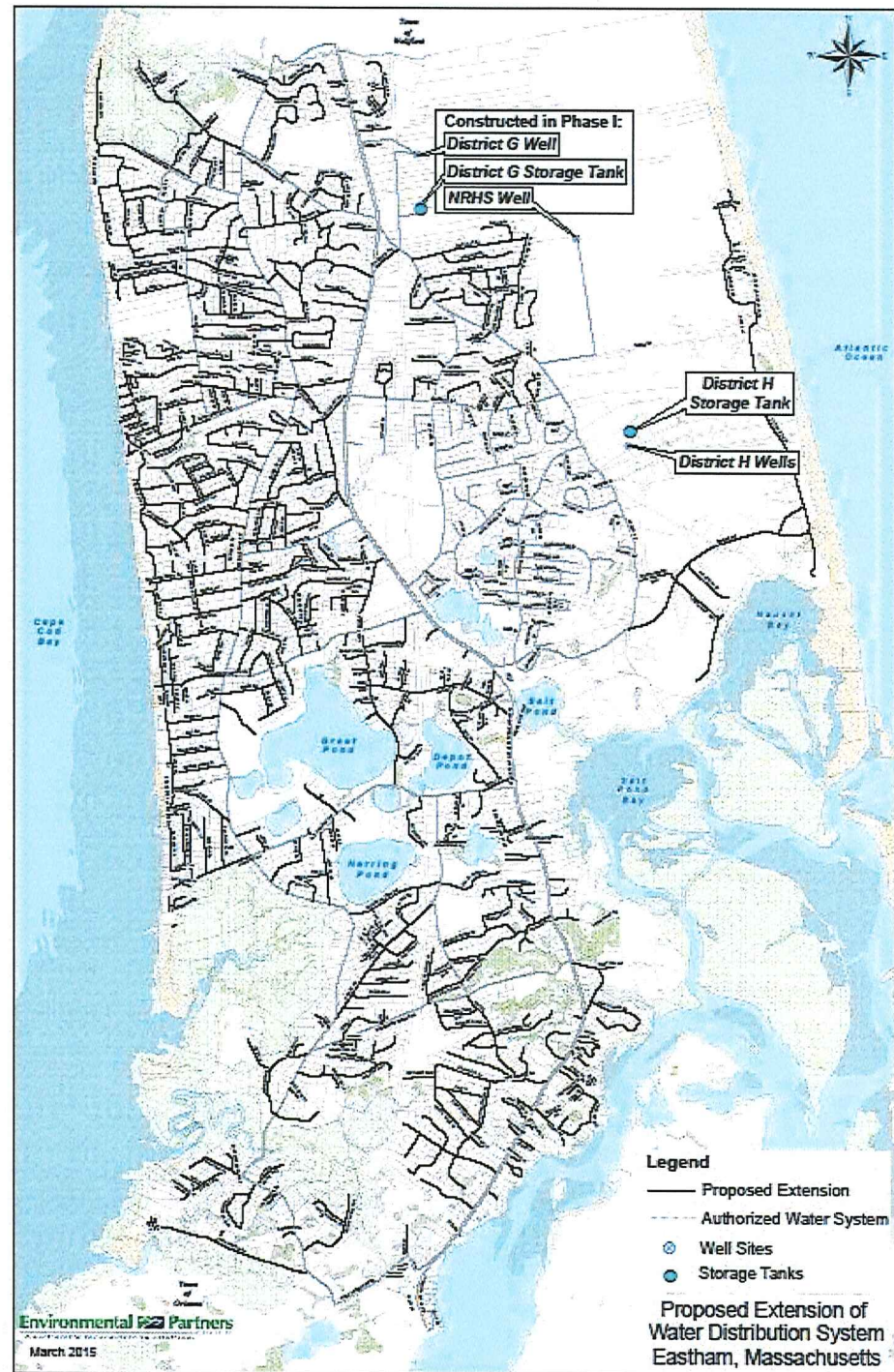
- Permitting activities:
DEP Water Mgmt Act, MEPA, Cape Cod Commission
Winter 2015 – Summer 2016
- Construction – 8 year time frame
Developing plans for sequence of work
Evaluating strategies for accelerating construction
To be discussed at next BOS work session (December)



Phase 2 Construction Strategy

- Water mains installed throughout town during each construction season
- Simultaneous but separate Contracts in north, central and south areas of Town each year

A partnership



DISCUSSION

A partnership for engineering solutions.



III - A.I.

Tri Town

Current Info:

- The Orleans BOS has voted to end the IMA with Eastham and Brewster when it ends in December of 2016;
- Orleans intends to build a new plant to serve Orleans only, but this is still in planning stages and may take years.
- Based on discussion of the meeting of the BOS on 11/9:

"Move to not extend the operation of the Tri Town plant beyond the current date of December 31, 2016 and to close the plant earlier if at all possible"

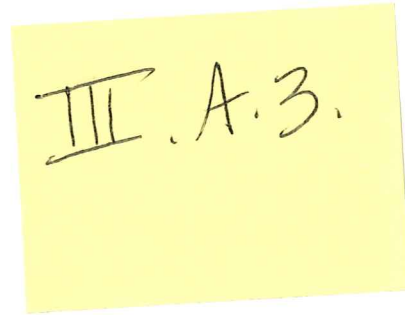
[illegible]

November 16, 2015

To: Board of Selectmen

From: Sheila Vanderhoef, Town Administrator

Re: Committee Appointments



The following is the information needed to make one committee appointment.

Karen Boucher ~ Old Town Centre Historic District

The interview committee recommends the appointment of Karen Boucher to the Old Town Centre Historic District.

If the Board appoints her, her first term would commence November 16, 2015 and expire June 30, 2016. She is to replace Peter McDonald, who resigned and whose term was to end June 30, 2016.

Old Town Centre Historic District Commission Charge

SECTION 1. This by-law shall be known and may be cited as the Eastham Historic District By-Law and is adopted pursuant to Chapter 40C of the General Laws of the Commonwealth of Massachusetts Amended.

SECTION 2. Purpose: The purpose of this by-law is to promote the educational, cultural, economic and general welfare of the public through the preservation and protection of the distinctive characteristics of building and places significant in the history of the Town of Eastham or their architecture, and through the maintenance and improvement of settings for such buildings and places and the encouragement of design compatible therewith.

SECTION 3. Historic District: There is hereby established under the provision of Chapter 40C of the General Laws and historic districts be known as the “Old Town Centre Historic District” which district shall be bounded as shown on map entitled “Old Town Centre Historic District”, 1986, attached and made part of this by-law.

SECTION 4. Historic District Commission Membership: There is hereby established under Chapter 40C of the General Laws an Historic District Commission consisting of five unpaid regular members and two unpaid alternate members appointed by the Board of Selectmen within the Town of Eastham where at least one regular member, when possible, shall be a nominee of the local historical society: at least one regular member, where possible, shall be a nominee of the Chapter of the American Institute of Architects; a third regular member, when possible, shall be a nominee of the Board of Realtors covering the . If the above groups do not submit nominees, commission members may then be chosen from the categories listed below. When the Commission is first established, one regular and one alternate member shall be appointed for two years, and two regular members shall be appointed for three years. Successors shall each be appointed for a term of three years. Vacancies shall be filled within sixty days by the Board of Selectmen by appointment for the unexpired term. In the case of absence, inability to act, or unwillingness to act because of self-interest by a member, the Chairman shall designate an alternate member of the Commission to act for a specified time. The Commission shall elect annually a Chairman and Vice-Chairman from its own number and a Secretary from within or without its number.

*Additional membership suggestions: Lawyer, professional historian, residents of district, member of Planning Board, member of Conservation Commission, individuals interested in historic preservation.

SECTION 5. Duties and Powers of the Commission: The Historic District Commission shall have all the powers and duties of Historic District Commission as provided by the Historic Districts Act, General Laws, Chapter 40C, and of subsequent amendments thereto unless specifically limited by this by-law.

A. Rules and Regulations: The Commission may adopt rules and regulations not inconsistent with the provisions of the Historic District Act.

A. The Commission may, subject to appropriation, employ clerical and technical assistants or consultants and incur other expenses appropriate to the carrying on of its work.

B. General Regulatory Powers: The Commission shall have control over new construction, reconstruction, alterations, movements and demolitions of all exterior architectural features of buildings and structures within the Historic District which are visible from any public street, public way or public park within the Historic District, except as limited by this by-law. The term “structure” includes stone walls, fences and appurtenant fixtures on lots, buildings or structures. For purposes of this by-law, and structure partially within the Historic District shall be considered wholly within the district.

C. Considerations: In passing upon matters before it, the Commission shall consider, among other things, the historic and architectural value and significance of the site, building or structure, the general design arrangement of the features involved, and the relation of such features to similar features of building and structures in the surrounding area. In the case of new construction or additions to existing buildings or structures, the Commission shall consider the appropriateness of the size and shape of the building or structure both in relation to the land area upon which the building or structure is situated and to buildings and structures in the vicinity, and the Commission may, in appropriate cases, impose dimensional and setback requirements in addition to those required by applicable zoning by-laws.

D. The Commission may determine from time to time after public hearing that certain categories of exterior architectural features, or structures may be constructed or altered without review by the Commission.

SECTION 6. Limitations and Exemptions

A. The Historic District Commission shall not make any recommendation or requirement with regard to new construction, reconstructions or additions except for the purpose of preventing developments incongruous to the historic aspects of architectural characteristics of the surroundings and of the historic district.

B. The following are exempt from the control of an Historic District Commission:

1. Ordinary maintenance and repair of any exterior architectural feature if such repair and maintenance does not involve a fundamental change in design and materials.
2. Any constructions, demolitions or alterations under a permit issued by a building inspector or similar agent prior to the effective date of the establishment of the district.
3. Any constructions, demolitions or alterations under orders issued by a building inspector or similar agent of the purpose of public safety.
4. Landscaping with plants, trees, hedges or shrubs.
5. Terraces, walks, sidewalks and other similar structures, including driveways or parking lots provided that the structure is at grade level.
6. Storm doors and windows, screen doors and windows, air conditioners and conventional roof-top TV antennae. (Not exempt from Commission review would be TV satellite dishes and short-wave radio antennae).
7. The reconstruction substantially similar in exterior design of a building, structure or exterior architectural feature damaged or destroyed by fire, storm, or other disaster provided such reconstruction is begun within one year thereafter and carried forward with due diligence.
8. A. Signs used for residential occupation or professional purposes which are not more than one foot square in area are excluded from review, provided that:
 - a) Only one sign is displayed for each building or structure.
 - b) The sign consists of letters painted on wood without a symbol or trademark.
 - c) If illuminated, is illuminated only indirectly.
 - d) All signs should conform to the present Eastham Town Sign Code except as herein noted.

C. Signs used in connection with non-residential purposes which are not more than twelve square feet in area are excluded from review, provided that:

1. Only one sign is displayed for each building or structure.
2. The sign consists of letters painted on wood without a symbol or trademark;
3. If illuminated, is illuminated only indirectly.
4. All signs should conform to present Eastham Town Sign Code except as herein noted.
 - a) Temporary signs and structures up to thirty days.

SECTION 7. Procedures

- A. Except as this by-law provides in Section 5, no building or structure within the historic district shall be constructed or altered in any way that affects exterior architectural features unless the Commission shall first have issued a certificate of appropriateness a certificate of non-applicability or a certificate of hardship with respect to such construction or alteration. Nor shall any building permit for demolition be issued for any building or structure within the historic district until the certificate required by this section has been issued by the Commission.
- B. Applications for certificates shall be made in triplicate with the Historic District Commission. Applications shall be in the form specified by the commission, to include plans and elevations drawn to scale, detailed enough to show architectural design of the structure and its relation to the existing building, and other materials deemed necessary by the Commission. Plot and site plans should be filed when application for certificates are made for improvements affecting appearances, such as walls and fences. In the case of demolition or removal, the application must include a statement of the proposed condition and appearance of the property thereafter.
- C.
- D. Within fourteen (14) days of the filing of an application for any certificate, the Commission shall determine whether the application involves any features which are subject to approval by the Commission.
- E. If the application requires the Commission's review or at the request of the application the Commission shall hold a public hearing, unless waived according to the provision of Chapter 40C of the General Laws, as amended. Public notice of the time, place and purposes of the hearing shall be given at least fourteen (14) days in advance and the Commission must notify by mail affected parties as provided in Chapter 40C of the General Laws, as amended.
- F. The Commission shall decide upon the determination of any application within sixty (60) days of its filing or within such further time as the applicant may request in writing.
- G. A Certificate of Appropriateness shall be issued to the applicant if the Commission determines that the proposed construction or alteration will be appropriate for or compatible with the preservation or protection of the historic district. In the case of a disapproval or an application for a Certificate of Appropriateness, the Commission shall place upon its records the reasons for such determination and shall forthwith cause a notice of its determination, accompanied by a copy of the reasons therefore as set forth in the records of the Commission to be issued to the applicant, and the Commission may make recommendations to the applicant with respect to appropriateness of design. Prior to the issuance of any disapproval, the Commission may notify the applicant of its proposed action, accompanied by recommendations of changes in the applicant's proposal which, if made, would make the application acceptable to the Commission. If within fourteen (14) days of the receipt of such notice, the applicant files a written modification of his application in conformity with the recommended changes of the Commission, the Commission shall issue a Certificate of Appropriateness to the applicant.
- H. Upon request, the Commission may issue a Certificate of Non-Applicability to any applicant whose request does not require Commission approval.
- I. If an application is deemed inappropriate or if application is made for a Certificate of Hardship, the Commission may issue a Certificate of Hardship if conditions especially affecting the building or structure involved, but not affecting the historic district generally, would make failure to approve an application involve a substantial hardship, financial or otherwise, to the applicant, and approval would not involve substantial detriment to the public welfare. A Certificate of Hardship shall also be issued in the event that the Commission does not make a determination on an application within the time specified in Section 7E of this by-law.
- J. Each certificate shall be dated and signed, and the Commission shall keep a permanent record of its determinations and of the vote of each member participating therein, and shall file a copy or notice of certificates and determinations of disapproval with the Town Clerk and the Building Inspector.

K. An applicant may, within twenty (20) days of the filing of the decision of the Commission with the Town Clerk, appeal to a superior court. The Commission must pay costs only if it appears to the court that the Commission has acted with gross negligence, bad faith or malice.

L. Violation of any of the provision of this by-law shall incur a fine of not less than ten dollars (\$10.00) nor more than five hundred dollars (\$500.00), each day constituting a separate offense.

SECTION 8. The Town of Eastham shall be subject to the provisions of this by-law notwithstanding any Town By-Law to the contrary.

SECTION 9. This by-law may be amended from time to time by a two-thirds (2/3) vote of the Town Meeting subject to the procedures as set forth in Chapter 40C, Section 3 of the General Laws.

SECTION 10. In case any section, paragraph or part of this by-law be for any reason declared invalid or unconstitutional by any court of last resort, every other section, paragraph or part shall continue in full force and effect.

SECTION 11. Effective Date: Following Town Meeting approval, this by-law shall take effect immediately when the following conditions have been met:

- (a) approval by the Attorney general of the Commonwealth;
- (b) filing of a map of the boundaries of the Historic District with the Eastham Town Clerk, the Eastham Building Inspector and the Registry of Deeds for Barnstable County, *or take any action relative thereto.*

By Historic District Study Committee

Under the provisions of Chapter 40C, Massachusetts General Laws, as amended by Chapter 168, Acts of 1975 by-law was adopted at Annual Town Meeting 1986.