

AGENDA

Monday

May 2, 2016

**TOWN OF EASTHAM
AGENDA
BOARD OF SELECTMEN
Monday, May 2, 2016
6:30 p.m.**

Location: Nauset High School

I. ADMINISTRATIVE MATTERS

- A. Debt Refinancing Opportunity:** The Town Treasurer, with the Town Accountant and Town Administrator, are recommending the re-bonding of the Town of Eastham bonds on the Elementary School. If we take advantage of the prevailing market conditions and re-bond by August 1, 2016, we estimate that we will reduce the debt service for the town by \$400,000 or more. By law, re-funding of bonds can only be initiated by a majority vote of the Board of Selectmen. In order to stay on track for the timeline of bond issuance, *we are recommending the following vote be taken tonight:*

“ That, in order to save interest costs, the Treasurer is authorized to provide for the sale and issuance of bonds under G.L. c. 44, Section 21A, to refund all or any portion of the remaining principal of, and redemption premium and interest on, the Town’s General Obligation Bonds dated August 1, 2006; and for this purpose the Treasurer is authorized to provide for the preparation and distribution of a Preliminary Official Statement; provided, however, that no bonds shall be issued under this vote unless and until the final interest rates and other terms of the refunding bonds are approved by the Board.”

- B. Vote to accept the USDA financing and grant award for Public Water Project.** The USDA has offered the town \$1,615,000 in financing for the first phase of the Water Project. The terms include an interest rate of 1.75% and a grant of \$400,000. The acceptance of this funding will reduce the amount needed to be borrowed by other sources. *We are recommending the following vote be taken tonight,*

“I move to accept the USDA loan authorizing and providing for the indebtedness, for the purpose of providing a portion of the cost of constructing a public water system, as printed in the loan resolution.”

- C. Vote Needed to Recommend Town Meeting Article #10 Transfers**

II. OTHER BUSINESS

Upcoming Meetings

May 4, 2015	3:00 p.m.	Timothy Smith Room	Work Session
May 16, 2016	5:00 p.m.	Earle Mountain Room	Regular Session
May 18, 2016	3:00p.m.	Timothy Smith Room	Work Session

The listing of matters includes those reasonably 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.



TOWN OF EASTHAM

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All departments 508-240-5900 • Fax 508-240-1291
www.eastham-ma.gov

I.A. Refi

TO: Board of Selectmen
FROM: Jacqui Beebe
RE: Vote to re-fund (re-bond) the Elementary School Bond
DATE: 4/27/16

The Town Treasurer, with the Town Accountant and Town Administration, has been interviewing financial firms to replace Cape Cod Five, as they are discontinuing their municipal financial services Division at the end of this year. She would like to engage FirstSouthwest, and we will schedule an opportunity for you to meet with their principal advisors in the next month.

However, in the course of the selection process, FirstSouthwest identified an opportunity for the Town to reduce the debt service on the Elementary School Project, by re-funding (re-bonding) the bond financing. They are estimating that we can decrease the debt service on the project by over \$400,000, but must complete the process by August 1, 2016.

In order to begin the process, we need a vote by the Board of Selectmen to proceed. As you can see, the final approval of the bond issuance with all the terms specified will come back before the board prior to any new bond issuance.

54 Canal Street
Suite 320
Boston, MA 02114

617-619-4409 Direct
617-619-4411 Fax

Memorandum

Peter Frazier
Managing Director

peter.frazier@hilltopsecurities.com

Date: Wednesday, March 30, 2016
To: Joan Plante, Town Treasurer
Subject: Eastham Debt Refinancing Opportunity

The current low interest rate environment has created an opportunity to refinance Town of Eastham bonds issued August 1, 2006 and generate approximately \$413,000 in debt service savings over the remaining life of the bond issue. The analysis is based upon prevailing market conditions which are subject to change. A summary of the results of the analysis follows:

<u>Bond Issue</u>	<u>Purpose</u>	<u>Principal Amount to be Refunded</u>	<u>Estimated Budgetary Savings</u>	<u>Estimated Present Value Savings</u>	<u>Savings as a % of Refunded Principal</u>
8/1/2006	School	\$3,670,000	\$413,919	\$377,275	10.28%

Efficiency of the refunding: Generally, a bond issue can be refinanced only once, so it is important to ensure that the transaction is worthwhile. Since we can't know what interest rates will be in the future, the industry relies on an efficiency ratio to help us decide which refunding opportunities are worth pursuing. If the ratio of savings to principal refunded is greater than 3%, the refunding transaction is deemed worthwhile and the higher the percentage the better the transaction. As you can see in the table above, the candidates exceed the minimum threshold savings ratio. It is also important to note that the savings shown are net of all costs of issuance.

Borrowing Authorization Process: Refunding bonds are authorized by a majority vote of the Board of Selectmen. Under Massachusetts General Law, refunding bonds cannot be issued unless (1) the transaction produces present value savings and (2) the Selectmen and Treasurer approve the results of the sale (i.e., amount of savings and structure of the issue, etc.).

Below please find a suggested form of vote for the Board of Selectmen to authorize the issuance of Refunding Bonds:

Voted: That, in order to save interest costs, the Treasurer is authorized to provide for the sale and issuance of bonds under G.L. c. 44, Section 21A, to refund all or any portion of the remaining principal of and redemption premium and interest on the Town's General Obligation Bonds dated August 1, 2006 and that for this purpose the Treasurer is authorized to provide for the preparation and distribution of a Preliminary Official Statement; provided, however, that no bonds shall be issued under this vote unless and until the final interest rates and other terms of the refunding bonds are approved by the Board.

As the vote indicates, the refunding is subject to final approval by the Board of Selectmen when the final details of the refunding bonds are determined.

may 8
I. B. loan resolution

LOAN RESOLUTION (Public Bodies)

A RESOLUTION OF THE Board of Selectmen

OF THE Eastham, Town of

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Public Water System

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Eastham, Town of

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

One Million Six Hundred Fifteen Thousand & 00/100

pursuant to the provisions of Massachusetts State Law; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 400,000.00

under the terms offered by the Government; that the Chair, Board of Selectmen

and Town Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas _____ Nays _____ Absent _____

IN WITNESS WHEREOF, the Board of Selectmen of the

Eastham, Town of has duly adopted this resolution and caused it


to be executed by the officers below in duplicate on this _____, _____ day of _____

(SEAL)

Attest:

By

Title



Elizabeth Gawron

Chair, Board of Selectmen

Susanne Fischer

Title Town Clerk

INFORMATION

agenda
5/2

Sheila Vanderhoef

From: Sue Connor <sue@connorandconnor.com>
Sent: Monday, April 25, 2016 4:22 PM
To: Sheila Vanderhoef; Jacqueline Beebe; Elizabeth Gawron
Cc: Barbara Reed; Dave Baxter ; Dave Crimmins; Dick Parrett; Gene Tierney; George Lee; 'Gregory Boughey'; 'Helen Kinsman'; James D. Lukowiak; Jennifer Keen; Joe Oneschuk; June Morris; 'Larry Pasco '; Richard Boyatzsis; TJ Member services; 'William O'meara'
Subject: Results of recent survey
Attachments: 2016 Member Vote Survey Results.pptx

Good afternoon

Recently EPTRA sent a survey to our members highlighting some of the changes that happening on the lower cape and some that are being proposed in Eastham. We were quite surprised to find out that most do not keep up with issues here during the off season. Once they were informed we decided to follow-up and assess their opinion on many of the items and some on the Town Warrant.

Attached is a PowerPoint of the results of the follow-up survey. It was sent to 1209 members for whom we have email addresses. We received 315 responses which is significant. I thought you might be interested in these results and perhaps share them with the Selectman. Our goal with these surveys was simply to keep our members informed and elicit their thoughts. EPRTA as a group does not take a stand on issues but simply provides information to our members.


Sue
Current President of EPRTA

Susan Connor, BSN, ANP, COHN-S
Connor & Connor Associates, LLC

97 Main Street
Manchester, CT 06042-3141

V-860-646-6640
F- 860-646-3805

Adding Value to Corporate Medical Management




2016 Town Meeting Membership Poll Results

Presented April 25, 2016

Introduction:

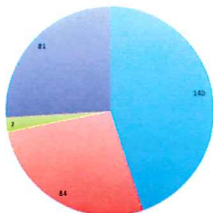
Between April 13th and April 24th, 2016 315 EPRTA Members completed a survey asking for their positions for various issues.

The results are summarized in this presentation.



1

Question:

How do you feel about the fresh water system that is being implemented? Check the answer that best describes your thoughts at the moment:

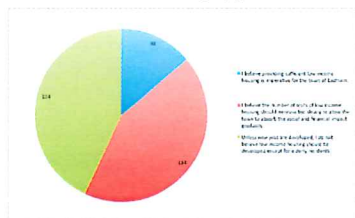


- 180 The additional rate adds taxes to my home and a few may disagree that this is the best of the new fresh water system.
- 84 The additional rate adds taxes to my home and a few may disagree that this is the best of the new fresh water system.
- 21 The additional rate adds taxes to my home and a few may disagree that this is the best of the new fresh water system.
- 7 The additional rate adds taxes to my home and a few may disagree that this is the best of the new fresh water system.


2

Question:

A proposal to build 115 low income housing units in Eastham, at the former T-Time Golf Range site on Route 6 is being discussed along with significant resident resistance. This would help increase the percentage of affordable housing in Eastham, but comes at a cost. It is expected that the complex would result in higher real estate taxes for Eastham taxpayers and increase the burden on the town's social and emergency systems.

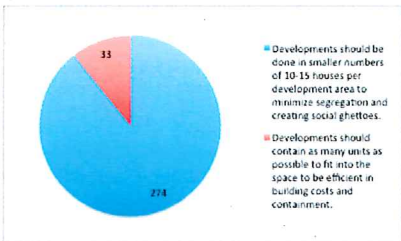


EPRTA
Eastham Park Range Township Association

3

Question:

Regarding building of low income housing units, to get closer to the Commonwealth's requirement of 10% of the housing being "low income". Check the answer that best describes your thoughts at the moment:

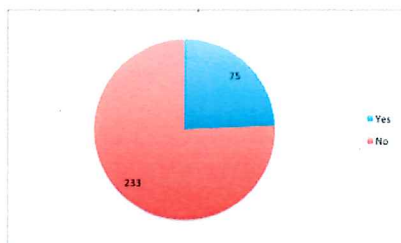


EPRTA
Eastham Park Range Township Association

4

Question:

If you were allowed to vote on the proposed affordable housing project, would you vote for it?

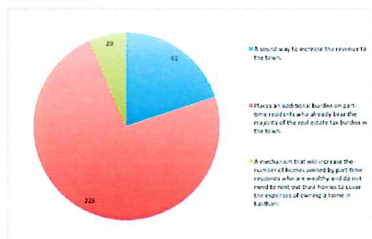


EPRTA
Eastham Park Range Township Association

5

Question:

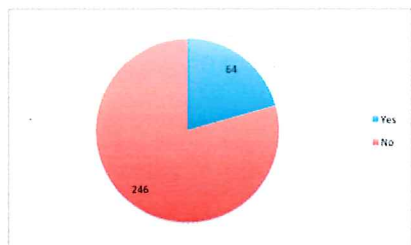
An additional renter's tax bill which would allow a tax to be levied on house rentals of less than 90 days is being considered by the Massachusetts Legislature. If passed, the Board of Selectmen could vote to implement this additional tax. Check the answer that best describes your thoughts at the moment:



6

Question:

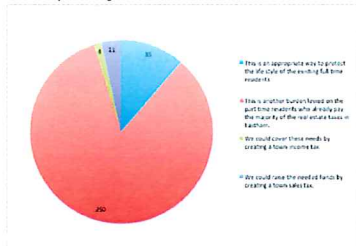
If you were allowed to vote on the proposed renter's tax, would you vote for it?



7

Question:

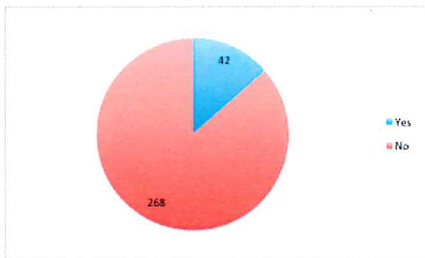
Provincetown voted to create an additional tax exemption for year round residents (especially those on fixed incomes) and allow the tax rate on the part time residents to cover the difference in budget needs. Other towns are considering this proposal this year. Check the answer that best describes your thoughts at the moment:



8

Question:

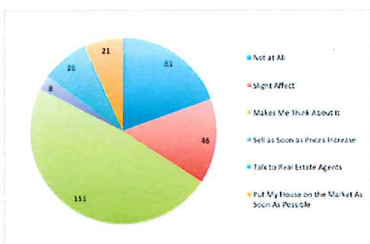
If you were allowed to vote on creating an additional tax exemption for year round residents, would you vote for it?



9

Question:

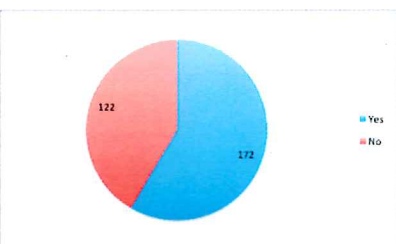
If a number of the projects under way or being considered were to occur and significantly raised your real estate taxes, how likely are you to sell your home in Eastham? Check the answer that best describes your thoughts at the moment:



10

Question:

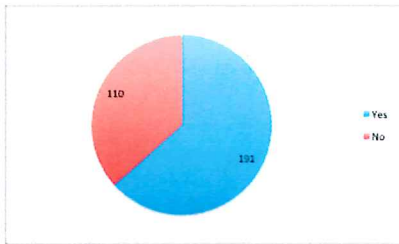
If you were allowed to vote on the proposed \$25,756,101 municipal operating budget, would you vote for it?



11

Question:

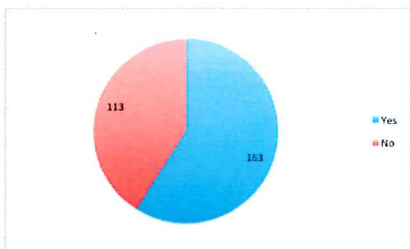
If you were allowed to vote on the increasing the annual salary of selectmen by \$500, would you vote for it?



12

Question:

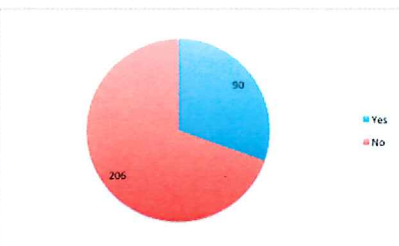
If you were allowed to vote on the \$622,500 capital acquisition budget, would you vote for it?



13

Question:

If you were allowed to vote on the proposed spending of \$207,000 to Nauset Fellowship for the restoration of the Church of the Pines, would you vote for it?



14
