



Fairhaven Board of Selectmen

January 22, 2013 Meeting Minutes

Present: Selectman Chairman Brian Bowcock, Vice Chairman Charles Murphy, Clerk Robert Espindola, Executive Secretary Jeffrey Osuch, Administrative Assistant Anne Kakley.

Chairman Brian Bowcock called the meeting to order in the Town Hall Banquet Room at 6:34 p.m.

MINUTES

- Mr. Murphy motioned to approve the minutes of the **January 7, 2013** meeting, **open** session. Mr. Espindola seconded. Vote was unanimous. (3-0).
- Mr. Murphy motioned to approve the minutes of the **January 7, 2013** meeting, **executive** session. Mr. Espindola seconded. Vote was unanimous. (3-0).
- Mr. Murphy motioned to approve the minutes of the **January 16, 2013** meeting, **open** session. Mr. Espindola expressed concern about language in the minutes that reflected that the Board would be voting at the January 22, 2013 meeting on some of their DOR recommendations. He said that he was not under the impression that they would definitely be voting on these items at the meeting. Dr. Bowcock said that it had been said at the January 16, 2013 meeting that the votes would be made at the next meeting. He said that the Board could always change their recommendations later. Mr. Espindola seconded Mr. Murphy's motion. Vote to approve the minutes of the January 16, 2013 meeting was unanimous. (3-0).

EXECUTIVE SECRETARY'S REPORT

In his report, Mr. Osuch updated the Selectmen on the following meetings:

- Tuesday, **January 22** –
 - 10:00 a.m. – Wood School Job Meeting
- Wednesday, **January 23** –
 - 8:30 a.m. – Retirement Board meeting
- Thursday, **January 24** –
 - 9:00 a.m. – Buzzard's Bay Action Committee – Wareham
 - 1:00 p.m. – Meeting with DOR representatives – for department heads

- 2:00 p.m. – Meeting with DOR representatives – with Selectmen for the general public
 - 7:00 p.m. – Finance Committee meeting
- Tuesday, **January 29** –
 - 10:00 a.m. – Wood School Job Meeting
 - 1:00 p.m. – Police negotiations
 - 2:30 p.m. – Dispatchers negotiations
- Thursday, **January 31** –
 - 8:15 a.m. to noon – Driving training at the BPW
 - 2:00 p.m. – Economic Summit meeting
 - 7:00 p.m. – Finance Committee

WOOD SCHOOL CHANGE ORDER #4

Mr. Osuch presented the Board with Change Order #4 in an increased amount of \$12,276.99 for the Wood School project. Mr. Murphy motioned to authorize the Chairman to sign the Change Order. Mr. Espindola seconded. Vote was unanimous. (3-0).

WOOD SCHOOL REQUISITION #7

Mr. Osuch also presented the Board with Payment Requisition #7 for CTA Construction for the Wood School Project in the amount \$1,631,121.00. Mr. Murphy motioned to approve Requisition #7 to CTA for the Wood School Project. Mr. Espindola seconded. Vote was unanimous. (3-0).

NEW SCHOOL UPDATES

Mr. Osuch said that the weather in the upcoming week would be too cold for roof work at the new school. He said that the roof is on the gymnasium and part of the library roof is complete. He added that inside the building, just about all the metal studding was in place in the classroom wing and that the electrician was at 40 percent completion in the classroom wing. He said that CTA Construction was still aiming for an August 2013 completion date.

HARASSMENT TRAINING

A Harassment Training Workshop is scheduled with Traveler's Insurance for Tuesday, February 5, 2013, with one session at 2:00 p.m. and a second session at 6:00 p.m. All department heads and board members are expected to attend one of the two sessions. The training official advised the Selectmen's Office to send a memo out to departments requesting attendance, and suggested that the Selectmen themselves should attend the meeting.

BUDGET MEETING

The Board conferred over dates and determined that they could meet with major departments on Monday, February 11, starting at 6:30 p.m., for a budget-focused meeting. They will schedule a second budget meeting if necessary.

UNIBANK

Earlier in the day on January 22, 2013, Lisa Dickinson of Unibank presented an overview of the Town's Moody rating and fiscal standing. Fairhaven's Moody's rating is currently an Aa2. Discussion ensued, regarding the demographics used to devise the presentation. Mr. Espindola recommended sending a copy of the Unibank presentation handout (see Attachment A) to DOR representatives to review before their meeting with the Board on January 24, 2013.

ANNUAL REPORT

The Board reviewed a draft of the Selectmen's Office Annual Report for 2012. Mr. Espindola said that he disagreed with wording that indicated the wind turbines were in compliance with decibel limits. Dr. Bowcock said that the sound testing conducted by DEP had not produced violations and that the draft copy of the annual report was accurate. Mr. Murphy motioned to strike the sentence "The Wind Turbines were performing within the allowable decibel range" and approve the rest of the Selectmen's Office report for the Annual Report. Mr. Espindola seconded. Vote was unanimous. (3-0).

MIDDLEBOROUGH – FINAL JOINT CDBG HEARING

At 7:05 p.m., the Board met with the Middleborough Select Board Chairman Al Rullo, Town Manager Charles Cristello, and Jane Kudecy, Manager of the Office of Economic and Community Development. Chairman Bowcock opened the final public hearing for a joint application between the Town of Middleborough and the Town of Fairhaven (lead) for a Community Development Block Grant. Also present was Fairhaven Town Planner Bill Roth.

Mr. Rullo said that the process was very competitive and that the joint application would give a priority boost to both of the communities and could allow Fairhaven to improve their CDBG rating by two points, and would improve Middleborough's rating by five points. The grant will allow Fairhaven to rehab Elliot Lane and housing in 2013, and Middleborough will use their portion of the funds to rehab housing in Middleborough downtown and to improve infrastructure in their elderly housing complex.

Dr. Bowcock invited public comment on the hearing. Arthur Costa of 19 Huttleston Avenue commended Mr. Roth for his work in securing the grant and said that he was looking to see Elliot Lane be improved. The Board also thanked Mr. Roth for his work. Mr. Espindola asked if the Board would be able to combine CDBG application efforts with other towns in future years. Mr. Roth said that the Town was allowed this method of CDBG application on a biannual basis.

Mr. Murphy motioned to enter an agreement with the Town of Middleborough for a joint CDBG application. Mr. Espindola seconded. Vote was unanimous. (3-0).

Mr. Murphy motioned to authorize the Chairman to sign any and all documents needed pertaining to the CDBG grant, and to sign the application. Mr. Espindola seconded. Vote was unanimous. (3-0).

ANNUAL TOWN REPORT COVER AND CAPTION

The Board reviewed a draft cover and caption for the 2012 Annual Town Report. The cover depicted various events from the Town's bicentennial year, and included photos from Frank Rezendes and Jim Mahaney and was designed by Chris Richard. Mr. Murphy motioned to approve the cover and caption as presented. Mr. Espindola seconded. Vote was unanimous. (3-0)

CABLE ACCESS COMMITTEE APPOINTMENTS

Dr. Bowcock motioned to appoint Bob Espindola, Barbara Acksen, Ronnie Medina and Hebert Eddleston to the Cable Access Committee. Mr. Murphy seconded. Vote was unanimous. (3-0).

LICENSE RENEWALS

The Board reviewed a final list of license renewals for various Town establishments.

Mr. Murphy motioned to approve a Car Dealer license for Full Throttle. Mr. Espindola seconded. Vote was unanimous. (3-0).

Mr. Murphy motioned to approve Repair licenses for Brian's Garage, Full Throttle, Jiffy Lube, and Nice 'N Clean Car Wash. Mr. Espindola seconded. Vote was unanimous. (3-0).

COMMITTEE DISSOLUTION

The Town Clerk's office has indicated to the Board of Selectmen that there are several boards and committees that are currently inactive. The Board voted to dissolve the Community Pool Committee, the High School Building Subcommittee, the East Fairhaven School Building Committee and the Little Bay Conservation Commission. Mr. Murphy motioned. Mr. Espindola seconded. It was so voted unanimously. (3-0).

AUDITORIUM USE APPLICATION

The Board voted to approve the use of the Town Hall Auditorium and a One-Day Beer and Wine license for the New Bedford Symphony Youth Orchestra for an event on Saturday, February 2, from 1:00 p.m. to 11:00 p.m. Mr. Murphy motioned. Mr. Espindola seconded. Vote was unanimous. (3-0).

ANIMAL SHELTER DONATIONS

The Board voted to approve donations to the Fairhaven Animal Shelter Gift Account totaling \$455.00, and a \$50 donation to the memory of Susan Rita Mull. Mr. Espindola motioned. Mr. Murphy seconded. Vote was unanimous. (3-0).

NSTAR GAS PERMITS

The Board voted to approve an NSTAR gas permit for 10 Water Street between Sconticut Neck Road and dead end. Mr. Murphy motioned. Mr. Espindola seconded. Vote was unanimous. (3-0).

The Board voted to approve an NSTAR gas permit for 10 Grape Street between Sconticut Neck Road and dead end. Mr. Murphy motioned. Mr. Espindola seconded. Vote was unanimous. (3-0).

RESERVE FUND REQUEST – FIRE DEPT

The Fire Chief submitted to the Board a request for a Reserve Fund transfer. The Finance Committee has established a new policy, requiring departments requesting a Reserve Fund transfer first seek authorization from their appointing authority. Chief Francis is requesting \$5,000 for medical supplies for the ambulance. Although Chief Francis requested the funds come from the ambulance fund, Mr. Osuch informed the Board that there is currently no reserve set aside from the ambulance fund, and that the transfer would have to come from the general fund or they would have to wait until Special Town Meeting. Dr. Bowcock said that the third ambulance has been run almost constantly, even though it is only considered an “extra” ambulance. Mr. Murphy motioned to support the Fire Chief’s request for a Reserve Fund transfer from General Fund. Mr. Espindola seconded. Vote was unanimous. (3-0).

POLICE OFFICER APPOINTMENTS

The Board met with Jason Tavares and Marcy Haaland, finalists for two vacancies in the Police department. In the prior week, the Board had conducted interviews with six Civil Service candidates for two Police Department vacancies. The Board conducted a final interview with Mr. Tavares and Ms. Haaland. Mr. Tavares indicated that he wanted to help Fairhaven become a safer place, that he was easy going and a good model to youth. Ms. Haaland indicated that she was enthusiastic, good with the public and has a strong history of leadership that will transfer well to following orders.

Dr. Bowcock wanted the record to reflect that the Board was conducting final interviews with the top two Civil Service candidates. He said both candidates have demonstrated excellent qualities. Dr. Bowcock motioned to appoint Jason Tavares and Marcy Haaland to the Police Department as Police Officers. Mr. Murphy seconded. Vote was unanimous. (3-0).

BUDGET REVIEW PROCESS

The Board selected Monday, February 11, 2013 as their budget meeting. At the February 4, 2013 meeting, Mr. Osuch said that the articles and their order would be pulled at random.

Mr. Osuch said that he anticipated that the governor's office would be releasing state aid figures shortly.

DOR REPORT

Dr. Bowcock stated that the Board has conducted a couple of working sessions to discuss the 34 recommendations of the DOR Financial Review. He said some of the recommendations could be easily implemented, and others would require Town Meeting votes. The Board took a moment to issue their stances on five major recommendations of the DOR report:

- **Establish a “Strong” Town Manager/Administrator** – The DOR report says that the Town of Fairhaven is the only municipality of its size in Massachusetts operating without a Town Manager or a Town Administrator and it recommended establishing such a position to improve day to day operations. All three Board members expressed support for this measure, which would require special legislation. If Town Meeting approved the change, it would have to pass at the House and Senate level, a process that could take as much as a year. This will be presented as an article at Town Meeting, and the article will be drafted by Town Counsel. Dr. Bowcock motioned to give the recommendation to establish a Town Manager/Administrator support from the Board of Selectmen. Mr. Murphy seconded. Vote was unanimous. (3-0).
- **Combine the Treasurer/Collector Positions** – This DOR recommendation will also require a Town Meeting vote. Dr. Bowcock motioned to support this recommendation. Mr. Murphy seconded. Vote was unanimous. (3-0).
- **Finance Committee Appointments and Membership** – The DOR report recommends changing the current method of appointing FinCom members, and the number of FinCom members. Currently, there are 12 members appointed by precinct chairpersons and a 13th at-large member appointed by the Select Board chairman, the FinCom chairman, and the Town Moderator jointly. The DOR report recommends having the Town Moderator appoint seven members to the FinCom. The Board debated whether they would recommend a membership of seven or eight. Criteria for the Town Moderator to consider when making appointments was also discussed. The Board agreed that they would address the details regarding the membership and appointment method later, but all three Selectmen agreed that the Board would support modifying the Finance Committee to appoint up to eight members. Dr. Bowcock motioned. Mr. Espindola seconded. Vote was unanimous. (3-0).
- **Eliminate the BPW** – If a strong Town Manager/Administrator position was established, the DOR recommended that much of the tasks of the BPW would be absorbed by the Town Manager/Administrator. It has been discussed that there could still be a three-member BPW advisory board. Dr. Bowcock motioned to recommend the elimination of a BPW. Mr. Murphy seconded. Vote was unanimous. (3-0).

- **Eliminate the Personnel Board** – If a strong Town Manager/Administrator position was established, the DOR recommended dissolving the Personnel Board, because its tasks would be absorbed by the Town Manager/Administrator. Dr. Bowcock motioned to support this recommendation. Mr. Murphy seconded. Vote was unanimous. (3-0).

EPA-AVX SETTLEMENT

The Board met with Mark Rasmussen of the Buzzard’s Bay Coalition, Ed Rivera, President of Hands Across the River, and Karen Vilandry, Vice-President of Hands Across the River to discuss the proposed \$366.5 million final settlement between the EPA and Aerovox (AVX) to clean up New Bedford harbor from PBCs and contaminants. Senator Mark Montigny also joined the meeting at 8:20 p.m.

Dr. Bowcock read a proposed letter for the Board of Selectmen to send to Washington, asking for a reopener clause to keep AVX responsible for any costs over \$366.5 million. (See Attachment B).

Ms. Vilandry expressed Hands Across the River’s stance on the matter, saying that they want a reopener clause, that the \$366.5 settlement would not be enough, and she discussed the method of CAD cell technology in the contaminant clean-up.

Mr. Rivera said that New Bedford and Acushnet were “not getting a fair shake”. He said that once the settlement is made, it could be the federal standard by which the rest of the country makes similar settlements.

Mr. Rasmussen said that New Bedford harbor is a very complicated clean-up. So far, 27 percent of the clean-up has been accomplished with \$425 million. He said the only way \$366.5 million would cover the remainder would be if there were a lot of cost-cutting measures. He said that 2,000 people have signed a petition for the reopener clause. “This sets the course,” Mr. Rasmussen said. “We have to win this one.”

Senator Montigny also said that he was against the final settlement, and expressed strong support for a reopener clause.

The Board thanked Senator Montigny, Buzzard’s Bay Coalition and Hands Across the River for their statements. Mr. Murphy motioned to sign the letter and send it to the EPA. Mr. Espindola seconded. Vote was unanimous. (3-0).

SOLARIZE MASSACHUSETTS

The Board reviewed “Solarize Massachusetts”, a state initiative that would get residents to engage in private solar use by making solar array installation more affordable. Mr. Murphy motioned to go forward as a Board and have Mr. Espindola complete the application for Solarize Massachusetts and send it to the state. Mr. Espindola seconded. Vote was unanimous. (3-0).

INDIRECT COSTS

The Board met with Steven Riley, BPW Chairman and Vinnie Furtado, BPW Superintendent, to discuss indirect costs. Mr. Furtado said that they had “sticker shock” over the indirect cost increased estimate of \$415,000 for Water and Sewer combined. Mr. Furtado said that the BPW fees would have to go up \$70-80 per household annually just to break even in the enterprise funds.

Mr. Riley said that he supported implementing the rate increases over a three-year period.

BROWN AND CALDWELL AMENDMENT

The Board signed Amendment #7 for Brown and Caldwell, which resulted in a \$10,227.51 credit. Mr. Murphy motioned. Mr. Espindola seconded. Vote was unanimous. (3-0).

The Board entered Executive Session at 9:12 p.m. to discuss a potential settlement with the Town of Mattapoisett related to Fairhaven-owned land, Police Union negotiations, Clerical Union negotiations, and Personnel Board employee benefit issue. Mr. Murphy motioned to enter Executive Session. Mr. Espindola seconded. Vote was unanimous. (3-0). Roll call vote: Dr. Bowcock in favor. Mr. Murphy in favor. Mr. Espindola in favor.

Respectfully,

Anne Kakley

Selectmen’s Secretary
(Minutes approved 2/04/2013)

TOWN OF FAIRHAVEN
Massachusetts

BOND RATING DISCUSSION

JANUARY 22, 2013

UniBank

CURRENT STATUS OF FAIRHAVEN BOND RATING

- The Town is currently rated Aa2 by Moody's Investors Service.
- Upgraded from A3 to A2 in 2002
 - "Solid financial operations with strong reserves, a manageable debt burden and a stable tax base"
- Upgraded from A2 to A1 in 2007
 - "Significantly improved (102% increase in reserves since 2001) financial position to currently strong levels and conservative budgeting practices, as well as healthy growth in tax base which has more than doubled since 2000"
- Rating Revised to Aa2 with Global Recalibration in April 2010
- Last review – October 2012 Aa2 affirmed
 - "Stable financial operations with healthy General Fund reserves, manageable debt burden with the majority excluded from the limitations of Proposition 2 1/2"

BOND RATINGS FOR SURROUNDING COMMUNITIES

<u>Municipality</u>	<u>Moody's Rating*</u>	<u>Date Last Rated</u>	<u>S&P Rating</u>	<u>Date Last Rated</u>
Attleboro	A1	2008	A+	2012
Seekonk	Aa3	2005	AA-	2012
Rehoboth	Aa3	2002		
Dighton		Not rated - no bonded debt		
Berkley	A2	2011 downgraded A1		
Lakeville				
Middleborough	Aa3	2009	AA-	2012
Carver	A1	2009	AA-	2012
Plymouth	Aa2	2011	AA-	2010
Swansea	A1	2006 upgraded	AA	2012
Somerset	Aa2	2011	AA-	2012
Fall River	A2	2012	BBB	2012
Freetown			A+	2010 upgraded A
Rochester	Aa3	2006	AA	2012
Wareham	A1	2009		
Westport	Aa3	2012		
Dartmouth	Aa2	2009	AA	2012
New Bedford	A1	2012		
Acushnet	Aa3	2005		
Marion	Aa2	2006	AA+	2012 upgraded AA
Mattapoisett	Aa2	2006	AA	2012

*Communities not rated by Moody's since the April 2010 Global Recalibration still reflect that recalibration in the outstanding rating.

RATING AGENCY RATING CATEGORIES

MOODY'S

- Aaa
- Aa1
- Aa2
- Aa3
- A1
- A2
- A3
- Baa1

STANDARD & POOR'S

- AAA
- AA+
- AA
- AA-
- A+
- A
- A-
- BBB+

RATING CRITERIA

➤ 4 MAJOR CATEGORIES

- ECONOMY AND TAX BASE
- FINANCES
- MANAGEMENT
- DEBT PROFILE

ECONOMY AND TAX BASE

- MINIMAL “TOWN” CONTROL
- SIZE AND GROWTH TREND OF TAX BASE
 - “Average Annual Growth, Equalized Value 2008 – 2012: 5.1%”
- DEMOGRAPHICS – WEALTH LEVELS
 - PER CAPITA INCOME – “80% of MA and 100% of US”
 - MEDIAN FAMILY INCOME – “100% of MA and 104% of US”
 - FULL VALUE PER CAPITA – “\$140,355” which is 90% of MA
- TYPE OF ECONOMY, WORKFORCE COMPOSITION
 - “Predominantly residential (85.3%) with small commercial presence (11.5%)”
 - “Town officials report ongoing development in the health care sector including expansions at the South Coast Hospital which is expected to spur ancillary commercial in the area.”
 - “We believe the Town’s higher than average senior population... contributes to the lower income numbers in the Town.”

FINANCES

- RESERVE LEVELS
 - Available General Fund Balance as % of General Fund Revenue Including Stabilization Fund per GASB 54 – “FY11 General Fund Balance (including Stabilization) \$10.6M (24.6% of General Fund revenues)” and “FY11 Unassigned General Fund Balance: \$5.9M (13.7% of General Fund revenues)”
 - Written Policies Dictating Reserve Levels and Appropriate Uses of Reserves
 - Written Policies Regarding Free Cash Levels and Uses of Free Cash
 - Prefer never used for operating purposes (recurring expenses), only for one time expenditures
- OPERATING FLEXIBILITY
 - Unused Levy Capacity – No significant unused levy capacity for Town
 - Alternative Sources of Revenues
 - Debt Service Excluded from Limitations of Proposition 2 ½
 - History of Operating Overrides
 - Enterprise Funds Completely Self-Supporting
- BUDGETARY PERFORMANCE
 - Multi-Year Financial Forecasting (3 – 5 year projections)
 - Conservative Budgeting of Local Receipts and New Growth
 - Monthly Monitoring of Revenues and Expenditures Reported to Selectmen and Department Heads
 - Addressing Long-Term Liabilities of Retirement and OPEB in Annual Budget Process
 - Annual Rate Study for Enterprise Funds

MANAGEMENT

- **FINANCIAL PLANNING AND BUDGETING**
 - Multi-Year Forecasting of Revenues and Expenditures with Reasonable Assumptions
 - Written Policies for Reserves, Debt & Investments
 - Strength of Management Reflected in Financial Results

- **DEBT MANAGEMENT AND CAPITAL PLANNING**
 - Multi-Year Capital Improvement Plan (3 to 5 Year)
 - Identifying Sources of Funds for Plan
 - Incorporated into Annual Budget Process
 - Monitoring Debt Run-Off and Refunding Opportunities for New Debt Opportunities

- **STRUCTURE OF GOVERNMENT**
 - Responsibility of Day-to-Day Management of Town
 - Reporting Responsibilities and Organizational Chart
 - Size and Method and Appointment of Various Boards

DEBT

- DEBT PAYMENTS AS % OF EXPENDITURES
 - PREFER BETWEEN 5 AND 10% RANGE -- Fairhaven is approximately 5% of expenditures
- REPAYMENT SOURCES OF DEBT
 - EXCLUDED VERSUS NON-EXCLUDED - 60% of outstanding debt excluded
 - SELF-SUPPORTED- WATER, SEWER, RECREATION -- 22% of outstanding debt self-supporting
 - COMMUNITY PRESERVATION FUNDS
- OVERLAPPING DEBT
 - REGIONAL SCHOOL DISTRICT, COUNTY, TRANSIT AUTHORITY
- DEBT POLICIES
 - DEFINITION OF CAPITAL PROJECTS -- COST, USEFUL LIFE, ETC.
 - REPAYMENT TERMS FOR DEBT ISSUANCE -- 85.7% retired in 10 years
 - WHEN TO USE DEBT EXCLUSIONS, CASH CAPITAL OR LEVY LIMIT DEBT
- DEBT BURDEN -- AMOUNT OF DEBT OUTSTANDING PER CAPITA
 - "Overall debt burden: 0.9% and Adjusted debt burden: 0.7%"
- CAPITAL PLANNING -- 3 TO 5 YEAR ACTIVE PLAN
 - INCORPORATED INTO ANNUAL BUDGET PROCESS
 - UPDATED ANNUALLY BY COMMITTEE

COMMENTS FROM OCTOBER 2012 RATING REPORT

- **STRENGTHS**
 - Stable financial operations with healthy reserves
 - Manageable debt burden
- **CHALLENGES**
 - Recent tax base declines
 - Unfunded long term liabilities including pension and OPEB
- **WHAT COULD MAKE THE RATING GO UP**
 - Improved socio-economic indicators
 - Growth in the local tax base
- **WHAT COULD MAKE THE RATING GO DOWN**
 - Inability to maintain stable financial operations
 - Declines in the Town's financial flexibility

CURRENT RATING AGENCY FOCUS

- WRITTEN POLICIES – ESPECIALLY RESERVE POLICIES
- MULTI-YEAR FINANCIAL FORECASTING (3-5 YEAR)
- MULTI-YEAR CAPITAL IMPROVEMENT PLAN (3-5 YEAR)
- TIMELY AUDITED FINANCIALS (6 MONTHS AFTER CLOSE OF FISCAL YEAR)
- ADDRESSING LONG-TERM LIABILITIES OF RETIREMENT AND OPEB IN ANNUAL BUDGET PROCESS – Fairhaven has 63.4% funded ratio as of January 1, 2012 and estimated OPEB Liability as of July 1 2010 is \$48.4 million

RATING RATIOS OF COMPARABLE COMMUNITIES

Rating	Financial Statistics			Tax Base Statistics		Debt Statistics			Demographic Statistics							
	Total General Fund Revenues (\$000)	General Fund Balance as % of Revenue	Available GF Fund Balance as % of Revenue	Unassigned Fund Balance as % of Revenue (General Fund)	Total Full Value (\$000)	Full Value Per Capita (\$)	Direct Net Debt as % of Full Value	Debt Burden (Overall Net Debt as % Full Value)	Debt Service as % of Operating Expenditures	Payout, 10 Years, General Obligation Debt (%), Current	Population 2010 Census	Per Capita Income as % of U.S. (2000 Census)	Median Family Income as % of U.S. (2000 Census)	Median Home Value (2000 Census)	Poverty Rate (%) (2000 Census)	
Middleton, MA	Aa2	25,384	29.3	29.3	12.1	1,732,084	192,727	1.3	1.7	4.4	79	8,987	134.5	175	278,000	3.7
Grafton, MA	Aa2	45,947	26.1	24.9	17.4	2,367,361	133,260	1.6	1.6	6.2	100	17,765	124.9	132.7	183,500	5.6
Marion, MA	Aa2	17,861	25.5	24.6	16.7	1,794,121	365,625	0.4	N/A	3.1	46.1	4,907	172.6	148.4	229,100	4.6
Shrewsbury, MA	Aa2	96,915	15.9	15.4	8.3	5,064,278	142,223	1.6	N/A	7.5	79.1	35,608	146.2	155.2	195,500	4.8
Fairhaven, MA	Aa2	43,215	24.6	24.6	13.7	2,227,852	140,355	0.6	0.9	5.2	85.7	15,873	97.2	104.5	132,400	9
Littleton, MA	Aa2	36,585	21.6	20	14.1	1,570,260	175,959	2.7	N/A	13	82	8,924	143.9	166.6	243,400	3.6
Northborough, MA	Aa2	48,448	17.2	17.1	4.9	2,596,179	183,411	0.7	1.1	3.7	74.3	14,155	152.4	180.8	228,300	2.8
Rockport, MA	Aa2	25,734	16.9	22.4	10.1	2,022,861	290,975	0.5	N/A	6.1	95.8	6,952	135.7	138.4	272,900	3.7
Wrentham, MA	Aa2	33,946	15	15	13.1	1,904,266	173,826	0.7	1.2	6.9	94.1	10,955	142.6	178	236,400	3.9
Bellingham, MA	Aa2	49,928	14.9	11.8	7.7	2,368,884	145,046	1.4	1.4	9.5	96.3	16,332	116	144	158,000	2.5
Mattapoisett, MA	Aa2	22,003	14.8	14.8	11.8	1,845,675	305,323	0.5	0.9	4.6	74.8	6,045	129.9	136.4	196,600	3.6
Longmeadow, MA	Aa2	55,592	14.7	10.9	9.3	2,251,815	142,664	1.5	N/A	2.8	45.4	15,784	180.4	175.3	201,600	2.1
East Longmeadow, MA	Aa2	50,149	14.7	14.7	10.9	1,921,310	122,221	1.4	N/A	6.9	90.5	15,720	128.1	141	146,400	3.4
Ashland, MA	Aa2	51,327	13.1	10.2	2.5	2,948,052	141,509	1	1.1	5.9	86.2	16,593	146.6	155.1	215,100	2
Wilbraham, MA	Aa2	32,082	12.9	12.9	5.4	1,806,556	127,052	0.2	0.3	1.8	64.6	14,219	138.3	147.5	172,800	5.1
Amherst, MA	Aa2	64,298	10.3	10.3	7.1	2,347,712	62,078	0.4	N/A	1.3	100	37,819	80.7	122.4	177,000	20.2
Ipswich, MA	Aa2	41,162	7.3	7.3	5.7	2,582,370	196,005	1.2	1.2	9.9	85.4	13,175	150.6	149.7	266,700	7.1
Holliston, MA	Aa2	55,536	7	7	5.3	2,174,219	160,495	2	N/A	10.1	90.6	13,547	148.8	169.6	237,100	3.4
Lynnfield, MA	Aa2	44,395	6.5	6.5	1.8	2,564,456	221,150	0.7	1.1	5.4	N/A	11,596	183.3	183.6	328,000	2.5

CONCLUSION

- QUESTIONS?

- DISCUSSION?

New Issue: Moody's assigns a MIG1 to the Town of Fairhaven's (MA) \$5 million General Obligation Bond Anticipation notes

Global Credit Research - 11 Oct 2012

Affirms Aa2 rating on \$18 million of outstanding general obligation party debt

FAIRHAVEN (TOWN OF) MA
Cities (Including Towns, Villages and Townships)
MA

Moody's Rating

ISSUE

RATING

General Obligation Bond Anticipation Notes, 2012 MIG 1

Sale Amount \$5,000,000

Expected Sale Date 10/19/12

Rating Description Note: Bond Anticipation

Moody's Outlook NOO

Opinion

NEW YORK, October 11, 2012--Moody's Investors Service assigns a MIG1 to the Town of Fairhaven's (MA) \$5 million General Obligation Bond Anticipation notes. Concurrently, Moody's affirms Aa2 rating on \$18 million of outstanding general obligation party debt. The bond anticipation notes, maturing on October 26, 2013 were authorized as part of a \$24 million school reconstruction project. The notes are secured with an unlimited tax general obligation pledge as the town voted to exclude the debt service on the project from the limitations of Proposition 2-1/2.

Rating Rationale:

The MIG1 rating reflects the town's solid underlying credit strength and demonstrated market access. On the last note sales dated April 4, 2012, the town received four bids from regional banking institutions. The Aa2 rating reflects the town's stable financial operations with healthy General Fund reserves, manageable debt burden as the majority of debt is excluded from the limitations of Proposition 2-1/2.

STRENGTHS

- Stable financial operations with healthy financial reserves
- Manageable debt burden

CHALLENGES

- Recent tax base declines

- Unfunded long term liabilities including pension and OPEB

DETAILED CREDIT DISCUSSION

DEMONSTRATED MARKET ACCESS

The town is a frequent debt issuer with a strong history of favorable market access. The town received four bids on its April 4, 2012 note sales. Given acceptable history, Moody's expects the town will be able to refinance the

current notes at their October 26, 2013 maturity.

HEALTHY GENERAL FUND OPERATIONS WITH AMPLE RESERVES

The town is expected to maintain stable financial operations given management's track record of conservative budgeting. The town has maintained General Fund balances in excess of 24% of General Fund revenues from 2005 through 2011. Favorably, the fiscal 2013 adopted budget assume minimal budgetary growth (1%) over the fiscal 2012 budget. Local taxes for motor vehicle excise, meals and hotel taxes are estimated lower than fiscal 2012 collected receipts reflecting conservatively budgeted revenue projections.

Fiscal 2012 is expected to end with an estimated \$400,000 operating surplus increasing free cash to \$2.4 million, up from \$2 million in fiscal 2011. Management reports that local receipts including motor vehicle excise, hotel and meals taxes were \$1 million over budgeted estimates and town departments returned \$463,000 in unexpended appropriations. Fiscal 2011 ended with a \$1.3 million draw on reserves driven by increased expenditures including educational and employee benefit costs. The General Fund balance at year's end was a healthy \$10.6 million, 24.6% of General Fund revenues, down from \$11.9 million, 28.2% of revenues. Moody's believes that the town's financial position will remain stable given steps taken to reduce expenditures including consolidating two elementary schools which is expected to generate operating expenditures, implementing energy efficiency improvements and renegotiating service agreements.

RESIDENTIAL TAX BASE WITH RECENT DECLINES

Moody's expects that Fairhaven's medium sized \$2.2 billion tax base will see limited tax base growth given the built out nature of the town and the downturn in the residential housing market. Located in southern Bristol County on Buzzard's Bay, 55 miles south of Boston (GO rated Aaa/stable outlook), and just east of New Bedford (GO rated A1), the town is predominantly residential (85.3% of fiscal 2012 assessed valuation) with a small commercial presence (11.5%). Fairhaven has experienced declines in assessed valuations in recent years resulting from depreciation in residential home values. The average annual growth from 2008 through 2012 declined by 0.3%. Equalized valuation grew by 5.1% during the same time from which includes a 12.8% increase in 2009 offset by a recent decline of 6.5% in 2011. Town officials report ongoing development in the health care sector including expansions at the South Coast Hospital which is expected to spur ancillary commercial growth in the area. Income levels are below the state medians, but approximate the national medians. However, we believe the town's higher than average senior population, with approximately one in five residents (19.5%) age 65 and older (compared to 13.5% and 12.4% for the Commonwealth and US, respectively), contributes to the lower income numbers in the town. Equalized value per capita is a solid \$140,355, which is partially bolstered by the presence of seasonal waterfront homes.

LOW DEBT BURDEN MITIGATED BY STATE AID AND SELF-SUPPORTING ENTERPRISE DEBT

Moody's believes that Fairhaven's low 0.9% overall debt burden will remain manageable given significant state school building aid reimbursements, the self-supporting nature of its water and sewer debt, and limited future borrowing plans. The town has \$18 million in outstanding long term debt, of which \$10.7 million, or 59% has been exempted from the provisions of Proposition 2-1/2. After adjusting for 72% and 68% state school reimbursement on previously issued school bonds, and for \$5.7 million in self-supporting water and sewer bonds, the town's adjusted debt burden declines to a modest 0.7% of full valuation. Principal amortization is above average (85.7%) repaid within 10 years. Debt service was a moderate 5.3 % of General Fund expenditures in fiscal 2011, and is expected to remain at similarly low levels. The town contributes to the Town of Fairhaven Retirement System, a single employer defined benefits pension plan with a 63.4% funded ration as of January 1, 2012. Pension contributions accounting for 4% of fiscal 2011 expenditures. The estimated Other Post Employment benefits liability as of July 1, 2010 is \$48.4 million.

What could make the rating go UP:

- Improved socio-economic indicators
- Growth in the local tax base

What could make the rating go DOWN:

- Inability to maintain stable financial operations
- Declines in the town's financial flexibility

KEY STATISTICS:

2010 Population: 18,873 (-1.8% since 2000 Census)

2012 Equalized valuation: \$2.23 billion

2012 Equalized value per capita: \$140,355

Average Annual Growth, Equalized Value 2008-20012: 5.1%

2010 Per capita income (as % of MA and US): 80% and 100%

2010 Median family income (as % of MA and US): 100% and 104%

Overall debt burden: 0.9%

Adjusted debt burden: 0.7%

Principal amortization (% repaid in 10 years): 85.7%

FY11 General Fund balance (Including Stabilization Fund) \$10.6 million (24.6% of General Fund revenues)

FY11 Unassigned General Fund balance: \$5.9 million (13.7% of General Fund revenues)

Long term parity debt outstanding: \$18 million

The principal methodology used in this rating was Bond Anticipation Notes and Other Short-Term Capital Financings published in May 2007. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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Dr. Brian Bowcock, Chairman
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January 23, 2013

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Re: United States and Massachusetts v. AVX Corporation, D.J. Ref. No. 90-11-2-32/

The Fairhaven Board of Selectmen urges you to consider including a reopener clause in the proposed settlement between the Environmental Protection Agency (“EPA”) and the AVX Corporation regarding the clean-up of the contaminated New Bedford Harbor.

An entire generation of Fairhaven residents has been denied access to a safe, clean, usable harbor – a harbor that has historically been central to our culture and livelihood. While a settlement for \$366.5M is a step in the right direction, there is still much work to be done to provide our future generations with a thriving, clean harbor, and the Town needs protection to ensure that the costs associated with harbor clean-up are not borne by the communities.

The Fairhaven Board of Selectmen appreciates the EPA’s efforts to seek additional clean-up costs from AVX, but it requests the EPA to include the reopener clause in the agreement to ensure that all costs associated with the harbor clean-up are covered by the responsible party, and not the communities who have already suffered for decades. The Board supports the comments previously made by the Buzzard’s Bay Coalition, the Acushnet Board of Selectmen, Senator Mark Montigny, State Representative William Straus and State Representative Antonio Cabral in regards to the EPA-AVX Settlement.

Thank you for your cooperation in this regard.

Sincerely,

The Fairhaven Board of Selectmen

Brian K. Bowcock, Chairman

Charles K. Murphy, Sr.

Robert Espindola