

## **Board of Selectmen**

*Dennis P. Crowley, Chair*

*John A. Foresto, Vice-Chair*

*Richard A. D'Innocenzo, Clerk*

*Glenn D. Trindade*

*Maryjane White*



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# **TOWN OF MEDWAY**

## **COMMONWEALTH OF MASSACHUSETTS**

### **Board of Selectmen's Meeting**

**January 20, 2015, 7:00 PM**

**Sanford Hall, Town Hall**

**155 Village Street**

### **Agenda**

7:00 PM

- Call to order; Recitation of the Pledge of Allegiance
- Public Comments

#### **Other Business**

1. Appointment to Board of Assessors – Anne Marie Lynch
2. Presentation - FY14 Financial Statements – Melanson Heath
3. Funding Recommendations – Fiscal Year 2016 Capital Projects – Capital Improvement Planning Committee
4. Presentation – Playground Concepts for Idylbrook and Other Playgrounds in Town
5. Authorization of Chairman to Execute Regulatory Agreement for Millstone Village
6. Adoption of Order of Taking – Azalea Drive
7. Vote – Local Meals Tax
8. Vote to Re-open March 9, 2015 Special Town Meeting Warrant; Add Articles: Home Rule Petition for Redevelopment Authority Eminent Domain Acquisitions; Transfer to FY15 Veterans' Services Budget; Free Cash Appropriation for Health Care Reimbursement Account
9. Vote to Open May 11, 2015 Annual Town Meeting Warrant
10. Approval – One-Day Alcohol License Requests
  - a. Donald Ralph – Thayer Homestead – Jan. 28
  - b. Kate Davis – Thayer Homestead – Feb. 22
11. Approval – Banner Display Policy
12. Action Items from Previous Meeting
13. Approval of Warrants
14. Approval of Minutes
15. Town Administrator's Report
16. Selectmen's Reports

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Upcoming Meetings, Agenda and Reminders

February 2, 2015 ---- Regular Meeting

February 17, 2015 ---- Regular Meeting (holiday week)

# **Public Comments**

# AGENDA

## ITEM #1

### **Appointment to Board of Assessors – Anne Marie Lynch**

*Associated back up materials attached.*

- Resumé of Anne Marie Lynch

*Note: Board of Assessors members have met with Ms. Lynch and recommend her appointment*

**Proposed motion:** I move that the Board appoint Ms. Lynch to the Board of Assessors to fill a vacancy with a term expiring June 30, 2016.

# Anne Marie Lynch

## Experience

Visitor Service Staff, Mass Audubon, Natick, MA

Greet and check in visitors, promote Mass Audubon membership, sell Mass Audubon merchandise - books, maps, canoe guides, bird seed and bird feeders, process program registrations, process camp registrations, answer phones and provide information about the sanctuary activities and programs, provide customer service to sanctuary visitors, keep the visitor center organized and neat.

Administrative Assistant, Milford Regional Medical Center, Milford MA      Supported the clinical operation for VNA and Hospice Home Care Agency.

Department Secretary, Milton Hospital, Milton MA

Supported the clinical operation for the Diagnostic Testing Department.

Registration Advisor, Northeastern University, University College, Boston MA

Helped adult students select and register for classes.

Social Worker, Massachusetts Department of Transitional Assistance

Conducted home visits to determine AFDC, Food Stamps, Medicaid program eligibility.

## Education

University of Massachusetts - College of Public and Community Service, Boston MA  
Frank J. Manning Certificate in Gerontology

Suffolk University - College of Liberal Arts and Science, Boston, MA

Freedom Trail Real Estate School, Boston, MA

## License

Active Massachusetts Salesperson Real Estate License

## Skills/Interest

Customer Service, Hiking and Boating

# **AGENDA**

## **ITEM #2**

**Presentation –  
Fiscal Year 2014 Financial  
Statements -  
Melanson & Heath**

*Associated back up materials.*

- Financial statements

**TOWN OF MEDWAY, MASSACHUSETTS**

**Annual Financial Statements**

**For the Year Ended June 30, 2014**

**Town of Medway, Massachusetts**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	12
Statement of Activities	13
<b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues and Other Sources, and Expenditures and Other Uses - Budget and Actual - General Fund	18
<b>Proprietary Funds:</b>	
Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Fund Net Position	20
Statement of Cash Flows	21
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23
<b>Notes to Financial Statements</b>	24
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Funding Progress	47



## INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen  
Town of Medway, Massachusetts

Additional Offices:  
Nashua, NH  
Manchester, NH  
Greenfield, MA  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Medway, Massachusetts, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Medway, Massachusetts, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that

report is 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's internal control over financial reporting and compliance.

*Melanson Heath*

November 25, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Town of Medway, we offer readers this narrative overview and analysis of the financial activities of the Town of Medway for the fiscal year ended June 30, 2014.

### **A. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, ambulance, sewer, and solid waste collection operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, ambulance, sewer and solid waste funds, which are considered to be major funds.

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary infor-

mation which is required to be disclosed by accounting principles generally accepted in the United States of America.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$116,111,872 (i.e., net position), a change of \$(1,017,991) in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$20,416,589, a change of \$(1,679,001) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,737,697, a change of \$135,853 in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$37,577,565, a change of \$(3,494,541) in comparison to the prior year.

## **C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	<u>NET POSITION</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 27,348	\$ 28,715	\$ 7,478	\$ 5,724	\$ 34,826	\$ 34,439
Capital assets	<u>111,072</u>	<u>109,832</u>	<u>34,910</u>	<u>35,566</u>	<u>145,982</u>	<u>145,398</u>
Total assets	138,420	138,547	42,388	41,290	180,808	179,837
Long-term liabilities outstanding	44,525	44,203	8,591	9,144	53,116	53,347
Other liabilities	<u>8,199</u>	<u>7,863</u>	<u>3,382</u>	<u>1,497</u>	<u>11,581</u>	<u>9,360</u>
Total liabilities	52,724	52,066	11,973	10,641	64,697	62,707
Net position:						
Net investment in capital assets	82,972	82,005	26,119	26,336	109,091	108,341
Restricted	7,922	6,833	-	-	7,922	6,833
Unrestricted	<u>(5,198)</u>	<u>(2,357)</u>	<u>4,296</u>	<u>4,313</u>	<u>(902)</u>	<u>1,956</u>
Total net position	<u>\$ 85,696</u>	<u>\$ 86,481</u>	<u>\$ 30,415</u>	<u>\$ 30,649</u>	<u>\$ 116,111</u>	<u>\$ 117,130</u>

CHANGES IN NET ASSETS

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,768	\$ 2,515	\$ 5,126	\$ 5,934	\$ 7,894	\$ 8,449
Operating grants and contributions	19,230	18,298	-	-	19,230	18,298
Capital grants and contributions	523	5,945	-	-	523	5,945
General revenues:						
Property taxes	31,350	30,384	-	-	31,350	30,384
Excises	1,612	1,616	-	-	1,612	1,616
Penalties and interest on taxes	146	218	-	-	146	218
Grants and contributions not restricted to specific programs	1,143	1,120	-	-	1,143	1,120
Investment income	83	153	22	22	105	175
Other	155	207	5	6	160	213
Total revenues	<u>57,010</u>	<u>60,456</u>	<u>5,153</u>	<u>5,962</u>	<u>62,163</u>	<u>66,418</u>
Expenses:						
General government	3,203	2,729	-	-	3,203	2,729
Public safety	3,664	3,302	-	-	3,664	3,302
Education	39,238	37,723	-	-	39,238	37,723
Public works	2,726	3,332	-	-	2,726	3,332
Human services	504	421	-	-	504	421
Culture and recreation	1,005	1,065	-	-	1,005	1,065
Employee benefits	6,005	6,226	-	-	6,005	6,226
Interest on long-term debt	956	890	-	-	956	890
Intergovernmental	728	732	-	-	728	732
Water	-	-	1,963	1,616	1,963	1,616
Ambulance	-	-	670	197	670	197
Sewer operations	-	-	1,175	1,051	1,175	1,051
Solid waste	-	-	1,330	1,323	1,330	1,323
Total expenses	<u>58,029</u>	<u>56,420</u>	<u>5,138</u>	<u>4,187</u>	<u>63,167</u>	<u>60,607</u>
Change in net position before transfers	(1,019)	4,036	15	1,775	(1,004)	5,811
Transfers in (out)	234	367	(249)	(377)	(15)	(10)
Change in net position	(785)	4,403	(234)	1,398	(1,019)	5,801
Net position - beginning of year	<u>86,481</u>	<u>82,078</u>	<u>30,649</u>	<u>29,251</u>	<u>117,130</u>	<u>111,329</u>
Net position - end of year	<u>\$ 85,696</u>	<u>\$ 86,481</u>	<u>\$ 30,415</u>	<u>\$ 30,649</u>	<u>\$ 116,111</u>	<u>\$ 117,130</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$116,111,872, a change of \$(1,017,991) from the prior year.

The largest portion of net position \$109,091,281 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$7,921,877 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit balance of \$(901,286) caused primarily by unfunded post-employment benefits (see Note 18).

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$(784,048). Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 285,727
Community preservation surplus - operating results	675,082
Nonmajor funds - accrual basis	900,669
Depreciation expense in excess of principal debt service	(528,406)
Other post employment benefits liability	(2,743,811)
Other GAAP accruals	<u>626,691</u>
Total	<u>\$ (784,048)</u>

**Business-type activities.** Business-type activities for the year resulted in a change in net position of \$(233,943). Key elements of this change are as follows:

Water operations	\$ 78,673
Ambulance operations	(136,989)
Sewer operations	(95,834)
Solid waste operations	<u>(79,793)</u>
Total	<u>\$ (233,943)</u>

#### **D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental funds.** The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.



Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$20,416,589, a change of \$(1,679,001) in comparison to the prior year. Key elements of this change are as follows:

General fund operating results	\$ 285,727
Community preservation	675,082
Nonmajor funds	<u>(2,639,810)</u>
Total	<u>\$ (1,679,001)</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,737,697 while total fund balance was \$11,819,251. 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 expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/14</u>	<u>6/30/13</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 5,737,697	\$ 5,601,844	\$ 135,853	11.4%
Total fund balance	\$ 11,819,251	\$ 11,533,524	\$ 285,727	23.5%

The total fund balance of the general fund changed by \$285,727 during the current fiscal year. Key factors in this change are as follows:

Excess revenues over budget	\$ 774,445
Budgetary appropriation surplus	913,089
Surplus of tax collections over budget	347,521
Excess of current year encumbered appropriations to be spent in the subsequent year over prior year encumbrances spent in the current year	136,872
Change in stabilization/fiscal stability	(110,847)
Use of free cash	(1,791,439)
Other timing issue	<u>16,086</u>
Total	<u>\$ 285,727</u>

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

	<u>6/30/14</u>	<u>6/30/13</u>	<u>Change</u>
General trust stabilization	\$ 1,921,806	\$ 1,917,715	\$ 4,091
General operating stabilization	546,375	833,931	(287,556)
Stabilization storm reserve	211,646	210,903	743
Stabilization health insurance	52,515	52,331	184
Stabilization ESCO	173,341	225,584	(52,243)
Stabilization OPEB	100,601	50,489	50,112
Stabilization capital improvements	589,591	450,004	139,587
Fiscal stability	<u>784,545</u>	<u>750,310</u>	<u>34,235</u>
Total	<u>\$ 4,380,420</u>	<u>\$ 4,491,267</u>	<u>\$ (110,847)</u>

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$4,296,286, a change of \$(16,623) in comparison to the prior year.

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

#### **E. GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no differences between the original budget and final amended budget.

#### **F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental and business-type activities at year-end amounted to \$145,982,455 (net of accumulated depreciation), a change of \$584,479 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- \$2,344,961 – Thayer House renovation construction in progress

Additional information on capital assets can be found in the Notes to the Financial Statements.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$37,577,565, all of which was backed by the full faith and credit of the government.

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

### **REQUESTS FOR INFORMATION**

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

Office of Town Accountant  
Town of Medway, Massachusetts  
155 Village Street  
Medway, Massachusetts 02053

TOWN OF MEDWAY, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current:			
Cash and short-term investments	\$ 25,349,838	\$ 4,119,601	\$ 29,469,439
Receivables, net of allowance for uncollectibles:			
Property taxes	617,172	-	617,172
Excises	71,658	-	71,658
User fees	-	1,441,505	1,441,505
Departmental and other	51,840	-	51,840
Intergovernmental	165,135	1,917,102	2,082,237
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	1,092,498	-	1,092,498
Capital Assets:			
Land and construction in progress	45,369,099	1,038,043	46,407,142
Other capital assets, net of accumulated depreciation	<u>65,703,030</u>	<u>33,872,283</u>	<u>99,575,313</u>
<b>TOTAL ASSETS</b>	<b>138,420,270</b>	<b>42,388,534</b>	<b>180,808,804</b>
<b>LIABILITIES</b>			
Current:			
Warrants payable	604,334	121,628	725,962
Accrued liabilities	3,806,890	138,640	3,945,530
Notes payable	470,000	2,336,102	2,806,102
Tax refunds payable	244,227	-	244,227
Other current liabilities	399,372	5,408	404,780
Current portion of long-term liabilities:			
Bonds payable	2,570,494	775,100	3,345,594
Capital lease	24,917	-	24,917
Compensated absence	78,607	3,921	82,528
Noncurrent:			
Bonds payable, net of current portion	26,204,971	8,027,000	34,231,971
Capital lease, net of current portion	79,714	-	79,714
Compensated absence, net of current portion	707,466	35,296	742,762
Accrued other post-employment benefits	<u>17,532,849</u>	<u>529,996</u>	<u>18,062,845</u>
<b>TOTAL LIABILITIES</b>	<b>52,723,841</b>	<b>11,973,091</b>	<b>64,696,932</b>
<b>NET POSITION</b>			
Net investment in capital assets	82,972,124	26,119,157	109,091,281
Restricted for:			
Grants and other statutory restrictions	7,283,702	-	7,283,702
Permanent funds:			
Nonexpendable	110,869	-	110,869
Expendable	527,306	-	527,306
Unrestricted	<u>(5,197,572)</u>	<u>4,296,286</u>	<u>(901,286)</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>85,696,429</u></b>	<b>\$ <u>30,415,443</u></b>	<b>\$ <u>116,111,872</u></b>

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

TOWN OF MEDWAY, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
General government	\$ 3,202,593	\$ 280,021	\$ 122,566	\$ -	\$ (2,800,006)	\$ -	\$ (2,800,006)
Public safety	3,664,265	304,415	141,147	-	(3,218,703)	-	(3,218,703)
Education	39,237,717	1,969,992	18,020,486	68,402	(19,178,837)	-	(19,178,837)
Public works	2,726,055	33,903	396,952	455,122	(1,840,078)	-	(1,840,078)
Health and human services	504,362	88,504	92,330	-	(323,528)	-	(323,528)
Culture and recreation	1,005,278	91,098	456,060	-	(458,120)	-	(458,120)
Employee benefits	6,004,513	-	-	-	(6,004,513)	-	(6,004,513)
Interest	956,143	-	-	-	(956,143)	-	(956,143)
Intergovernmental	727,510	-	-	-	(727,510)	-	(727,510)
Total Governmental Activities	58,028,436	2,767,933	19,229,541	523,524	(35,507,438)	-	(35,507,438)
<b>Business-Type Activities:</b>							
Water services	1,963,156	2,209,935	-	-	-	246,779	246,779
Ambulance	669,965	465,227	-	-	-	(204,738)	(204,738)
Sewer	1,174,731	1,104,992	-	-	-	(69,739)	(69,739)
Solid waste	1,330,279	1,346,246	-	-	-	15,967	15,967
Total Business-Type Activities	5,138,131	5,126,400	-	-	-	(11,731)	(11,731)
Total	\$ 63,166,567	\$ 7,894,333	\$ 19,229,541	\$ 523,524	(35,507,438)	(11,731)	(35,519,169)
<b>General Revenues and Transfers:</b>							
Property taxes					31,350,219	-	31,350,219
Excises					1,612,158	-	1,612,158
Penalties, interest and other taxes					145,701	-	145,701
Grants and contributions not restricted to specific programs					1,142,845	-	1,142,845
Investment income					83,440	21,508	104,948
Miscellaneous					155,196	5,011	160,207
Transfers, net					233,831	(248,731)	(14,900)
Total general revenues					34,723,390	(222,212)	34,501,178
Change in Net Position					(784,048)	(233,943)	(1,017,991)
<b>Net Position:</b>							
Beginning of year					86,480,477	30,649,386	117,129,863
End of year					\$ 85,696,429	\$ 30,415,443	\$ 116,111,872

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

TOWN OF MEDWAY, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2014

	<u>General</u>	<u>Community Preservation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and short-term investments	\$ 15,997,090	\$ 5,008,728	\$ 4,344,020	\$ 25,349,838
Receivables:				
Property taxes	1,962,783	-	-	1,962,783
Excises	157,197	-	-	157,197
Departmental and other	2,360	16,256	34,549	53,165
Intergovernmental	<u>24,000</u>	<u>-</u>	<u>141,135</u>	<u>165,135</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>18,143,430</u></b>	<b>\$ <u>5,024,984</u></b>	<b>\$ <u>4,519,704</u></b>	<b>\$ <u>27,688,118</u></b>
<b>LIABILITIES</b>				
Warrants payable	\$ 432,403	\$ 21,853	\$ 150,078	\$ 604,334
Accrued liabilities	3,473,229	-	135,244	3,608,473
Notes payable	-	-	470,000	470,000
Tax refunds payable	244,227	-	-	244,227
Other liabilities	<u>280,002</u>	<u>-</u>	<u>119,370</u>	<u>399,372</u>
<b>TOTAL LIABILITIES</b>	<b>4,429,861</b>	<b>21,853</b>	<b>874,692</b>	<b>5,326,406</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,894,318</b>	<b>16,256</b>	<b>34,549</b>	<b>1,945,123</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	110,869	110,869
Restricted	-	4,986,875	3,852,559	8,839,434
Committed	3,115,264	-	-	3,115,264
Assigned	2,966,290	-	-	2,966,290
Unassigned	<u>5,737,697</u>	<u>-</u>	<u>(352,965)</u>	<u>5,384,732</u>
<b>TOTAL FUND BALANCES</b>	<b><u>11,819,251</u></b>	<b><u>4,986,875</u></b>	<b><u>3,610,463</u></b>	<b><u>20,416,589</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ <u>18,143,430</u></b>	<b>\$ <u>5,024,984</u></b>	<b>\$ <u>4,519,704</u></b>	<b>\$ <u>27,688,118</u></b>

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

TOWN OF MEDWAY, MASSACHUSETTS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO NET POSITION OF GOVERNMENTAL  
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2014

<b>Total governmental fund balances</b>	\$	20,416,589
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		111,072,129
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.		1,605,144
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		(198,415)
• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(47,199,018)</u>
<b>Net position of governmental activities</b>	\$	<u><u>85,696,429</u></u>

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

TOWN OF MEDWAY, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Community Preservation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	\$ 30,638,133	\$ 603,665	\$ -	\$ 31,241,798
Excises	1,828,165	-	-	1,828,165
Penalties, interest and other taxes	145,701	-	-	145,701
Charges for services	-	-	2,220,221	2,220,221
Intergovernmental	17,049,929	415,467	3,235,925	20,701,321
Licenses and permits	497,342	-	-	497,342
Fines and forfeitures	25,249	-	-	25,249
Investment income	69,213	11,597	2,631	83,441
Miscellaneous	80,729	-	269,056	349,785
	<u>50,334,461</u>	<u>1,030,729</u>	<u>5,727,833</u>	<u>57,093,023</u>
<b>Expenditures:</b>				
Current:				
General government	2,836,748	-	276,074	3,112,822
Public safety	3,393,190	-	99,355	3,492,545
Education	30,806,503	-	4,519,798	35,326,301
Public works	2,117,810	-	783,154	2,900,964
Health and human services	351,753	-	154,024	505,777
Culture and recreation	760,893	121,197	2,554,436	3,436,526
Employee benefits	5,884,702	-	-	5,884,702
Debt service	3,403,816	204,450	10,442	3,618,708
Intergovernmental	727,510	-	-	727,510
	<u>50,282,925</u>	<u>325,647</u>	<u>8,397,283</u>	<u>59,005,855</u>
Excess (deficiency) of revenues over expenditures	51,536	705,082	(2,669,450)	(1,912,832)
<b>Other Financing Sources (Uses):</b>				
Transfers in	464,001	-	30,000	494,001
Transfers out	<u>(229,810)</u>	<u>(30,000)</u>	<u>(360)</u>	<u>(260,170)</u>
	<u>234,191</u>	<u>(30,000)</u>	<u>29,640</u>	<u>233,831</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	285,727	675,082	(2,639,810)	(1,679,001)
Fund Equity, at Beginning of Year, as restated	<u>11,533,524</u>	<u>4,311,793</u>	<u>6,250,273</u>	<u>22,095,590</u>
Fund Equity, at End of Year	<u>\$ 11,819,251</u>	<u>\$ 4,986,875</u>	<u>\$ 3,610,463</u>	<u>\$ 20,416,589</u>

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



TOWN OF MEDWAY, MASSACHUSETTS

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

FOR THE YEAR ENDED JUNE 30, 2014

<b>Net changes in fund balances - total governmental funds</b>	<b>\$ (1,679,001)</b>						
<ul style="list-style-type: none"> <li>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: <table> <tr> <td style="padding-left: 40px;">Capital outlay purchases</td> <td style="text-align: right;">4,459,874</td> </tr> <tr> <td style="padding-left: 40px;">Depreciation</td> <td style="text-align: right;">(3,203,847)</td> </tr> <tr> <td style="padding-left: 40px;">Loss on disposition of assets</td> <td style="text-align: right;">(15,913)</td> </tr> </table> </li> </ul>		Capital outlay purchases	4,459,874	Depreciation	(3,203,847)	Loss on disposition of assets	(15,913)
Capital outlay purchases	4,459,874						
Depreciation	(3,203,847)						
Loss on disposition of assets	(15,913)						
<ul style="list-style-type: none"> <li>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. <span style="float: right;">(82,468)</span></li> </ul>							
<ul style="list-style-type: none"> <li>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 effect on net position: <table> <tr> <td style="padding-left: 40px;">Repayments of debt</td> <td style="text-align: right;">2,675,441</td> </tr> <tr> <td style="padding-left: 40px;">Repayment of capital lease</td> <td style="text-align: right;">28,317</td> </tr> <tr> <td style="padding-left: 40px;">Issuance of capital lease</td> <td style="text-align: right;">(132,948)</td> </tr> </table> </li> </ul>		Repayments of debt	2,675,441	Repayment of capital lease	28,317	Issuance of capital lease	(132,948)
Repayments of debt	2,675,441						
Repayment of capital lease	28,317						
Issuance of capital lease	(132,948)						
<ul style="list-style-type: none"> <li>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <span style="float: right;">(12,876)</span></li> </ul>							
<ul style="list-style-type: none"> <li>Some expenses reported in the Statement of Activities, such as compensated absences and other post-employment benefits, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <span style="float: right;"><u>(2,820,627)</u></span></li> </ul>							
<b>Change in net position of governmental activities</b>	<b>\$ <u>(784,048)</u></b>						

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

TOWN OF MEDWAY, MASSACHUSETTS

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues and Other Sources:</b>				
Taxes	\$ 30,290,612	\$ 30,290,612	\$ 30,290,612	\$ -
Excises	1,280,444	1,280,444	1,828,165	547,721
Penalties, interest and other taxes	177,800	177,800	145,701	(32,099)
Intergovernmental	11,242,744	11,242,744	11,285,104	42,360
Licenses and permits	331,200	331,200	497,342	166,142
Fines and forfeits	15,000	15,000	25,249	10,249
Investment income	60,000	60,000	58,883	(1,117)
Miscellaneous	40,000	40,000	80,729	40,729
Transfer in	668,953	668,953	669,413	460
Use of free cash	1,791,439	1,791,439	1,791,439	-
<b>Total Revenues and Other Sources</b>	<b>45,898,192</b>	<b>45,898,192</b>	<b>46,672,637</b>	<b>774,445</b>
<b>Expenditures and Other Uses:</b>				
General government	2,832,668	2,832,668	2,685,734	146,934
Public safety	3,375,848	3,375,848	3,364,659	11,189
Education	25,002,830	25,002,830	25,003,548	(718)
Public works	2,477,763	2,477,763	2,466,725	11,038
Health and human services	359,084	359,084	350,863	8,221
Culture and recreation	770,990	770,990	766,962	4,028
Debt service	3,610,534	3,610,534	3,448,972	161,562
Intergovernmental	702,156	702,156	727,510	(25,354)
Employee benefits	6,481,344	6,481,344	5,885,155	596,189
Transfers out	268,889	268,889	268,889	-
Tax title	10,000	10,000	10,000	-
Other uses	6,086	6,086	6,086	-
<b>Total Expenditures and Other Uses</b>	<b>45,898,192</b>	<b>45,898,192</b>	<b>44,985,103</b>	<b>913,089</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 1,687,534	\$ 1,687,534

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

TOWN OF MEDWAY, MASSACHUSETTS  
 PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2014

	Business-Type Activities					Total
	Water Fund	Ambulance Fund	Sewer Fund	Solid Waste Fund		
<b>ASSETS</b>						
Current:						
Cash and short-term investments	\$ 1,686,894	\$ 288,685	\$ 1,050,522	\$ 1,083,500	\$ 4,119,601	
User fees, net of allowance for uncollectibles	281,336	79,084	849,298	231,787	1,441,505	
Intergovernmental	1,917,102	-	-	-	1,917,102	
Total current assets	3,885,332	367,769	1,899,820	1,315,287	7,478,208	
Noncurrent:						
Capital assets	830,913	-	207,130	-	1,038,043	
Land and construction in progress	21,011,770	232,185	12,628,328	-	33,872,283	
Other capital assets, net of accumulated depreciation	21,842,683	232,185	12,835,458	-	34,910,326	
Total noncurrent assets	25,738,015	599,954	14,735,278	1,315,287	42,388,534	
<b>TOTAL ASSETS</b>						
	64,623,347	967,723	33,635,100	2,630,574	101,856,744	
<b>LIABILITIES</b>						
Current:						
Warrants payable	39,290	35,721	28,439	18,178	121,628	
Accrued liabilities	83,363	15,386	26,165	13,726	138,640	
Notes payable	2,261,102	-	75,000	-	2,336,102	
Other liabilities	-	-	5,408	-	5,408	
Current portion of long-term liabilities:						
Bonds payable	560,000	30,000	185,100	-	775,100	
Compensated absences	3,035	466	-	420	3,921	
Total current liabilities	2,946,790	81,573	320,112	32,324	3,380,799	
Noncurrent:						
Bonds payable, net of current portion	5,745,000	120,000	2,162,000	-	8,027,000	
Compensated absences, net of current portion	27,318	4,198	-	3,780	35,296	
Accrued other post-employment benefits	188,559	108,390	89,527	143,520	529,996	
Total noncurrent liabilities	5,960,877	232,588	2,251,527	147,300	8,592,292	
<b>TOTAL LIABILITIES</b>	8,907,667	314,161	2,571,639	179,624	11,973,091	
<b>NET POSITION</b>						
Net investment in capital assets	15,439,521	82,185	10,597,451	-	26,119,157	
Unrestricted	1,380,827	203,608	1,566,188	1,135,663	4,286,286	
<b>TOTAL NET POSITION</b>	\$ 16,830,348	\$ 285,793	\$ 12,163,639	\$ 1,135,663	\$ 30,415,443	

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

TOWN OF MEDWAY, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Fund				Total
	Water Fund	Ambulance Fund	Sewer Fund	Solid Waste Fund	
<b>Operating Revenues:</b>					
Charges for services	\$ 2,209,935	\$ 465,227	\$ 1,104,992	\$ 1,346,246	\$ 5,126,400
Other	4,227	-	-	784	5,011
Total Operating Revenues	<u>2,214,162</u>	<u>465,227</u>	<u>1,104,992</u>	<u>1,347,030</u>	<u>5,131,411</u>
<b>Operating Expenses:</b>					
Operating expenses	1,021,049	632,193	737,864	1,330,279	3,721,385
Depreciation	723,357	32,072	351,525	-	1,106,954
Total Operating Expenses	<u>1,744,406</u>	<u>664,265</u>	<u>1,089,389</u>	<u>1,330,279</u>	<u>4,828,339</u>
Operating Income (Loss)	469,756	(199,038)	15,603	16,751	303,072
<b>Nonoperating Revenues (Expenses):</b>					
Investment income	20,867	-	641	-	21,508
Interest expense	(218,750)	(5,700)	(85,342)	-	(309,792)
Total Nonoperating Revenues (Expenses), Net	<u>(197,883)</u>	<u>(5,700)</u>	<u>(84,701)</u>	<u>-</u>	<u>(288,284)</u>
Income (Loss) Before Transfers	271,873	(204,738)	(69,098)	16,751	14,788
<b>Transfers:</b>					
Transfers in	-	169,654	365,952	-	535,606
Transfers out	(193,200)	(101,905)	(392,688)	(96,544)	(784,337)
Change in Net Position	78,673	(136,989)	(95,834)	(79,793)	(233,943)
Net Position at Beginning of Year	<u>16,751,675</u>	<u>422,782</u>	<u>12,259,473</u>	<u>1,215,456</u>	<u>30,649,386</u>
Net Position at End of Year	<u>\$ 16,830,348</u>	<u>\$ 285,793</u>	<u>\$ 12,163,639</u>	<u>\$ 1,135,663</u>	<u>\$ 30,415,443</u>

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

TOWN OF MEDWAY, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Ambulance Fund	Sewer Fund	Solid Waste Fund	
<b><u>Cash Flows From Operating Activities:</u></b>					
Receipts from customers and users	\$ 825,829	\$ 465,186	\$ 1,198,683	\$ 1,356,921	\$ 3,846,619
Payments to vendors and employees	<u>(1,030,963)</u>	<u>(497,226)</u>	<u>(612,866)</u>	<u>(1,264,724)</u>	<u>(3,405,779)</u>
Net Cash Provided By (Used For) Operating Activities	(205,134)	(32,040)	585,817	92,197	440,840
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>					
Transfers in	-	169,654	365,952	-	535,606
Transfers out	<u>(193,200)</u>	<u>(101,905)</u>	<u>(392,688)</u>	<u>(96,544)</u>	<u>(784,337)</u>
Net Cash (Used For) Noncapital Financing Activities	(193,200)	67,749	(26,736)	(96,544)	(248,731)
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>					
Acquisition and construction of capital assets	(297,356)	-	(153,963)	-	(451,319)
Principal payments on bonds and notes	(565,000)	(30,000)	(224,100)	-	(819,100)
Proceeds of notes payable	1,761,102	-	75,000	-	1,836,102
Interest expense	<u>(218,750)</u>	<u>(5,700)</u>	<u>(85,342)</u>	<u>-</u>	<u>(309,792)</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	679,996	(35,700)	(388,405)	-	255,891
<b><u>Cash Flows From Investing Activities:</u></b>					
Investment income	<u>20,867</u>	<u>-</u>	<u>641</u>	<u>-</u>	<u>21,508</u>
Net Cash Provided By Investing Activities	20,867	-	641	-	21,508
Net Change in Cash and Short-Term Investments	302,529	9	171,317	(4,347)	469,508
Cash and Short-Term Investments, Beginning of Year	<u>1,394,365</u>	<u>288,676</u>	<u>879,205</u>	<u>1,087,847</u>	<u>3,650,093</u>
Cash and Short-Term Investments, End of Year	<u>\$ 1,696,894</u>	<u>\$ 288,685</u>	<u>\$ 1,050,522</u>	<u>\$ 1,083,500</u>	<u>\$ 4,119,601</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities:</u></b>					
Operating income (loss)	\$ 469,756	\$ (199,038)	\$ 15,603	\$ 16,751	\$ 303,072
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	723,357	32,072	351,525	-	1,106,954
Changes in assets and liabilities:					
Receivables	68,683	(41)	93,691	9,891	172,224
Due from other governments	(1,457,016)	-	-	-	(1,457,016)
Warrants and accounts payable	12,075	23,707	27,731	15,616	79,129
Other liabilities	(39,698)	-	2,332	1,483	(35,883)
Accrued liabilities	<u>17,709</u>	<u>111,260</u>	<u>94,935</u>	<u>48,456</u>	<u>272,360</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (205,134)</u>	<u>\$ (32,040)</u>	<u>\$ 585,817</u>	<u>\$ 92,197</u>	<u>\$ 440,840</u>

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

TOWN OF MEDWAY, MASSACHUSETTS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2014

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b><u>ASSETS</u></b>		
Cash and short-term investments	\$ 903,866	\$ 740,456
Receivable	-	42,086
Other Assets	-	20,000
Total Assets	903,866	802,542
 <b><u>LIABILITIES AND NET POSITION</u></b>		
Accounts payable	-	33,906
Escrow deposits	-	744,785
Other liabilities	-	23,851
Total Liabilities	-	802,542
 <b><u>NET POSITION</u></b>		
Total net position held in trust	\$ 903,866	\$ -

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

TOWN OF MEDWAY, MASSACHUSETTS  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Private Purpose Trust Funds</u>
<b>Additions:</b>	
Contributions	\$ 133
Investment income	2,815
Miscellaneous	<u>90,163</u>
Total additions	93,111
<b>Deductions:</b>	
Education	<u>64,550</u>
Total deductions	<u>64,550</u>
Net increase	28,561
<b>Net position:</b>	
Beginning of year	<u>875,305</u>
End of year	<u>\$ 903,866</u>

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

# TOWN OF MEDWAY, MASSACHUSETTS

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

The Town is a municipal corporation governed by an elected Board of Selectman. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2014, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

#### B. Government-wide and Fund Financial Statements

##### Government-wide Financial Statements

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

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

##### Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.



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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *community preservation fund* accounts for funds used for the acquisition, creation, and preservation of open space, historic resources, and community housing.

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

The government reports the following major proprietary funds:

- Water operations
- Ambulance services
- Sewer operations
- Solid waste collection fund

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

#### D. Cash and Short-Term Investments

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

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

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

#### E. Property Tax Limitations

Legislation known as "Proposition 2½" has limited the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5 percent

(excluding new growth), unless an override is voted. The actual fiscal year 2014 tax levy reflected an excess capacity of \$280,204.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Roads and improvements	20
Infrastructure	30-75
Vehicles	5
Office equipment	5
Computer equipment	5

**G. Compensated Absences**

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

**H. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obliga-

tions are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

### *I. Fund Equity*

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

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

The Town's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the government (i.e., Town Meeting).
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance (free cash) voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

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

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as

restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

*J. Use of Estimates*

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

**2. Stewardship, Compliance, and Accountability**

*A. Budgetary Information*

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

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

Formal budgetary integration is employed as a management control device during the year for the General Fund and Proprietary Funds. Effective budgetary control is achieved for all other funds through provisions of the Massachusetts General Laws.

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

**B. Budgetary Basis**

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

**C. Budget/GAAP Reconciliation**

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

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

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 50,334,461	\$ 50,282,925
Other financing sources/uses (GAAP basis)	<u>464,001</u>	<u>229,810</u>
Subtotal (GAAP Basis)	50,798,462	50,512,735
Adjust tax revenue to accrual basis	(347,521)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,256,661)
Add end-of-year appropriation carryforwards from expenditures	-	1,393,533
To record use of free cash	1,791,439	-
To reverse the effect of non-budgeted state contributions for teachers retirement	(5,764,825)	(5,764,825)
To remove stabilization fund	195,082	84,235
Other timing issue	<u>-</u>	<u>16,086</u>
Budgetary basis	<u>\$ 46,672,637</u>	<u>\$ 44,985,103</u>

**D. Deficit Fund Equity**

The following funds had deficits as of June 30, 2014:

Chapter 90	\$ (102,545)
Title III english language	(475)
94-142	(96,637)
SPED program improvement	(3,519)
Title I	(14,445)
MAPC bike path	(15,000)
State 911 support incentive grant	(28,843)
Rt 109 earmark	(46,455)
MADEP water audit	(13,498)
MADEP recycle	(1,957)
Enhanced school health	(268)
Academic support	(412)
COA transportation revolving	(9,697)
Fire tank A9 5/13	(3,552)
Brentwood drainage A3 6/10	<u>(15,662)</u>
	<u>\$ (352,965)</u>

The Town's special revenue and capital project funds reflect various individual deficit fund balance accounts which will be funded by future departmental revenues, bond proceeds, and transfers from other funds.

**3. Cash and Short-Term Investments**

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

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the Town's deposits "in a bank or trust company or banking company to an amount not exceeding sixty percent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town does not have a deposit policy for custodial credit risk.

The Town did not have any bank balances that were exposed to custodial credit risk as uninsured, uncollateralized, and collateral held by pledging bank's trust department not in the Town's name.

#### 4. Taxes Receivable

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 a quarterly basis 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 they relate to.

Fourteen days after the due date for the final tax bill for real estate taxes, a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent, the tax collector may proceed to file a lien against the delinquent taxpayers' property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

Taxes receivable at June 30, 2014 consist of the following (in thousands):

Real Estate		
2014	\$ 537	
2013	58	
2012	7	
2011	3	
Prior	<u>(3)</u>	
		602
Personal Property		
2014	15	
2013	4	
2012	3	
2011	2	
2010	2	
Prior	<u>16</u>	
		42
Tax Liens		1,214
Deferred Taxes		<u>105</u>
Total		<u>\$ 1,963</u>

#### 5. Allowance for Doubtful Accounts

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts (in thousands):



	<u>Governmental</u>	<u>Business-Type</u>
Property taxes	\$ 253	\$ -
Excises	\$ 86	\$ -
Utilities	\$ -	\$ 362
Other	\$ 1	\$ -

## 6. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2014.

## 7. Interfund Fund Transfers

Transfers between Governmental and Business-Type Activities do not offset by \$14,900. This is due to a transfer between the Agency funds and Governmental funds.

## 8. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 84,573	\$ 102	\$ -	\$ 84,675
Machinery, equipment, and furnishings	9,779	718	(138)	10,359
Infrastructure	28,248	719	-	28,967
	<u>122,600</u>	<u>1,539</u>	<u>(138)</u>	<u>124,001</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings and improvements	(27,009)	(2,031)	-	(29,040)
Machinery, equipment, and furnishings	(7,073)	(492)	122	(7,443)
Infrastructure	(21,134)	(681)	-	(21,815)
	<u>(55,216)</u>	<u>(3,204)</u>	<u>122</u>	<u>(58,298)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	67,384	(1,665)	(16)	65,703
Capital assets, not being depreciated:				
Land	21,228	-	-	21,228
Construction in progress	21,220	2,921	-	24,141
	<u>42,448</u>	<u>2,921</u>	<u>-</u>	<u>45,369</u>
Total capital assets, not being depreciated				
Governmental activities capital assets, net	<u>\$ 109,832</u>	<u>\$ 1,256</u>	<u>\$ (16)</u>	<u>\$ 111,072</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 14	\$ -	\$ -	\$ 14
Machinery, equipment, and furnishings	2,165	85	(23)	2,227
Infrastructure	<u>54,554</u>	<u>63</u>	<u>-</u>	<u>54,617</u>
Total capital assets, being depreciated	56,733	148	(23)	56,858
Less accumulated depreciation for:				
Buildings and improvements	(14)	-	-	(14)
Machinery, equipment, and furnishings	(872)	(133)	23	(982)
Infrastructure	<u>(21,015)</u>	<u>(975)</u>	<u>-</u>	<u>(21,990)</u>
Total accumulated depreciation	<u>(21,901)</u>	<u>(1,108)</u>	<u>23</u>	<u>(22,986)</u>
Total capital assets, being depreciated, net	34,832	(960)	-	33,872
Capital assets, not being depreciated:				
Land	615	-	-	615
Construction in progress	<u>119</u>	<u>304</u>	<u>-</u>	<u>423</u>
Total capital assets, not being depreciated	<u>734</u>	<u>304</u>	<u>-</u>	<u>1,038</u>
Business-type activities capital assets, net	<u>\$ 35,566</u>	<u>\$ (656)</u>	<u>\$ -</u>	<u>\$ 34,910</u>

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

<b>Governmental Activities:</b>	
General government	\$ 143
Public safety	246
Education	1,864
Public works	866
Culture and recreation	<u>85</u>
Total depreciation expense - governmental activities	<u>\$ 3,204</u>
<b>Business-Type Activities:</b>	
Water	\$ 724
Ambulance	32
Sewer	<u>352</u>
Total depreciation expense - business-type activities	<u>\$ 1,108</u>

## 9. Warrants Payable

Warrants payable represent 2014 expenditures paid by July 15, 2014.

**10. Anticipation Notes Payable**

The Town had the following notes outstanding at June 30, 2014:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/14</u>
MWPAT CW11-20	0.15%	04/15/12	04/15/15	\$ 500,000
MWPAT T5 97-1086-C	0.00%	12/12/12	12/12/15	200,000
Tanker truck	0.55%	04/01/14	04/01/15	270,000
Sewer	0.55%	04/01/14	04/01/15	75,000
MWPAT DW-13-13	0.10%	06/04/14	06/04/15	1,501,102
Water mains and tank mixer	0.55%	04/01/14	04/01/15	<u>260,000</u>
Total				<u>\$ 2,806,102</u>

The following summarizes activity in notes payable during fiscal year 2014:

	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
State qualified - deficit financing	\$ 350,000	\$ -	\$ (350,000)	\$ -
MWPAT CW11-20	500,000	-	-	500,000
MWPAT T5 97-1086-C	200,000	-	-	200,000
Tanker truck	-	270,000	-	270,000
Sewer	-	75,000	-	75,000
MWPAT DW-13-13	-	1,501,102	-	1,501,102
Water mains and tank mixer	-	260,000	-	260,000
Total	<u>\$ 1,050,000</u>	<u>\$ 2,106,102</u>	<u>\$ (350,000)</u>	<u>\$ 2,806,102</u>

**11. Capital Lease Obligations**

The Town is the lessee of certain equipment under a capital lease expiring in 2018. Future minimum lease payments under the capital lease consisted of the following as of June 30, 2014:

<u>Fiscal Year</u>	<u>Capital Leases</u>
2015	\$ 28,317
2016	28,317
2017	28,317
2018	<u>28,317</u>
Total minimum lease payments	113,268
Less amounts representing interest	<u>8,637</u>
Present Value of Minimum Lease Payments	<u>\$ 104,631</u>

## 12. Long-Term Debt

### A. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/14</u>
MWPAT (Title V Septic Mgmt.)	08/01/18	0.00%	\$ 33,275
Multipurpose	03/01/16	4.28%	310,000
Multipurpose	04/15/22	3.73%	1,375,000
MWPAT (Title V Septic Mgmt.)	08/01/23	0.00%	37,190
Multipurpose	11/15/25	4.00%	7,200,000
Multipurpose	10/15/29	2.92%	640,000
FY2011 refunding	06/15/16	1.29%	290,000
Surface refunding	08/15/23	2.54%	100,000
Town hall remodeling	08/15/20	2.28%	105,000
Energy conservation	08/15/29	3.00%	3,180,000
Public way	08/15/15	2.07%	240,000
Police communication	08/15/15	2.07%	110,000
Architectural services	08/15/15	2.07%	100,000
General obligation	02/15/32	2.02%	4,510,000
General obligation	09/15/32	1.98%	4,610,000
Multipurpose	05/15/33	2.22%	5,935,000
Total Governmental Activities:			<u>\$ 28,775,465</u>

<u>Business-Type Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/14</u>
Water corrosion control	03/01/16	4.28%	\$ 120,000
Water well	10/15/29	3.18%	1,380,000
Water well	10/15/29	3.15%	435,000
Water equipment	10/15/17	2.18%	100,000
Meters	10/16/19	2.45%	630,000
Water storage tank	08/15/29	2.99%	630,000
Well	08/15/29	2.97%	460,000
Water meters	08/15/15	2.07%	20,000
Water	02/15/32	2.02%	2,530,000
Sewer projects	10/07/14	5.00%	24,100
Sewer projects	04/21/17	5.00%	18,000
Sewer projects	10/15/29	3.17%	1,325,000
Sewer projects	08/15/29	3.01%	800,000
General obligation	09/15/33	1.98%	180,000
General obligation	09/15/33	1.98%	150,000
Total Business-Type Activities:			<u>\$ 8,802,100</u>

**B. Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2014 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,570,494	\$ 856,735	\$ 3,427,229
2016	2,465,494	769,806	3,235,300
2017	1,955,494	691,783	2,647,277
2018	1,950,494	634,010	2,584,504
2019	1,935,494	570,352	2,505,846
2020 - 2024	8,912,995	1,963,266	10,876,261
2025 - 2029	6,000,000	832,871	6,832,871
2030 - 2034	<u>2,985,000</u>	<u>179,156</u>	<u>3,164,156</u>
Total	<u>\$ 28,775,465</u>	<u>\$ 6,497,979</u>	<u>\$ 35,273,444</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 775,100	\$ 268,534	\$ 1,043,634
2016	746,000	244,235	990,235
2017	671,000	222,401	893,401
2018	655,000	203,551	858,551
2019	625,000	183,451	808,451
2020 - 2024	2,460,000	655,380	3,115,380
2025 - 2029	2,180,000	299,237	2,479,237
2030 - 2034	<u>690,000</u>	<u>26,402</u>	<u>716,402</u>
Total	<u>\$ 8,802,100</u>	<u>\$ 2,103,191</u>	<u>\$ 10,905,291</u>

**C. Changes in General Long-Term Liabilities**

During the year ended June 30, 2014, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/13	Additions	Reductions	Total Balance 6/30/14	Less Current Portion	Equals Long-Term Portion 6/30/14
<u>Governmental Activities</u>						
Bonds payable	\$ 31,451	\$ -	\$ (2,676)	\$ 28,775	\$ (2,570)	\$ 26,205
Other:						
Capital lease	-	133	(28)	105	(25)	80
Compensated absences	709	77	-	786	(79)	707
Accrued other post-employment benefits	<u>14,789</u>	<u>2,744</u>	<u>-</u>	<u>17,533</u>	<u>-</u>	<u>17,533</u>
Totals	<u>\$ 46,949</u>	<u>\$ 2,954</u>	<u>\$ (2,704)</u>	<u>\$ 47,199</u>	<u>\$ (2,674)</u>	<u>\$ 44,525</u>

(continued)

(continued)

	Total Balance <u>7/1/13</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/14</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/14</u>
<b><u>Business-Type Activities</u></b>						
Bonds payable	\$ 9,621	\$ -	\$ (819)	\$ 8,802	\$ (775)	\$ 8,027
Other:						
Compensated absences	37	2	-	39	(4)	35
Accrued other post-employment benefits	<u>309</u>	<u>220</u>	<u>-</u>	<u>529</u>	<u>-</u>	<u>529</u>
Totals	<u>\$ 9,967</u>	<u>\$ 222</u>	<u>\$ (819)</u>	<u>\$ 9,370</u>	<u>\$ (779)</u>	<u>\$ 8,591</u>

### 13. **Deferred Inflows of Resources**

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

The following is a summary of deferred inflow of resources balances as of June 30, 2014:

	<u>General Fund</u>	<u>Community Preservation</u>	<u>Nonmajor Governmental Funds</u>
Unearned Revenues	\$ 1,894,318	\$ 16,256	\$ 34,549

### 14. **Restricted Net Position**

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

## 15. Governmental Funds - Balances

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

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

The following types of fund balances are reported at June 30, 2014:

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

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

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

Assigned - Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

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

Following is a breakdown of the Town's fund balances at June 30, 2014:

	General Fund	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>				
Nonexpendable permanent funds	\$ -	\$ -	\$ 110,869	\$ 110,869
<b>Total Nonspendable</b>	-	-	110,869	110,869
<b>Restricted</b>				
Bonded projects	-	-	694,674	694,674
Special revenue funds	-	4,986,875	2,524,778	7,511,653
Expendable permanent funds	-	-	633,107	633,107
<b>Total Restricted</b>	-	4,986,875	3,852,559	8,839,434
<b>Committed</b>				
Reserve for continuing appropriations				
General government	258,058	-	-	258,058
Public safety	31,532	-	-	31,532
Education	117,784	-	-	117,784
Public works	714,811	-	-	714,811
Health and human services	5,786	-	-	5,786
Culture and recreation	75,054	-	-	75,054
Stabilization storm reserve	211,647	-	-	211,647
Stabilization health insurance	52,515	-	-	52,515
Stabilization ESCO	173,341	-	-	173,341
Stabilization OPEB	100,600	-	-	100,600
Stabilization capital improvements	589,591	-	-	589,591
Fiscal stability	784,545	-	-	784,545
<b>Total Committed</b>	3,115,264	-	-	3,115,264
<b>Assigned</b>				
Encumbrances				
General government	30,485	-	-	30,485
Public safety	53,025	-	-	53,025
Education	95,234	-	-	95,234
Public works	7,166	-	-	7,166
Culture and recreation	4,598	-	-	4,598
Reserve for excluded debt	465,916	-	-	465,916
Reserve for debt service	807,616	-	-	807,616
Reserved for expenditures	1,502,250	-	-	1,502,250
<b>Total Assigned</b>	2,966,290	-	-	2,966,290
<b>Unassigned</b>				
Special revenue	-	-	(333,751)	(333,751)
Capital projects	-	-	(19,214)	(19,214)
General trust stabilization	1,921,806	-	-	1,921,806
General operating stabilization	546,375	-	-	546,375
General fund	3,269,516	-	-	3,269,516
<b>Total Unassigned</b>	5,737,697	-	(352,965)	5,384,732
<b>Total Fund Balance</b>	<b>\$ 11,819,251</b>	<b>\$ 4,986,875</b>	<b>\$ 3,610,463</b>	<b>\$ 20,416,589</b>



**16. General Fund Unassigned Fund Balance**

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in certain respects from the Massachusetts Uniform Municipal Accounting System (UMAS). The following paragraphs summarize the major differences.

The accompanying financial statements include an estimate for future potential tax refunds, which is not recognized under UMAS.

The following summarizes the specific differences between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$ 5,737,697
Stabilization fund	(2,468,181)
Tax refund estimate	<u>244,227</u>
Statutory (UMAS) Balance	<u>\$ 3,513,743</u>

**17. Commitments and Contingencies**

Outstanding Legal Issues - There are several pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

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

**18. Post-Employment Healthcare and Life Insurance Benefits**

**Other Post-Employment Benefits**

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

In addition to providing the pension benefits described, the Town provides post-employment healthcare and life insurance benefits for retired employees through the Town's plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of June 30, 2013, the actuarial valuation date, approximately 152 retirees and 310 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

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

C. Funding Policy

Retirees contribute 50% of the cost of the health plan, as determined by the Town. The Town contributes the remainder of the health plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The Town's fiscal 2014 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the Town's annual OPEB cost for the year ending June 30, 2014, the amount actually contributed to the plan, and the change in the Town's net OPEB obligation based on an actuarial valuation as of June 30, 2013.

Annual Required Contribution (ARC)	\$ 4,271,291
Interest on net OPEB obligation	603,916
Adjustment to ARC	<u>(934,749)</u>
Annual OPEB cost	3,940,458
Contributions made	<u>(975,505)</u>
Increase in net OPEB obligation	2,964,953
Net OPEB obligation - beginning of year	<u>15,097,892</u>
Net OPEB obligation - end of year	<u>\$ 18,062,845</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 3,940,458	25%	\$ 18,062,845
2013	\$ 3,251,584	28%	\$ 15,097,892
2012	\$ 3,097,609	26%	\$ 12,745,485

The Town's net OPEB obligation as of June 30, 2014 is recorded as a component of the "other long-term liabilities" line item.

**E. Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2013, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 38,407,572
Less actuarial value of plan assets	<u>(50,489)</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 38,357,083</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.1%</u>
Covered payroll (active plan members)	<u>\$ 18,282,384</u>
UAAL as a percentage of covered payroll	<u>210%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included 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 multiyear 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.

**F. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and the 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 Town 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.

In the June 30, 2013 actuarial valuation the entry age actuarial cost method was used. The actuarial value of assets was not determined as the Town has not advance funded its obligation. The actuarial assumptions included a 4.0% investment rate of return and an initial annual healthcare cost trend rate of 8%, which decreases to a 5% long-term rate for all healthcare benefits after 2019. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

## **19. Pension Plan**

The Town follows the provisions of GASB Statement No. 27, (as amended by GASB 50) *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds. Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan, and the State legislature has the authority to grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the Norfolk County Retirement System at 480 Neponset Street, Building 15, Canton, Massachusetts 02021.

### **A. Plan Description**

The Town contributes to the Norfolk County Retirement System (the System), a cost-sharing multiple-employer, defined benefit pension plan administered by a county retirement board. The System provides retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report that can be obtained through the Norfolk County Retirement System at 480 Neponset Street, Building 15, Canton, Massachusetts 02021.

### **B. Funding Policy**

Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the remaining system-wide actuarially determined contribution plus administration costs which are apportioned among the employers based on active covered payroll. The contributions of plan members and the Town are governed by Chapter 32 of the

Massachusetts General Laws. The Town's contributions to the System for the years ended June 30, 2014, 2013, and 2012 were \$1,339,626, \$1,284,822, and \$1,224,201, respectively, which were equal to its annual required contributions for each of these years.

C. Massachusetts Teacher Retirement System (MTRS) - Plan Description

As required by State Statutes, teachers of the Town are covered by the Massachusetts Teachers Retirement System (MTRS). The MTRS is funded by contributions from covered employees and the Commonwealth of Massachusetts. The MTRS was established under Chapter 15, Section 16 of the Massachusetts General Laws, however, Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan, and the State legislature has the authority to grant cost-of-living increases. The Town is not required to contribute.

All persons employed on at least a half-time basis, who are covered under a contractual agreement requiring certification by the Board of Education are eligible and must participate in the MTRS.

Based on the Commonwealth of Massachusetts' retirement laws, employees covered by the pension plan must contribute a percentage of gross earnings into the pension fund. The percentage is determined by the participant's date of entry into the system and gross earnings, up to \$30,000, as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
July 1, 1996 - June 30, 2001	9%
Beginning July 1, 2001	11%

\*Effective January 1, 1990, all participants hired after January 1, 1979, who have not elected to increase to 11%, contribute an additional 2% of salary in excess of \$30,000.

In fiscal year 2014, the Commonwealth of Massachusetts contributed \$5,764,825 to the MTRS on behalf of the Town. This is included in the education expenditures and intergovernmental revenues in the general fund.

20. Risk Management

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. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

**21. Beginning Fund Balance Reclassification**

The Town's major governmental funds for fiscal year 2014, as defined by GASB Statement 34, have changed from the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Equity 6/30/13 (as previously reported)	Reclassification Major Fund	Fund Equity 6/30/13 (as restated)
Nonmajor Governmental Funds	\$ 5,255,131	\$ 995,142	\$ 6,250,273
Middle School Renovation Funds	<u>995,142</u>	<u>(995,142)</u>	<u>-</u>
As restated	<u>\$ 6,250,273</u>	<u>\$ -</u>	<u>\$ 6,250,273</u>

**22. Implementation of New GASB Standards**

The GASB has issued Statement 68 Accounting and Financial Reporting for Pensions, which is required to be implemented in fiscal year 2015. Management's current assessment is that this pronouncement will have a significant impact on the Town's basic financial statements by recognizing as a liability and expense, the Town's applicable portion of the Norfolk County Retirement System's actuarially accrued liability.

**TOWN OF MEDWAY, MASSACHUSETTS  
SCHEDULE OF FUNDING PROGRESS  
REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2014  
(Unaudited)

**Other Post-Employment Benefits**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2013	\$ 50,489	\$ 38,407,572	\$ 38,357,083	0.1%	\$ 18,282,384	210.1%
6/30/2011	\$ -	\$ 31,351,424	\$ 31,351,424	0.0%	N/A	N/A
6/30/2009	\$ -	\$ 29,616,372	\$ 29,616,372	0.0%	N/A	N/A
6/30/2007	\$ -	\$ 37,604,481	\$ 37,604,481	0.0%	N/A	N/A

**NORFOLK COUNTY RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
(Unaudited)**

**Employees' Retirement System  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/12	\$ 608,235,096	\$ 1,128,960,288	\$ 520,725,192	53.9%	\$ 229,095,409	227.3%
01/01/10	\$ 600,790,835	\$ 1,001,881,055	\$ 401,090,220	60.0%	\$ 223,332,595	179.6%
01/01/08	\$ 596,157,147	\$ 907,719,124	\$ 311,561,977	65.7%	\$ 223,814,977	139.2%

**Employees' Retirement System  
Schedule of Employer Contributions**

Plan Year End	System Wide			Town of Medway	
	Annual Required Contributions	Actual Contributions	Percent Contributed	Actual Contributions	Town Contributions as a % of Actual Contributions
12/31/13	\$ 44,800,000	\$ 44,800,000	100%	\$ 1,339,626	3.0%
12/31/12	\$ 42,714,639	\$ 42,714,639	100%	\$ 1,284,822	3.0%
12/31/11	\$ 41,206,587	\$ 41,206,587	100%	\$ 1,224,201	3.0%
12/31/10	\$ 39,749,857	\$ 39,749,857	100%	\$ 1,148,901	2.9%

See Independent Auditors' Report.

# **AGENDA**

## **ITEM #3**

**Funding Recommendations –  
Fiscal Year 2016 Capital Projects –  
Capital Improvement Planning  
Committee**

*No associated back up materials.*



# **AGENDA**

## **ITEM #4**

**Presentation – Playground  
Concepts for Idylbrook and Other  
Playgrounds in Town**

*No associated back up materials.*

# AGENDA

## ITEM #5

### Authorization of Chairman to Execute Regulatory Agreement with Millstone Village

*Associated back up materials attached.*

- Memo from Community Housing Coordinator
- Draft agreement

**Proposed motion:** I move that the Board authorize the Chairman to execute the *Regulatory Agreement and Declaration of Restrictive Covenants for Ownership Project* with Millstone Village as presented.



Medway Community Housing Coordinator

Date: January 14, 2015  
To: Medway Board of Selectmen  
From: J. Douglas Havens  
*Affordable Housing Trust*  
(774)292-1456 [dhavens@townofmedway.org](mailto:dhavens@townofmedway.org)  
RE: Millstone Village Regulatory Agreement

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At the January 5 Board of Selectmen's meeting, signature of the Millstone Village Regulatory Agreement was conditioned upon three items:

1. Receipt of a letter of recommendation from the Affordable Housing Trust and Committee
2. Assurances regarding the applicability of local preference and lottery selection of the initial homeowners;
3. An investigation into the determination of Home Owner Association Fees.

To wit:

LETTER OF RECOMMENDATION - The AHC/AHT recommendation for selectmen authorization of Millstone's Regulatory Agreement is attached.

LOCAL PREFERENCE - Local preference pertains only to initial sales, and is allowed for up to 70% of a project's affordable units at the discretion of DHCD. The classification of "local" now applies only to current residents and employees of local businesses, recently excluding non-resident parents and offspring.

Typically, request for local preference and the required materials substantiating its need are submitted with the developer's LAU application to DHCD as a condition of the municipality's special or comprehensive permit. The condition can only require the request for local preference as allowed by law.

Approval of the application, as evidenced by the issuance of a Regulatory Agreement, indicates incorporation of any requested local preference as contained in the project's Marketing Plan as attached to its LAU Application. **(Millstone's local preference is allowed by inference with the regulatory agreement in question.)**

HOME OWNER/CONDO ASSOCIATION FEE - There is considerable controversy surrounding this issue, reflecting the tension between long-term affordability interests and potential erosion of goodwill among Association members.

Without getting into the finer distinctions between homeowner and condo associations, the rate of ongoing monthly-fees related to affordable unit sales are determined by the developer and proposed as part of its LAU application to DHCD. To be approved, the

initial Affordable condo sales price and fee are set so they and other “costs of living” amount to 1/3 of a household’s income.

Consequently, a “market-rate” fee acts to lower the maximum allowed selling price. As the cash-flow of a household’s relatively fixed income is steered away from fixed rate mortgage payments toward variable fees, affordable owners become increasingly susceptible to untenable increases in their cost of living, whether due to unavoidable macroeconomic circumstances, increased maintenance expenses or discretionary association spending.

The worst-case scenarios of fee increases, even proportionately adjusted, can trap affordable homeowners between unsustainable lifestyles and a unit resale price subsequently less than their original purchase cost. Besides damaging outcomes for the households intended to benefit from the program, these situations threaten the property’s continued functionality as an affordable unit, and unit’s with older deed restrictions forfeit listing in the SHI

Alternatively, an “affordable” fee (and a lesser percentage of common ownership) tends to stabilize long-term affordability by minimizing escalation of monthly expenses over the long-term. In these worst-case scenarios, the monthly fee amounts to an ongoing subsidy of the affordable units’ shared expenses. Some situations can fuel discontent within neighborhoods, whether based on fiscal concerns or rooted in social attitudes, and can result in costly, protracted litigation and disruption of the basic advantages offered by aggregate living.

While it is in developers’ financial interest to set a minimal fee, thereby maximizing the affordable sale price and decreasing their unit net-loss, these are not the sole factors affecting a developer’s deliberations. Increasingly savvy shoppers are avoiding high fees and these units tend to linger unsold, while at the same time, strengthening negative feedback from residents of prior developments is thought to be motivating the standardization of fees at market-rate levels.

Additional considerations policy-makers should be mindful of:

- ~ All parties buying into common-ownership communities are informed of the presence of affordable units and related financial arrangements before purchase (though the consequences may not be evident);
- ~ Fees are related to ownership interests in common assets which are used as a basis of financing and use restrictions. Once set, any changes to fees must apply proportionately and subsequent attempts to standardize rates are likely indefensible.
- ~ There are conditions in the deed restrictions of affordable homes affecting the occupancy, use, resale, re-financing and betterment of units.

- ~ Changes in the financial circumstances of affordable home owners do not affect their property interests or the terms or nature of their deed restriction.
- ~ Affordable renters must consistently income-qualify on the anniversary of their leases.



**TOWN OF MEDWAY**  
Affordable Housing Trust  
Affordable Housing Committee

Ann Sherry, *AHT Chair* - Robert Ferrari, *AHC Chair* - Douglas Havens, *Community Housing Coordinator*

1/8/15

Dennis Crowley  
Chair, Board of Selectmen

Mr. Chair,

In keeping with prior actions and findings in the matter of Millstone Village, the majority vote of the members of the Affordable Housing Committee and Affordable Housing Trust, at a duly conducted joint meeting held today, respectfully recommend that the Board execute the Regulatory Agreement as approved by DHCD and presented for execution at the 1/5/15 Selectmen's meeting.

So attested by the Chairs,

Robert Ferrari, AHC

Ann Sherry, AHT



December 17, 2014

Dennis Crowley  
Chair, Medway Board of Selectmen  
155 Village Street  
Medway, MA 02053

RE: Regulatory Agreement for Millstone Village

Dear Mr. Crowley:

Enclosed are three copies of the Regulatory Agreement for Millstone Village. These documents need to be signed and notarized before the marketing can begin on the eight affordable units. We are trying to get the documents signed by years end and recorded. The Regulatory Agreement has been reviewed and approved by the Town through Susan Affleck-Childs and Doug Havens the Community Housing Coordinator.

Once you have signed each copy please mail all three original copies to:

Steven Venincasa  
P.O. Box 1205  
Westborough, MA 01581

A copy of the executed Regulatory Agreement will be mailed to you when complete. Please call me should you have any questions at 978-456-8388.

Thank you for your quick response.

Sincerely,

A handwritten signature in black ink that reads 'Maureen M. O'Hagan'. The signature is written in a cursive, flowing style.

Maureen M. O'Hagan  
MCO Housing Services

Enclosures

Cc: Susie Affleck-Childs – Planning and Economic Dev. Coordinator  
Doug Havens – Community Housing Coordinator  
Barbara St. Andre – Town Counsel  
Alex Para, Esquire

LOCAL INITIATIVE PROGRAM  
REGULATORY AGREEMENT  
AND  
DECLARATION OF RESTRICTIVE COVENANTS  
FOR  
OWNERSHIP PROJECT

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made this \_\_\_ day of \_\_\_\_\_ 2014 by and among the Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development ("DHCD"), pursuant to G.L. c. 23B §1 as amended by Chapter 19 of the Acts of 2007, the Town of Medway ("the Municipality"), and Millstone Builders LLC, a Massachusetts limited liability company, having an address at 1 Golden Court, Westborough, Massachusetts 01581, and its successors and assigns ("Project Sponsor").

WITNESSETH:

WHEREAS, pursuant to G.L. c. 40B, §§ 20-23 (the "Act") and the final report of the Special Legislative Commission Relative to Low and Moderate Income Housing Provisions issued in April 1989, regulations have been promulgated at 760 CMR 56.00 (the "Regulations") which establish the Local Initiative Program ("LIP");

WHEREAS, the Project Sponsor intends to construct a housing development known as Millstone Village at a 51-acre site off Lovering Street in the Municipality, more particularly described in Exhibit A attached hereto and made a part hereof (the "Project");

WHEREAS, such Project is to consist of a total number of 80 condominium units/detached dwellings (the "Units") and 8 of the Units will be sold at prices specified in this Agreement to persons or households with incomes at or below eighty percent (80%) of the regional median household income (the "Low and Moderate Income Units");

WHEREAS, the Chief Executive Officer of the Municipality (as that term is defined in the Regulations) and the Project Sponsor have made application to DHCD to certify that the units in the Project are Local Action Units (as that term is defined in the *Comprehensive Permit Guidelines* (the "Guidelines")) published by DHCD with the LIP Program; and

WHEREAS, in partial consideration of the execution of this Agreement, DHCD has given and will give technical and other assistance to the Project;

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge to the other, DHCD, the Municipality, and the Project Sponsor hereby agree and covenant as follows:



1. The Project Sponsor agrees to construct the Project in accordance with plans and specifications approved by the Municipality and DHCD (the "Plans and Specifications"). In addition, all Low and Moderate Income Units to be constructed as part of the Project must be indistinguishable from other Units in the Project from the exterior (unless the Project has an approved "Alternative Development Plan" as set forth in the *Comprehensive Permit Guidelines* (the "Guidelines")) published by DHCD, and must contain complete living facilities including but not limited to a stove, refrigerator, kitchen cabinets, plumbing fixtures, and washer/dryer hookup, all as more fully shown in the Plans and Specifications.

- \_\_\_\_\_ of the Low and Moderate Income Units shall be one bedroom units;
- 8 of the Low and Moderate Income Units shall be two bedroom units;
- \_\_\_\_\_ of the Low and Moderate Income Units shall be three bedroom units; and,
- \_\_\_\_\_ of the Low and Moderate Income Units shall be four bedroom units.

All Low and Moderate Income Units to be occupied by families must contain two or more bedrooms. Low and Moderate Income Units must have the following minimum areas:

- one bedroom units - 700 square feet
- two bedroom units - 900 square feet
- three bedroom units - 1200 square feet
- four bedroom units - 1400 square feet

The Project must fully comply with the State Building Code and with all applicable state and federal building, environmental, health, safety and other laws, rules, and regulations, including without limitation all applicable federal and state laws, rules and regulations relating to the operation of adaptable and accessible housing for the handicapped. The Project must also comply with all applicable local codes, ordinances and by-laws.

Each Low and Moderate Income Unit will be sold for no more than the price set forth in Exhibit B attached hereto and made a part hereof to an Eligible Purchaser. An Eligible Purchaser is a Family (i) whose annual income does not exceed eighty percent (80%) of the Area median income adjusted for family size as determined by the U. S. Department of Housing and Urban Development and (ii) whose assets do not exceed the limits specified in the Guidelines. A "Family" shall mean two or more persons who will live regularly in the Low or Moderate Income Unit as their primary residence and who are related by blood, marriage, or operation of law or who have otherwise evidenced a stable inter-dependent relationship; or an individual. The "Area" is defined as the \_Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area.

2. Upon the occurrence of one of the events described in 760 CMR 56.03(2), the Project will be included in the Subsidized Housing Inventory as that term is described in 760 CMR 56.01. Only Low and Moderate Income Units will be counted as SHI Eligible Housing as that term is described in 760 CMR 56.01 for the purposes of the Act.

3. (a) At the time of sale of each Low and Moderate Income Unit by the Project Sponsor, the Project Sponsor shall execute and shall as a condition of the sale cause the purchaser of the Low and Moderate Income Unit to execute an Affordable Housing Deed Rider

in the form of Exhibit C attached hereto and made a part hereof (the "Deed Rider"). Such Deed Rider shall be attached to and made a part of the deed from the Project Sponsor to the Unit Purchaser. Each such Deed Rider shall require the Unit Purchaser at the time he desires to sell the Low and Moderate Income Unit to offer the Low and Moderate Income Unit to the Municipality and to DHCD at a discounted purchase price more particularly described therein. The Municipality and DHCD shall have the option upon terms more particularly described in the Deed Rider to either purchase the Low and Moderate Income Unit or to find an Eligible Purchaser. The Deed Rider shall require the Unit Purchaser and the Eligible Purchaser to execute at the time of resale a Deed Rider identical in form and substance to the Deed Rider then in effect with respect to the Low and Moderate Income Unit which will be attached and made a part of the deed from the Unit Purchaser to the Eligible Purchaser, so that the affordability of the Low and Moderate Income unit will be preserved each time that subsequent resales of the Low and Moderate Income unit occur. (The various requirements and restrictions regarding resale of a Low and Moderate Income Unit contained in the Deed Rider are hereinafter referred to as the "Resale Restrictions"). If upon the initial resale or any subsequent resale of a Low and Moderate Income Unit, the Municipality and DHCD are unable to find an Eligible Purchaser for the Low and Moderate Income Unit, and the Municipality and DHCD each elect not to exercise its right to purchase the Low and Moderate Income Unit, then the then current owner of the Low and Moderate Income Unit shall have the right to sell the Low and Moderate Income Unit to any person, regardless of his income (an "Ineligible Purchaser") at the Maximum Resale Price and subject to all rights and restrictions contained in the Deed Rider, and provided that the Unit is conveyed subject to a Deed Rider identical in form and substance to the Deed Rider then in effect with respect to the Low and Moderate Income Unit which will be attached and made part of the deed from the Unit Purchaser to the Ineligible Purchaser.

(b) For each sale of a Low and Moderate Income Unit, DHCD must approve the terms of the Eligible Purchaser's mortgage financing as evidenced by DHCD's issuance of the Resale Price Certificate described in the Deed Rider.

(c) The Municipality agrees that in the event that it purchases a Low and Moderate Income Unit pursuant to its right to do so contained in the Deed Rider then in effect with respect to such Low and Moderate Income Unit, that the Municipality shall within six (6) months of its acceptance of a deed of such Low and Moderate Income Unit, either (i) sell the Low and Moderate Income Unit to an Eligible Purchaser at the same price for which it purchased the Low and Moderate Income Unit plus any expenses incurred by the Municipality during its period of ownership, such expenses to be approved by DHCD, subject to a Deed Rider satisfactory in form and substance to DHCD and the recording of an Eligible Purchaser Certificate satisfactory in form and substance to DHCD, the method for selecting such Eligible Purchaser to be approved by DHCD or (ii) rent the Low and Moderate Income Unit to a person who meets the income guidelines of the LIP Program, upon terms and conditions satisfactory to DHCD and otherwise in conformity with the requirements of the LIP Program. If the Municipality fails to sell or rent the Low and Moderate income unit as provided herein within said six (6) month period, or if at any time after the initial rental of the Low and Moderate Income Unit by the Municipality as provided herein the Low and Moderate Income Unit becomes vacant and remains vacant for more than ninety (90) days, then such Low and Moderate Income Unit shall

cease to be counted as SHI Eligible Housing, and shall no longer be included in the Subsidized Housing Inventory.

(d) Each Low and Moderate Income Unit will remain SHI Eligible Housing and continue to be included in the Subsidized Housing Inventory for as long as the following three conditions are met: (1) this Agreement remains in full force and effect and neither the Municipality nor the Project Sponsor is in default hereunder; (2) the Project and Low and Moderate Income Unit each continue to comply with the Regulations and the Guidelines as the same may be amended from time to time; and (3) either (i) a Deed Rider binding the then current owner of the Low and Moderate Income Unit to comply with the Resale Restrictions is in full force and effect and the then current owner of the Low and Moderate Income Unit is either in compliance with the terms of the Deed Rider, or the Municipality is in the process of taking such steps as may be required by DHCD to enforce the then current owner's compliance with the terms of the Deed Rider or (ii) the Low and Moderate Income Unit is owned by the Municipality and the Municipality is in compliance with the terms and conditions of the last preceding paragraph, or (iii) the Low and Moderate Income Unit is owned by DHCD.

#### 4. Intentionally Omitted

5. (a) Prior to marketing or otherwise making available for sale any of the Units, the Project Sponsor must obtain DHCD's approval of a marketing plan (the "Marketing Plan") for the Low and Moderate Income Units. Such Marketing Plan must describe the buyer selection process for the Low and Moderate Income Units and must set forth a plan for affirmative fair marketing of Low and Moderate Income Units and effective outreach to protected groups underrepresented in the municipality, including provisions for a lottery, consistent with the Regulations and Guidelines. At the option of the Municipality, and provided that the Marketing Plan demonstrates (i) the need for the local preference (e.g., a disproportionately low rental or ownership affordable housing stock relative to need in comparison to the regional area), and (ii) that the proposed local preference will not have a disparate impact on protected classes, the Marketing Plan may also include a preference for local residents for up to seventy percent (70%) of the Low and Moderate Income Units, subject to all provisions of the Regulations and Guidelines. When submitted to DHCD for approval, the Marketing Plan should be accompanied by a letter from the Chief Executive Officer of the Municipality (as that term is defined in the Regulations) which states that the buyer selection and local preference (if any) aspects of the Marketing Plan have been approved by the Municipality and which states that the Municipality will perform any aspects of the Marketing Plan which are set forth as responsibilities of the Municipality in the Marketing Plan. The Marketing Plan must comply with the Regulations and Guidelines and with all other applicable statutes, regulations and executive orders, and DHCD directives reflecting the agreement between DHCD and the U.S. Department of Housing and Urban Development in the case of *NAACP, Boston Chapter v. Kemp*. **If the Project is located in the Boston-Cambridge-Quincy, MA-NH MSA, the Project Sponsor must list all Low and Moderate Income Units with the Boston Fair Housing Commission's MetroList (Metropolitan Housing Opportunity Clearing Center); other requirements for listing of units are specified in the Guidelines.** All costs of carrying out the Marketing Plan shall be paid by the Project Sponsor.

(b) The Project Sponsor may use in-house staff to draft and/or implement the Marketing Plan, provided that such staff meets the qualifications described in the Guidelines. The Project Sponsor may contract for such services provided that any such contractor must be experienced and qualified under the standards set forth in the Guidelines. A failure to comply with the Marketing Plan by the Project Sponsor or by the Municipality shall be deemed to be a default of this Agreement. The Project Sponsor agrees to maintain for at least five years following the sale of the last Low and Moderate Income Unit, a record of all newspaper ads, outreach letters, translations, leaflets, and any other outreach efforts (collectively "Marketing Documentation") as described in the Marketing Plan as approved by DHCD which may be inspected at any time by DHCD. All Marketing Documentation must be approved by DHCD prior to its use by the Project Sponsor or the Municipality. The Project Sponsor and the Municipality agree that if at any time prior to or during the process of marketing the Low and Moderate Income Units, DHCD determines that the Project Sponsor, or the Municipality with respect to aspects of the Marketing Plan that the Municipality has agreed to be responsible for, has not adequately complied with the approved Marketing Plan, that the Project Sponsor or Municipality as the case may be, shall conduct such additional outreach or marketing efforts as shall be determined by DHCD.

6. Neither the Project Sponsor nor the Municipality shall discriminate on the basis of race, religion, color, sex, sexual orientation, familial status, age, handicap, marital status, national origin, genetic information, ancestry, children, receipt of public assistance, or any other basis prohibited by law in the selection of buyers for the Units; and the Project Sponsor shall not so discriminate in connection with the employment or application for employment of persons for the construction, operation or management of the Project.

7. (a) The Project Sponsor agrees to comply and to cause the Project to comply with all requirements of the Regulations and Guidelines and all other applicable laws, rules, regulations, and executive orders. DHCD and the Chief Executive Officer of the municipality shall have access during normal business hours to all books and records of the Project Sponsor and the Project in order to monitor the Project Sponsor's compliance with the terms of this Agreement.

(b) Throughout the term of this Agreement, the Chief Executive Officer shall annually certify in writing to DHCD that each of the Low and Moderate Income Units continues to be occupied by a person who was an Eligible Purchaser at the time of purchase; that any Low and Moderate Income Units which have been resold during the year have been resold in compliance with all of the terms and provisions of the Deed Rider then in effect with respect to each such Low and Moderate Income Unit, and in compliance with the Regulations and Guidelines and this Agreement; and that the Project and the Low and Moderate Income Units have otherwise been maintained in a manner consistent with the Regulations and Guidelines, this Agreement, and the Deed Rider then in effect with respect to each Low and Moderate Income Unit.

8. Upon execution, the Project Sponsor shall immediately cause this Agreement and any amendments hereto to be recorded/filed with the Registry, and the Project Sponsor shall pay all fees and charges incurred in connection therewith. Upon recording or filing, as applicable,

the Project Sponsor shall immediately transmit to DHCD and the Municipality evidence of such recording or filing including the date and instrument, book and page or registration number of the Agreement.

9. The Project Sponsor hereby represents, covenants and warrants as follows:

(a) The Project Sponsor (i) is a limited liability company duly organized under the laws of the Commonwealth of Massachusetts, and is qualified to transact business under the laws of this State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this Agreement.

(b) The execution and performance of this Agreement by the Project Sponsor (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Project Sponsor is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Project Sponsor will, at the time of execution and delivery of this Agreement, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Agreement, any loan documents relating to the Project the terms of which are approved by DHCD, or other permitted encumbrances, including mortgages referred in paragraph 19, below).

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Project Sponsor, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially or adversely affect its financial condition.

10. Except for sales of Units to home buyers as permitted by the terms of this Agreement, Project Sponsor will not sell, transfer, lease, exchange or mortgage the Project without the prior written consent of DHCD and the Municipality.

11. Until such time as decisions regarding repair of damage due to fire or other casualty, or restoration after taking by eminent domain, shall be made by a condominium association or trust not controlled by the Project Sponsor, (or if the Project consists of detached dwellings, by homebuyers) Project Sponsor agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Project Sponsor will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Agreement, subject to the

approval of the Project's lenders, which lenders have been approved by DHCD and the Municipality.

12. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts. Any amendments to this Agreement must be in writing and executed by all of the parties hereto. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions hereof.

13. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when delivered by hand or when mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate by written notice:

DHCD: Department of Housing and Community Development  
Attention: Local Initiative Program Director  
100 Cambridge St., Suite 300  
Boston, MA 02114

Municipality: Town of Medway  
Planning Board  
155 Village Street  
Medway, MA 02053

Town of Medway  
Town Administrator  
155 Village Street  
Medway, MA 02053

Town of Medway  
Community Housing Coordinator  
155 Village Street  
Medway, MA 02053

Project Sponsor: Millstone Builders LLC  
1 Golden Court  
Westborough, Massachusetts 01581

14. (a) This Agreement and all of the covenants, agreements and restrictions contained herein shall be deemed to be an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c.184, § 26, 31, 32 and 33. This Agreement is made for the benefit of DHCD, and DHCD shall be deemed to be the holder of the affordable housing restriction created by this Agreement. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. The term of this Agreement shall be perpetual, provided however, that this Agreement shall terminate if at any time hereafter there is no Low and Moderate Income Unit at the Project which is then subject to a Deed Rider

containing the Resale Restrictions, and there is no Low and Moderate Income Unit at the Project which is owned by the Municipality or DHCD as provided in Section 4 hereof.

(b) The Project Sponsor intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Agreement and the covenants, agreements and restrictions contained herein shall be and are covenants running with the land, encumbering the Project for the term of this Agreement, and are binding upon the Project Sponsor's successors in title, (ii) are not merely personal covenants of the Project Sponsor, and (iii) shall bind the Project Sponsor, its successors and assigns and enure to the benefit of DHCD and its successors and assigns for the term of the Agreement. Project Sponsor hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts to be satisfied in order for the provisions of this Agreement to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

(c) The Resale Restrictions contained in each of the Deed Riders which are to encumber each of the Low and Moderate Income Units at the Project pursuant to the requirements of this Agreement shall also constitute an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c. 184, §§ 26, 31, 32, and 33. Such Resale Restrictions shall be for the benefit of both DHCD and the Municipality and both DHCD and the Municipality shall be deemed to be the holder of the affordable housing restriction created by the Resale Restrictions in each of the Deed Riders. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. To the extent that the Municipality is the holder of the Resale Restrictions to be contained in each of the Deed Riders, the Director of DHCD by the execution of this Agreement hereby approves such Resale Restrictions in each of the Deed Riders for the Low and Moderate Income Units of the Project as required by the provisions of G.L. c. 184, § 32.

15. The Project Sponsor and the Municipality each agree to submit any information, documents, or certifications requested by DHCD which DHCD shall deem necessary or appropriate to evidence the continuing compliance of the Project Sponsor and the Municipality with the terms of this Agreement.

16. (a) The Project Sponsor and the Municipality each covenant and agree to give DHCD written notice of any default, violation or breach of the obligations of the Project Sponsor or the Municipality hereunder, (with a copy to the other party to this Agreement) within seven (7) days of first discovering such default, violation or breach (a "Default Notice"). If DHCD becomes aware of a default, violation, or breach of obligations of the Project Sponsor or the Municipality hereunder without receiving a Default Notice from Project Sponsor or the Municipality, DHCD shall give a notice of such default, breach or violation to the offending party (with a copy to the other party to this Agreement) (the "DHCD Default Notice"). If any such default, violation, or breach is not cured to the satisfaction of DHCD within thirty (30) days after the giving of the Default notice by the Project Sponsor or the Municipality, or if no Default Notice is given, then within thirty (30) days after the giving of the DHCD Default Notice, then at DHCD's option, and without further notice, DHCD may terminate this Agreement, or DHCD may apply to any state or federal court for specific performance of this Agreement, or DHCD

may exercise any other remedy at law or in equity or take any other action as may be necessary or desirable to correct non-compliance with this Agreement.

(b) If DHCD elects to terminate this Agreement as the result of a breach, violation, or default hereof, which breach, violation, or default continues beyond the cure period set forth in this Section 18, then the Low and Moderate Income Units and any other Units at the Project which have been included in the Subsidized Housing Inventory shall from the date of such termination no longer be deemed SHI Eligible Housing for the purposes of the Act and shall be deleted from the Subsidized Housing Inventory. The foregoing sentence shall not apply to Low and Moderate Income Units that have been conveyed in compliance and remain in compliance with Section 3 of this Agreement.

17. The Project Sponsor represents and warrants that it has obtained the consent of all existing mortgagees of the Project to the execution and recording of this Agreement and to the terms and conditions hereof and that all such mortgagees have executed the Consent to Regulatory Agreement attached hereto and made a part hereof.

18. DHCD may delegate to the Municipality any of its oversight and enforcement responsibilities under this Agreement by providing written notice of such delegation to the Project Sponsor and the Municipality and acceptance by the Municipality.

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**



Executed as a sealed instrument as of the date first above written.

PROJECT SPONSOR  
Millstone Builders LLC

By: \_\_\_\_\_  
Steven F. Venincasa,  
its Manager

DEPARTMENT OF HOUSING AND  
COMMUNITY DEVELOPMENT

By: \_\_\_\_\_  
its Associate Director

MUNICIPALITY  
Town of Medway Board of Selectmen

By: \_\_\_\_\_  
its \_\_\_\_\_

Attachments: Exhibit A - Legal Property Description  
Exhibit B - Prices & Location of Low & Moderate Income Units  
Exhibit C - Form of Deed Rider

Consent forms signed by any and all mortgagees whose mortgages are recorded prior to this Regulatory Agreement must be attached to this Regulatory Agreement.

© DHCD When used in the Local Initiative Program, this form may not be modified without the written approval of the Department of Housing and Community Development.

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF \_\_\_\_\_, ss. \_\_\_\_\_, 20\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document, as \_\_\_\_\_ of the \_\_\_\_\_ [Project Sponsor], and acknowledged to me that he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
Print Name:  
My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK, ss. \_\_\_\_\_, 20\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document, as \_\_\_\_\_ for the Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
Print Name:  
My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF \_\_\_\_\_,ss. \_\_\_\_\_, 20\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document, as \_\_\_\_\_ for the City/Town of \_\_\_\_\_, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
Print Name:  
My Commission Expires:

CONSENT TO REGULATORY AGREEMENT

Re:

Millstone Village  
(Project name)

Medway, MA  
(City/Town)

Millstone Builders LLC  
(Project Sponsor)

The Undersigned being the holder of a mortgage on the above described Project recorded with the Registry of Deeds in Book 32460, Page 306, hereby consents to the execution and recording of this Agreement and agrees that in the event of any foreclosure or exercise of remedies under the Mortgage it shall comply with the terms and conditions hereof.

Southbridge Savings Bank

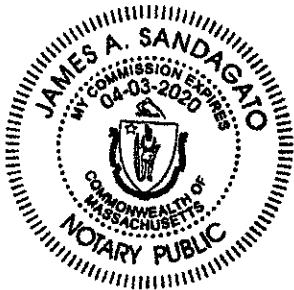
By: [Signature]  
its President & CEO

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Worce, ss.

Sept 23, 2014

On this 23<sup>rd</sup> day of September, 2014, before me, the undersigned notary public, personally appeared Todd M. Tallman, proved to me through satisfactory evidence of identification, which were MA Driver's License, to be the person whose name is signed on the preceding document, as President & CEO of Southbridge Savings Bank, and acknowledged to me that he/she signed it voluntarily for its stated purpose.



[Signature]  
Notary Public  
Print Name: JAMES A. SANDAGATO  
My Commission Expires: 4/3/2020

(If the Project has more than one mortgagee, add additional consent forms. Execution of the consent form by a mortgagee is only necessary if the mortgage has been recorded prior to the Regulatory Agreement.)

## EXHIBIT A

Re:

Millstone Village  
(Project name)

Medway, MA  
(City/Town)

Millstone Builders LLC  
(Project Sponsor)

### Property Description

the land in Medway, Norfolk County, Massachusetts, shown as Parcels A & B on a plan of land entitled, "Plan of Land Medway, Massachusetts (Norfolk County), Scale 1" = 100', March 18, 2014, Owner: Betty Ann McCall-Virnaglia, Prepared By: GLM Engineering Consultants, Inc.," which plan is recorded with the Norfolk County Registry of Deeds at Plan Book 632, Plan 76-79.

Said Parcel A contains 30.61 acres, more or less, according to said plan.

Said Parcel B contains 20.40 acres, more or less, according to said plan.

Being the same premises granted to Project Sponsor by deed recorded with said Registry in Book 32460, Page 303.

EXHIBIT B

Re:

Millstone Village  
(Project name)

Medway, MA  
(City/Town)

Millstone Builders LLC  
(Project Sponsor)

Maximum Selling Prices, Initial Condominium Fees, and Percentage Interest Assigned to Low and Moderate Income Units

	Sale Price	Condo Fee	% Interest
One bedroom units	\$ _____	\$ _____	_____
Two bedroom units	\$ <u>170,000</u>	\$100__	.50__
Three bedroom units	\$ _____	\$ _____	_____
Four bedroom units	\$ _____	\$ _____	_____

Location of Low and Moderate Income Units

The housing units which are Low and Moderate Income Units are those designated as lot/unit numbers \_\_\_\_\_ on:

- a plan of land entitled \_\_\_\_\_ recorded with the \_\_\_\_\_ Registry of Deeds in Book \_\_\_\_\_, Page \_\_\_\_\_.
- floor plans recorded with the Master Deed of the \_\_\_\_\_ Condominium recorded with the \_\_\_\_\_ Registry of Deeds in Book \_\_\_\_\_, Page \_\_\_\_\_.

EXHIBIT C

[TO BE REPLACED BY BLANK DEED RIDER]



**LOCAL INITIATIVE PROGRAM**  
**AFFORDABLE HOUSING DEED RIDER**

*For Projects in Which  
Affordability Restrictions Survive Foreclosure*

made part of that certain deed (the "Deed") of certain property (the "Property") from \_\_\_\_\_ ("Grantor") to \_\_\_\_\_ ("Owner") dated \_\_\_\_\_, 200\_\_. The Property is located in the City/Town of \_\_\_\_\_ (the "Municipality").

RECITALS

WHEREAS, the Grantor is conveying that certain real property more particularly described in the Deed to the Owner at a consideration which is less than the fair market value of the Property; and

WHEREAS, the Property is part of a project which was: [check all that are applicable]

- (i)  granted a Comprehensive Permit under Massachusetts General Laws Chapter 40B, Sections 20-23, from the Board of Appeals of the Municipality or the Housing Appeals Committee and recorded/filed with the \_\_\_\_\_ County Registry of Deeds/Registry District of Land Court (the "Registry") in Book \_\_\_\_\_, Page \_\_\_\_\_/Document No. \_\_\_\_\_ (the "Comprehensive Permit");
- (ii)  subject to a Regulatory Agreement among \_\_\_\_\_ (the "Developer"), [  Massachusetts Housing Finance Agency ("MassHousing"), [  the Massachusetts Department of Housing and Community Development] ("DHCD") [  the Municipality; and [  \_\_\_\_\_, dated \_\_\_\_\_ and recorded/filed with the Registry in Book \_\_\_\_\_, Page \_\_\_\_\_/as Document No. \_\_\_\_\_ (the "Regulatory Agreement"); and
- (iii)  subsidized by the federal or state government under the Local Initiative Program, a program to assist construction of low or moderate income housing the "Program"; and

WHEREAS, pursuant to the Program, eligible purchasers such as the Owner are given the opportunity to purchase residential property at less than its fair market value if the purchaser agrees to certain use and transfer restrictions, including an agreement to occupy the property as a principal residence and to convey the property for an amount not greater than a maximum resale price, all as more fully provided herein; and

WHEREAS, DHCD (singly, or if more than one entity is listed, collectively, the "Monitoring Agent") is obligated by the Program or has been retained to monitor compliance with and to enforce the terms of this Deed Rider, and eligible purchasers such as the Owner may be required to pay to the Monitoring Agent, or its successor, a small percentage of the resale price upon the Owner's conveyance of the Property, as set out in the Regulatory Agreement and as more fully provided herein; and

WHEREAS, the rights and restrictions granted herein to the Monitoring Agent and the Municipality serve the public's interest in the creation and retention of affordable housing for persons and households of low and moderate income and in the restricting of the resale price of property in order to assure its affordability by future low and moderate income purchasers.

NOW, THEREFORE, as further consideration for the conveyance of the Property at less than fair market value, the Grantor and the Owner, including his/her/their heirs, successors and assigns, hereby agree that the Property shall be subject to the following rights and restrictions which are imposed for the benefit of, and shall be enforceable by, the Municipality and the Monitoring Agent, and, if DHCD is a party to the Regulatory Agreement and is not the Monitoring Agent, by DHCD.

1. Definitions. In this Deed Rider, in addition to the terms defined above, the following words and phrases shall have the following meanings:

Affordable Housing Fund means a fund established by the Municipality for the purpose of reducing the cost of housing for Eligible Purchasers or for the purpose of encouraging, creating, or subsidizing the construction or rehabilitation of housing for Eligible Purchasers or, if no such fund exists, a fund established by the Municipality pursuant to Massachusetts General Laws Chapter 44 Section 53A, et seq.

Applicable Foreclosure Price shall have the meaning set forth in Section 7(b) hereof.

Appropriate Size Household means a household containing a number of members equal to the number of bedrooms in the Property plus one.

Approved Capital Improvements means the documented commercially reasonable cost of extraordinary capital improvements made to the Property by the Owner; provided that the Monitoring Agent shall have given written authorization for incurring such cost prior to the cost being incurred and that the original cost of such improvements shall be discounted over the course of their useful life.

Area means the Primary Metropolitan Statistical Area or non-metropolitan area that includes the Municipality, as determined by HUD, which in this case is \_\_\_\_\_.

Area Median Income means the most recently published median income for the Area adjusted for household size as determined by HUD. If HUD discontinues publication of Area Median Income, the income statistics used by MassHousing for its low and moderate income housing programs shall apply.

Base Income Number means the Area Median Income for a four (4)-person household.

Chief Executive Officer shall mean the Mayor in a city or the Board of Selectmen in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter.

Closing shall have the meaning set forth in Section 5(b) hereof.

Compliance Certificate shall have the meaning set forth in Section 6(a) hereof.

Conveyance Notice shall have the meaning set forth in Section 4(a) hereof.

Eligible Purchaser means an individual or household earning no more than eighty percent (80%) of Area Median Income (or, if checked [ ] \_\_\_\_\_ percent (\_\_\_%) of Area Median Income, as required by the Program) and owning assets not in excess of the limit set forth in the Program Guidelines. To be considered an Eligible Purchaser, the individual or household must intend to occupy and thereafter must occupy the Property as his, her or their principal residence and must provide to the Monitoring Agent such certifications as to income, assets and residency as the Monitoring Agent may require to determine eligibility as an Eligible Purchaser. An Eligible Purchaser shall be a First-Time Homebuyer if required by the Program and as specified in the Regulatory Agreement.

First-Time Homebuyer means an individual or household, of which no household member has had an ownership interest in a principal residence at any time during the three (3)-year period prior to the date of qualification as an Eligible Purchaser, except that (i) any individual who is a displaced homemaker (as may be defined by DHCD) (ii) and any individual age 55 or over (applying for age 55 or over housing) shall not be excluded from consideration as a First-Time Homebuyer under this definition on the basis that the individual, owned a home or had an ownership interest in a principal residence at any time during the three (3)-year period.

Foreclosure Notice shall have the meaning set forth in Section 7(a) hereof.

HUD means the United States Department of Housing and Urban Development.

Ineligible Purchaser means an individual or household not meeting the requirements to be eligible as an Eligible Purchaser.

Maximum Resale Price means the sum of (i) the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, plus (ii) the Resale Fee and any necessary marketing

expenses (including broker's fees) as may have been approved by the Monitoring Agent, plus (iii) Approved Capital Improvements, if any (the original cost of which shall have been discounted over time, as calculated by the Monitoring Agent); provided that in no event shall the Maximum Resale Price be greater than the purchase price for which a credit-worthy Eligible Purchaser earning seventy percent (70%) of the Area Median Income (or, if checked [ ] \_\_\_\_\_ percent (\_\_\_%) of Area Median Income, as required by the Program) for an Appropriate Size Household could obtain mortgage financing (as such purchase price is determined by the Monitoring Agent using the same methodology then used by DHCD for its Local Initiative Program or similar comprehensive permit program); and further provided that the Maximum Resale Price shall not be less than the purchase price paid for the Property by the Owner unless the Owner agrees to accept a lesser price.

Monitoring Services Agreement means any Monitoring Services Agreement for monitoring and enforcement of this Deed Rider among some or all of the Developer, the Monitoring Agent, the Municipality, MassHousing and DHCD.

Mortgage Satisfaction Amount shall have the meaning set forth in Section 7(b) hereof.

Mortgagee shall have the meaning set forth in Section 7(a) hereof.

Program Guidelines means the regulations and/or guidelines issued for the applicable Program and controlling its operations, as amended from time to time.

Resale Fee means a fee of 2% of the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, to be paid to the Monitoring Agent as compensation for monitoring and enforcing compliance with the terms of this Deed Rider, including the supervision of the resale process.

Resale Price Certificate means the certificate issued as may be specified in the Regulatory Agreement and recorded with the first deed of the Property from the Developer, or the subsequent certificate (if any) issued as may be specified in the Regulatory Agreement, which sets forth the Resale Price Multiplier to be applied on the Owner's sale of the Property, as provided herein, for so long as the restrictions set forth herein continue. In the absence of contrary specification in the Regulatory Agreement the Monitoring Agent shall issue the certificate.

Resale Price Multiplier means the number calculated by dividing the Property's initial sale price by the Base Income Number at the time of the initial sale from the Developer to the first Eligible Purchaser. The Resale Price Multiplier will be multiplied by the Base Income Number at the time of the Owner's resale of the Property to determine the Maximum Resale Price on such conveyance subject to adjustment for the Resale Fee, marketing expenses and Approved Capital Improvements. In the event that the purchase price paid for the Property by the Owner includes such an adjustment a new Resale Price Multiplier will be recalculated by the Monitoring Agent by dividing the purchase price so paid by the Base Income Number at the time of such purchase,

and a new Resale Price Certificate will be issued and recorded reflecting the new Resale Price Multiplier. A Resale Price Multiplier of \_\_\_\_\_ is hereby assigned to the Property.

Term means in perpetuity, unless earlier terminated by (i) the termination of the term of affordability set forth in the Regulatory Agreement or Comprehensive Permit, whichever is longer; or (ii) the recording of a Compliance Certificate and a new Deed Rider executed by the purchaser in form and substance substantially identical to this Deed Rider establishing a new term.

2. Owner-Occupancy/Principal Residence. The Property shall be occupied and used by the Owner's household exclusively as his, her or their principal residence. Any use of the Property or activity thereon which is inconsistent with such exclusive residential use is expressly prohibited.

3. Restrictions Against Leasing, Refinancing and Junior Encumbrances. The Property shall not be leased, rented, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Monitoring Agent; provided that this provision shall not apply to a first mortgage granted on the date hereof in connection with this conveyance from Grantor to Owner securing indebtedness not greater than one hundred percent (100%) of the purchase price. Any rents, profits, or proceeds from any transaction described in the preceding sentence which transaction has not received the requisite written consent of the Monitoring Agent shall be paid upon demand by Owner to the Municipality for deposit to its Affordable Housing Fund. The Monitoring Agent or Municipality may institute proceedings to recover such rents, profits or proceeds, and costs of collection, including attorneys' fees. Upon recovery, after payment of costs, the balance shall be paid to the Municipality for deposit to its Affordable Housing Fund. In the event that the Monitoring Agent consents for good cause to any such lease, refinancing, encumbrance or mortgage, it shall be a condition to such consent that all rents, profits or proceeds from such transaction, which exceed the actual carrying costs of the Property as determined by the Monitoring Agent, shall be paid to the Municipality for deposit to its Affordable Housing Fund.

4. Options to Purchase. (a) When the Owner or any successor in title to the Owner shall desire to sell, dispose of or otherwise convey the Property, or any portion thereof, the Owner shall notify the Monitoring Agent and the Municipality in writing of the Owner's intention to so convey the Property (the "Conveyance Notice"). Upon receipt of the Conveyance Notice, the Monitoring Agent shall (i) calculate the Maximum Resale Price which the Owner may receive on the sale of the Property based upon the Base Income Number in effect as of the date of the Conveyance Notice and the Resale Price Multiplier set forth in the most recently recorded Resale Price Certificate together with permissible adjustments for the Resale Fee, marketing expenses and Approved Capital Improvements (as discounted), and (ii) promptly begin marketing efforts. The Owner shall fully cooperate with the Monitoring Agent's efforts to locate an Eligible Purchaser and, if so requested by the Monitoring Agent, shall hire a broker selected by the Monitoring Agent to assist in locating an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale Price after entering a purchase and sale

agreement. Pursuant to such agreement, sale to the Eligible Purchaser at the Maximum Resale Price shall occur within ninety (90) days after the Monitoring Agent receives the Conveyance Notice or such further time as reasonably requested to arrange for details of closing. If the Owner fails to cooperate in such resale efforts, including a failure to agree to reasonable terms in the purchase and sale agreement, the Monitoring Agent may extend the 90-day period for a period commensurate with the time the lack of cooperation continues, as determined by the Monitoring Agent in its reasonable discretion. In such event, the Monitoring Agent shall give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period.

(b) The Monitoring Agent shall ensure that diligent marketing efforts are made to locate an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale Price within the time period provided in subsection (a) above and to enter the requisite purchase and sale agreement. If more than one Eligible Purchaser is located, the Monitoring Agent shall conduct a lottery or other like procedure to determine which Eligible Purchaser shall be entitled to enter a purchase and sale agreement with Owner and to purchase the Property. Preference shall be given to Appropriate Size Households. The procedure for marketing and selecting an Eligible Purchaser shall be approved as provided in the Regulatory Agreement and any applicable Program Guidelines. If an Eligible Purchaser is located within ninety (90) days after receipt of the Conveyance Notice, but such Eligible Purchaser proves unable to secure mortgage financing so as to be able to complete the purchase of the Property pursuant to the purchase and sale agreement, following written notice to Owner within the 90-day period the Monitoring Agent shall have an additional sixty (60) days to locate another Eligible Purchaser who will enter a purchase and sale agreement and purchase the Property by the end of such sixty (60)-day period or such further time as reasonably requested to carry out the purchase and sale agreement.

(c) In lieu of sale to an Eligible Purchaser, the Monitoring Agent or the Municipality or designee shall also have the right to purchase the Property at the Maximum Resale Price, in which event the purchase and sale agreement shall be entered, and the purchase shall occur within ninety (90) days after receipt of the Conveyance Notice or, within the additional sixty (60)-day period specified in subsection (b) above, or such further time as reasonably requested to carry out the purchase and sale agreement. Any lack of cooperation by Owner in measures reasonably necessary to effect the sale shall extend the 90-day period by the length of the delay caused by such lack of cooperation. The Monitoring Agent shall promptly give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period. In the event of such a sale to the Monitoring Agent or Municipality or designee, the Property shall remain subject to this Deed Rider and shall thereafter be sold or rented to an Eligible Purchaser as may be more particularly set forth in the Regulatory Agreement.

(d) If an Eligible Purchaser fails to purchase the Property within the 90-day period (or such further time determined as provided herein) after receipt of the Conveyance Notice, and the Monitoring Agent or Municipality or designee does not purchase the Property during said period, then the Owner may convey the Property to an Ineligible Purchaser no earlier than thirty (30) days after the end of said period at the Maximum Resale Price, but subject to all rights and

restrictions contained herein; provided that the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner agrees to execute, to secure execution by the Ineligible Purchaser and to record with the Deed; and further provided that, if more than one Ineligible Purchaser is ready, willing and able to purchase the Property the Owner will give preference and enter a purchase and sale agreement with any individuals or households identified by the Monitoring Agent as an Appropriate Size Household earning more than eighty percent (80%) but less than one hundred twenty percent (120%) of the Area Median Income.

(e) The priority for exercising the options to purchase contained in this Section 4 shall be as follows: (i) an Eligible Purchaser located and selected by the Monitoring Agent, as provided in subsection (b) above, (ii) the Municipality or its designee, as provided in subsection (c) above, and (iii) an Ineligible Purchaser, as provided in subsection (d) above.

(f) Nothing in this Deed Rider or the Regulatory Agreement constitutes a promise, commitment or guarantee by DHCD, MassHousing, the Municipality or the Monitoring Agent that upon resale the Owner shall actually receive the Maximum Resale Price for the Property or any other price for the Property.

(g) The holder of a mortgage on the Property is not obligated to forbear from exercising the rights and remedies under its mortgage, at law or in equity, after delivery of the Conveyance Notice.

5. Delivery of Deed. (a) In connection with any conveyance pursuant to an option to purchase as set forth in Section 4 above, the Property shall be conveyed by the Owner to the selected purchaser by a good and sufficient quitclaim deed conveying a good and clear record and marketable title to the Property free from all encumbrances except (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed, (ii) any lien for municipal betterments assessed after the date of the Conveyance Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the deed from the Owner to the selected purchaser, (v) such additional easements, restrictions, covenants and agreements of record as the selected purchaser consents to, such consent not to be unreasonably withheld or delayed, (vi) the Regulatory Agreement, and (vii), except as otherwise provided in the Compliance Certificate, a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the selected purchaser, and to record with the deed. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the selected purchaser or the enforceability of the restrictions herein.

(b) Said deed, including the approved Deed Rider, shall be delivered and the purchase price paid (the "Closing") at the Registry, or at the option of the selected purchaser, exercised by written notice to the Owner at least five (5) days prior to the delivery of the deed, at such other place as the selected purchaser may designate in said notice. The Closing shall occur at such

time and on such date as shall be specified in a written notice from the selected purchaser to the Owner, which date shall be at least five (5) days after the date on which such notice is given, and no later than the end of the time period specified in Section 4(a) above.

(c) To enable Owner to make conveyance as herein provided, Owner may, if Owner so desires at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, all instruments with respect thereto to be recorded simultaneously with the delivery of said deed. Nothing contained herein as to the Owner's obligation to remove defects in title or to make conveyance or to deliver possession of the Property in accordance with the terms hereof, as to use of proceeds to clear title or as to the election of the selected purchaser to take title, nor anything else in this Deed Rider shall be deemed to waive, impair or otherwise affect the priority of the rights herein over matters appearing of record, or occurring, at any time after the recording of this Deed Rider, all such matters so appearing or occurring being subject and subordinate in all events to the rights herein.

(d) Water and sewer charges and taxes for the then current tax period shall be apportioned and fuel value shall be adjusted as of the date of Closing and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the selected purchaser.

(e) Full possession of the Property free from all occupants is to be delivered at the time of the Closing, the Property to be then in the same condition as it is in on the date of the execution of the purchase and sale agreement, reasonable wear and tear only excepted.

(f) If Owner shall be unable to give title or to make conveyance as above required, or if any change of condition in the Property not included in the above exception shall occur, then Owner shall be given a reasonable time not to exceed thirty (30) days after the date on which the Closing was to have occurred in which to remove any defect in title or to restore the Property to the condition herein required. The Owner shall use best efforts to remove any such defects in the title, whether voluntary or involuntary, and to restore the Property to the extent permitted by insurance proceeds or condemnation award. The Closing shall occur fifteen (15) days after notice by Owner that such defect has been cured or that the Property has been so restored. The selected purchaser shall have the election, at either the original or any extended time for performance, to accept such title as the Owner can deliver to the Property in its then condition and to pay therefor the purchase price without deduction, in which case the Owner shall convey such title, except that in the event of such conveyance in accordance with the provisions of this clause, if the Property shall have been damaged by fire or casualty insured against or if a portion of the Property shall have been taken by a public authority, then the Owner shall, unless the Owner has previously restored the Property to its former condition, either:

(A) pay over or assign to the selected purchaser, on delivery of the deed, all amounts recovered or recoverable on account of such insurance or condemnation award less any amounts reasonably expended by the Owner for any partial restoration, or



(B) if a holder of a mortgage on the Property shall not permit the insurance proceeds or the condemnation award or part thereof to be used to restore the Property to its former condition or to be so paid over or assigned, give to the selected purchaser a credit against the purchase price, on delivery of the deed, equal to said amounts so retained by the holder of the said mortgage less any amounts reasonably expended by the Owner for any partial restoration.

6. Resale and Transfer Restrictions. (a) Except as otherwise provided herein, the Property or any interest therein shall not at any time be sold by the Owner, or the Owner's successors and assigns, and no attempted sale shall be valid, unless the aggregate value of all consideration and payments of every kind given or paid by the selected purchaser of the Property for and in connection with the transfer of such Property, is equal to or less than the Maximum Resale Price for the Property, and unless a certificate (the "Compliance Certificate") is obtained and recorded, signed and acknowledged by the Monitoring Agent which Compliance Certificate refers to the Property, the Owner, the selected purchaser thereof, and the Maximum Resale Price therefor, and states that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and unless there is also recorded a new Deed Rider executed by the selected purchaser, which new Deed Rider is identical in form and substance to this Deed Rider.

(b) The Owner, any good faith purchaser of the Property, any lender or other party taking a security interest in such Property and any other third party may rely upon a Compliance Certificate as conclusive evidence that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and may record such Compliance Certificate in connection with the conveyance of the Property.

(c) Within ten (10) days of the closing of the conveyance of the Property from the Owner to the selected purchaser, the Owner shall deliver to the Monitoring Agent a copy of the Deed of the Property, including the deed rider, together with recording information. Failure of the Owner, or Owner's successors or assigns to comply with the preceding sentence shall not affect the validity of such conveyance or the enforceability of the restrictions herein.

7. Survival of Restrictions Upon Exercise of Remedies by Mortgagees. (a) The holder of record of any mortgage on the Property (each, a "Mortgagee") shall notify the Monitoring Agent, the Municipality and any senior Mortgagee(s) in the event of any default for which the Mortgagee intends to commence foreclosure proceedings or similar remedial action pursuant to its mortgage (the "Foreclosure Notice"), which notice shall be sent to the Monitoring Agent and the Municipality as set forth in this Deed Rider, and to the senior Mortgagee(s) as set forth in such senior Mortgagee's mortgage, not less than one hundred twenty (120) days prior to the foreclosure sale or the acceptance of a deed in lieu of foreclosure. The Owner expressly agrees to the delivery of the Foreclosure Notice and any other communications and disclosures made by the Mortgagee pursuant to this Deed Rider.

(b) The Owner grants to the Municipality or its designee the right and option to purchase the Property upon receipt by the Municipality of the Foreclosure Notice. In the event that the Municipality intends to exercise its option, the Municipality or its designee shall purchase the Property within one hundred twenty (120) days of receipt of such notice, at a price equal to the greater of (i) the sum of the outstanding principal balance of the note secured by such foreclosing Mortgagee's mortgage, together with the outstanding principal balance(s) of any note(s) secured by mortgage(s) senior in priority to such mortgage (but in no event shall the aggregate amount thereof be greater than one hundred percent (100%) of the Maximum Resale Price calculated at the time of the granting of the mortgage) plus all future advances, accrued interest and all reasonable costs and expenses which the foreclosing Mortgagee and any senior Mortgagee(s) are entitled to recover pursuant to the terms of such mortgages (the "Mortgage Satisfaction Amount"), and (ii) the Maximum Resale Price (which for this purpose may be less than the purchase price paid for the Property by the Owner)(the greater of (i) and (ii) above herein referred to as the "Applicable Foreclosure Price"). The Property shall be sold and conveyed in its then-current "as is, where is" condition, without representation or warranty of any kind, direct or indirect, express or implied, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, housing code violations, public assessments, any and all unpaid federal or state taxes (subject to any rights of redemption for unpaid federal taxes), municipal liens and any other encumbrances of record then in force and applicable to the Property having priority over such foreclosing Mortgagee's mortgage, and further subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the Municipality or its designee, and to record with the deed, except that (i) during the term of ownership of the Property by the Municipality or its designee the owner-occupancy requirements of Section 2 hereof shall not apply (unless the designee is an Eligible Purchaser), and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by the Municipality or its designee, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the Municipality or its designee or the enforceability of the restrictions herein.

(c) Not earlier than one hundred twenty (120) days following the delivery of the Foreclosure Notice to the Monitoring Agent, the Municipality and any senior Mortgagee(s) pursuant to subsection (a) above, the foreclosing Mortgagee may conduct the foreclosure sale or accept a deed in lieu of foreclosure. The Property shall be sold and conveyed in its then-current "as is, where is" condition, without representation or warranty of any kind, direct or indirect, express or implied, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, housing code violations, public assessments, any and all unpaid federal or state taxes (subject to any rights of redemption for unpaid federal taxes), municipal liens and any other encumbrances of record then in force and applicable to the Property having priority over the foreclosing Mortgagee's mortgage, and further subject to a Deed Rider, as set forth below.

(d) In the event that the foreclosing Mortgagee conducts a foreclosure sale or other proceeding enforcing its rights under its mortgage and the Property is sold for a price in excess of the greater of the Maximum Resale Price and the Mortgage Satisfaction Amount, such excess shall be paid to the Municipality for its Affordable Housing Fund after (i) a final judicial determination, or (ii) a written agreement of all parties who, as of such date hold (or have been duly authorized to act for other parties who hold) a record interest in the Property, that the Municipality is entitled to such excess. The legal costs of obtaining any such judicial determination or agreement shall be deducted from the excess prior to payment to the Municipality. To the extent that the Owner possesses any interest in any amount which would otherwise be payable to the Municipality under this paragraph, to the fullest extent permissible by law, the Owner hereby assigns its interest in such amount to the Mortgagee for payment to the Municipality.

(e) If any Mortgagee shall acquire the Property by reason of foreclosure or upon conveyance of the Property in lieu of foreclosure, then the rights and restrictions contained herein shall apply to such Mortgagee upon such acquisition of the Property and to any purchaser of the Property from such Mortgagee, and the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider, which the Mortgagee that has so acquired the Property agrees to annex to the deed and to record with the deed, except that (i) during the term of ownership of the Property by such Mortgagee the owner-occupancy requirements of Section 2 hereof shall not apply, and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by such Mortgagee at the foreclosure sale, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance to the Mortgagee or the enforceability of the restrictions herein.

(f) If any party other than a Mortgagee shall acquire the Property by reason of foreclosure or upon conveyance of the Property in lieu of foreclosure, the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider, which the foreclosing Mortgagee agrees to annex to the deed and to record with the deed, except that (i) if the purchaser at such foreclosure sale or assignee of a deed in lieu of foreclosure is an Ineligible Purchaser, then during the term of ownership of the Property by such Ineligible Purchaser, the owner-occupancy requirements of Section 2 hereof shall not apply, and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by such third party purchaser at the foreclosure sale, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance to such third party purchaser or the enforceability of the restrictions herein.

(g) Upon satisfaction of the requirements contained in this Section 7, the Monitoring Agent shall issue a Compliance Certificate to the foreclosing Mortgagee which, upon recording in the Registry, may be relied upon as provided in Section 6(b) hereof as conclusive evidence

that the conveyance of the Property pursuant to this Section 7 is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider.

(h) The Owner understands and agrees that nothing in this Deed Rider or the Regulatory Agreement (i) in any way constitutes a promise or guarantee by MassHousing, DHCD, the Municipality or the Monitoring Agent that the Mortgagee shall actually receive the Mortgage Satisfaction Amount, the Maximum Resale Price for the Property or any other price for the Property, or (ii) impairs the rights and remedies of the Mortgagee in the event of a deficiency.

(i) If a Foreclosure Notice is delivered after the delivery of a Conveyance Notice as provided in Section 4(a) hereof, the procedures set forth in this Section 7 shall supersede the provisions of Section 4 hereof.

8. Covenants to Run With the Property. (a) This Deed Rider, including all restrictions, rights and covenants contained herein, is an affordable housing restriction as that term is defined in Section 31 of Chapter 184 of the Massachusetts General Laws, having the benefit of Section 32 of such Chapter 184, and is enforceable as such. This Deed Rider has been approved by the Director of DHCD.

(b) In confirmation thereof the Grantor and the Owner intend, declare and covenant (i) that this Deed Rider, including all restrictions, rights and covenants contained herein, shall be and are covenants running with the land, encumbering the Property for the Term, and are binding upon the Owner and the Owner's successors in title and assigns, (ii) are not merely personal covenants of the Owner, and (iii) shall enure to the benefit of and be enforceable by the Municipality, the Monitoring Agent and DHCD and their successors and assigns, for the Term. Owner hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts have been satisfied in order for the provisions of this Deed Rider to constitute restrictions and covenants running with the land and that any requirements of privity of estate have been satisfied in full.

9. Notice. Any notices, demands or requests that may be given under this Deed Rider shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, postage prepaid, return receipt requested, to the following entities and parties in interest at the addresses set forth below, or such other addresses as may be specified by any party (or its successor) by such notice.

Municipality:

Grantor:

Owner:

Monitoring Agent[s]

- (1) Director, Local Initiative Program  
DHCD  
100 Cambridge Street  
Suite 300  
Boston, MA 02114

- (2)

Others:

Any such notice, demand or request shall be deemed to have been given on the day it is hand delivered or mailed.

10. Further Assurances. The Owner agrees from time to time, as may be reasonably required by the Monitoring Agent, to furnish the Monitoring Agent upon its request with a written statement, signed and, if requested, acknowledged, setting forth the condition and occupancy of the Property, information concerning the resale of the Property and other material information pertaining to the Property and the Owner's conformance with the requirements of the Comprehensive Permit, Program and Program Guidelines, as applicable.

11. Enforcement. (a) The rights hereby granted shall include the right of the Municipality and the Monitoring Agent to enforce this Deed Rider independently by appropriate legal proceedings and to obtain injunctive and other appropriate relief on account of any violations including without limitation relief requiring restoration of the Property to the condition, affordability or occupancy which existed prior to the violation impacting such condition, affordability or occupancy (it being agreed that there shall be no adequate remedy at law for such violation), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Municipality and the Monitoring Agent.

(b) Without limitation of any other rights or remedies of the Municipality and the Monitoring Agent, or their successors and assigns, in the event of any sale, conveyance or other transfer or occupancy of the Property in violation of the provisions of this Deed Rider, the Municipality and Monitoring Agent shall be entitled to the following remedies, which shall be cumulative and not mutually exclusive:

- (i) specific performance of the provisions of this Deed Rider;
- (ii) money damages for charges in excess of the Maximum Resale Price, if applicable;
- (iii) if the violation is a sale of the Property to an Ineligible Purchaser except as permitted herein, the Monitoring Agent and the Municipality shall have the option to locate an Eligible Purchaser to purchase or itself purchase the Property from the Ineligible Purchaser on the terms and conditions provided herein; the purchase price shall be a price which complies with the provisions of this Deed Rider; specific performance of the requirement that an Ineligible Purchaser shall sell, as herein provided, may be judicially ordered.
- (iv) the right to void any contract for sale or any sale, conveyance or other transfer of the Property in violation of the provisions of this Deed Rider in the absence of a Compliance Certificate, by an action in equity to enforce this Deed Rider; and
- (v) money damages for the cost of creating or obtaining a comparable dwelling unit for an Eligible Purchaser.

(c) In addition to the foregoing, the Owner hereby agrees and shall be obligated to pay all fees and expenses (including legal fees) of the Monitoring Agent and/or the Municipality in the event successful enforcement action is taken against the Owner or Owner's successors or assigns. The Owner hereby grants to the Monitoring Agent and the Municipality a lien on the Property, junior to the lien of any institutional holder of a first mortgage on the Property, to secure payment of such fees and expenses in any successful enforcement action. The Monitoring Agent and the Municipality shall be entitled to seek recovery of fees and expenses incurred in a successful enforcement action of this Deed Rider against the Owner and to assert such a lien on the Property to secure payment by the Owner of such fees and expenses. Notwithstanding anything herein to the contrary, in the event that the Monitoring Agent and/or Municipality fails to enforce this Deed Rider as provided in this Section, DHCD, if it is not named as Monitoring Agent, shall have the same rights and standing to enforce this Deed Rider as the Municipality and Monitoring Agent.

(d) The Owner for himself, herself or themselves and his, her or their successors and assigns, hereby grants to the Monitoring Agent and the Municipality the right to take all actions with respect to the Property which the Monitoring Agent or Municipality may determine to be necessary or appropriate pursuant to applicable law, court order, or the consent of the Owner to prevent, remedy or abate any violation of this Deed Rider.

12. Monitoring Agent Services; Fees. The Monitoring Agent shall monitor compliance of the Project and enforce the requirements of this Deed Rider. As partial compensation for providing these services, a Resale Fee [] shall [] shall not be payable to the Monitoring Agent on the sale of the Property to an Eligible Purchaser or any other purchaser in

accordance with the terms of this Deed Rider. This fee, if imposed, shall be paid by the Owner herein as a closing cost at the time of Closing, and payment of the fee to the Monitoring Agent shall be a condition to delivery and recording of its certificate, failing which the Monitoring Agent shall have a claim against the new purchaser, his, her or their successors or assigns, for which the Monitoring Agent may bring an action and may seek an attachment against the Property.

13. Actions by Municipality. Any action required or allowed to be taken by the Municipality hereunder shall be taken by the Municipality's Chief Executive Officer or designee.

14. Severability. If any provisions hereof or the application thereof to any person or circumstance are judicially determined, to any extent, to be invalid or unenforceable, the remainder hereof, or the application of such provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

15. Independent Counsel. THE OWNER ACKNOWLEDGES THAT HE, SHE, OR THEY HAVE READ THIS DOCUMENT IN ITS ENTIRETY AND HAS HAD THE OPPORTUNITY TO CONSULT LEGAL AND FINANCIAL ADVISORS OF HIS, HER OR THEIR CHOOSING REGARDING THE EXECUTION, DELIVERY AND PERFORMANCE OF THE OBLIGATIONS HEREUNDER.

16. Binding Agreement. This Deed Rider shall bind and inure to the benefit of the persons, entities and parties named herein and their successors or assigns as are permitted by this Deed Rider.

17. Amendment. This Deed Rider may not be rescinded, modified or amended, in whole or in part, without the written consent of the Monitoring Agent, the Municipality and the holder of any mortgage or other security instrument encumbering all or any portion of the Property, which written consent shall be recorded with the Registry.

Executed as a sealed instrument this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Grantor:

Owner:

By \_\_\_\_\_

By \_\_\_\_\_

COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_ County, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_ in its capacity as the \_\_\_\_\_ of \_\_\_\_\_, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My commission expires:

COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_ County, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_ in its capacity as the \_\_\_\_\_ of \_\_\_\_\_, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My commission expires:



# AGENDA

## ITEM #6

### **Adoption of Order of Taking – Azalea Dr**

*Associated back up materials attached.*

- Jan 14 email from Atty Amanda Zuretti
- Azalea Dr Order of Taking
- Deed acceptance

#### **Proposed motions:**

1. I move that the Board adopt the order of taking for Azalea Drive and that the Board determines that no person has sustained damage by reason of this taking and makes no award therefore.
2. I move that the Board authorize the Chairman to sign Notices of Taking and Offers of Pro Tanto payment following the recording of the Order of Taking at the Registry of Deeds.
3. I move that the Board accept the deed from Apex Builders, Inc., which conveys portions of Azalea Dr to the Town.

**Commonwealth of Massachusetts  
Town of Medway  
Norfolk County**

**ORDER OF TAKING-AZALEA DRIVE**

At a meeting of the Board of Selectmen of the Town of Medway, Massachusetts, held the 20<sup>th</sup> day of January, 2015, pursuant to the vote of the Town at the Special Town Meeting held on November 10, 2014 under Article 14 (the "Town Vote"), General Laws c. 82, §24, General Laws c. 79, as amended, and any and every other power and authority which is hereunto in any way enabling, the Board so ordered:

WHEREAS, the said Board of Selectmen have adjudged that common convenience and necessity required that town ways be located and laid out to be known as **Azalea Drive**; and

WHEREAS, the said Board of Selectmen did give notice according to the requirements of law to all persons known to it to be interested in the laying out of said ways of its intention to locate and lay out said ways and of a public hearing to be held thereon, and did meet on September 22, 2014 at the time and place appointed for said hearing and did hear all persons who desired to be heard, and did locate and lay out said town ways in the manner particularly described in the location and lay out plan entitled on the plan titled "Town of Medway Azalea Drive Medway Massachusetts Acceptance Plan" recorded at the Norfolk County Registry of Deeds herewith (hereafter "the Plan"), a copy of which is on file with the Town Clerk of the Town of Medway; and

WHEREAS, it is necessary to acquire easements for the purpose of said ways;

NOW, THEREFORE, IT IS ORDERED that, acting through and under the authority of the Town Vote, and pursuant to the powers set forth in General Laws chapter 82, §24, and chapter 79 and all other authority thereunto enabling, and of any and every power and authority granted to it, express or implied, the Town of Medway acting through its Board of Selectmen, does hereby adjudge that the common convenience and necessity requires and does hereby take for the purpose of a public way, a permanent easement over that certain parcel of land commonly known as **Azalea Drive** shown on the Plan.

Said easement is for all purposes of a public way, together with the attendant customary uses, including but not limited to the rights of public passage, and the right of the Town to enter upon the easement premises for the construction, operation, re-construction, inspection, repair and maintenance of the right-of-way, and the placement, installation, construction, operation, re-construction, location and relocation, repair, replacement, alteration, inspection and maintenance of pipes, conduits, manholes, swales, culverts and other appurtenances for the transmission of

storm water and drainage, and water, sewer, and other municipal services or utilities. The Town may cut, trim, and remove trees, brush, overhanging branches and other vegetation and obstructions to the extent the Town may deem appropriate for said purposes within the public way easement.

There is further taken as part of this layout, a permanent snow storage and drainage easements shown on said Plan, each for the public purposes as stated, including, but are not limited to, the right of the Town to enter upon the aforesaid easement premises at any time to accomplish the stated purposes, including for the placement, installation, construction, operation, re-construction, location and relocation, repair, replacement, alteration, inspection and maintenance of pipes, conduits, manholes, swales, culverts and other appurtenances for the transmission of storm water and drainage. The Town may cut, trim, and remove trees, brush, overhanging branches and other vegetation and obstructions to the extent the Town may deem appropriate for said purposes within the said easements.

Said land is owned or supposed to be owned by the abutters on said ways, as follows:

<b>OWNER</b>	<b>ADDRESS</b>	<b>TITLE REFERENCE</b>	<b>EASEMENT(S) TAKEN</b>	<b>LOT ON STREET ACCEPTANCE PLAN</b>	<b>LOT ON SUBDIVISION PLAN</b>
Kaplan Development of Medway, Inc. a Massachusetts corporation with a usual place of business at 85 Summer Street, Medway	13 Azalea Drive	Book 7098, Page 599	Easements in AZALEA DRIVE and "DRAINAGE EASEMENT"	"N/F KAPLAN DEVELOPMENT OF MEDWAY, INC. 7098/599 LOT A"	<b>Lot A</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Lokesh Aggarwal	91 Summer Street	Book 19207, Page 93	Easements in AZALEA DRIVE and "DRAINAGE EASEMENT" and "20' DRAINAGE EASEMENT"	"N/F LOKESH AGGARWAL 19207/93 #91 SUMMER STREET LOT 2"	<b>Lot 2</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373

Theresa Saghbini and Joseph Saghbini tenants by the entirety	93 Summer Street	Book 19431, Page 276	Easements in AZALEA DRIVE and "DRAINAGE EASEMENT"	"N/F THERESA & JOSEPH SAGHBINI 19431/276 #93 SUMMER SREET"	<b>Lot 3</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Robert W. Edmunds and Sharon M. Edmunds tenants by the entirety	27 Azalea Drive	Book 11180, Page 37	Easements in AZALEA DRIVE and "DRAINAGE EASEMENT" and "20' DRAINAGE EASEMENT"	"N/F ROBERT W. & SHARON M. EDMUNDS 11180/37 #27 AZALEA DRIVE"	<b>Lot 4</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Kira D. Daly	25 Azalea Drive	Book 11732, Page 472	Easements in AZALEA DRIVE and "DRAINAGE EASEMENT" and "50' WIDE DRAINAGE EASEMENT"	"N/F KIRA D. DALY 11732/472 #25 AZALEA DRIVE LOT 5"	<b>Lot 5</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Brian M. Cassidy and Anita P. Sanchez, joint tenants	23 Azalea Drive	Book 14452, Page 531	Easements in AZALEA DRIVE and "50' WIDE DRAINAGE EASEMENT"	"N/F BRIAN M. CASSIDY & ANITA SANCHEZ 14452/531 #23 AZALEA DRIVE LOT 6"	<b>Lot 6</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Robert Steffens and Janice M. Steffens, tenants by the entirety	19 Azalea Drive	Book 9580, Page 738	Easements in AZALEA DRIVE and "25' DRAINAGE EASEMENT"	"N/F ROBERT & JANICE M. STEFFENS 9580/738 #19 AZALEA DRIVE LOT 8"	<b>Lot 8</b> on Plan No. 724 of 1992 recorded with said Deeds at Plan Book 409

Lucio Canini and Domenica Canini, Individually and as Trustees of the Canini Realty Trust, u/d/t/d April 20, 2004 recorded with Norfolk Deeds at Book 21119, Page 56	17 Azalea Drive	Book 21119, Page 58	Easements in AZALEA DRIVE and "25' DRAINAGE EASEMENT'	"N/F CANINI REALTY TRUST 21119/58 #17 AZALEA DRIVE LOT 9"	<b>Lot 9</b> on Plan No. 724 of 1992 recorded with said Deeds at Plan Book 409
Richard L. Simmons, Jr. and Denise M. Simmons, tenants by the entirety	15 Azalea Drive	Book 9621, Page 558	Easements in AZALEA DRIVE and "DRAINAGE EASEMENT' and "25' DRAINAGE EASEMENT'	"N/F RICHARD L. SIMMONS, JR. & DENISE M. SIMMONS 9621/558 #15 AZALEA DRIVE LOT 10A"	<b>Lot 10A</b> on Plan No. 264 of 1992 recorded with said Deeds at Plan Book 405 and on Plan No. 724 of 1992 recorded with said Deeds at Plan Book 409
James M. McHugo and Donna McHugo, tenants by the entirety	12 Dogwood Lane	Book 12101, Page 437	Easements in AZALEA DRIVE and 20' DRAINAGE EASEMENT'	"N/F JAMES M. MCHUGO & DONNA MCHUGO 12101/437 #12 DOGWOOD LANE LOT 12A"	<b>Lot 12A</b> on Plan No. 264 of 1992 recorded with said Deeds at Plan Book 405

Dana G. Blunt and Rikki B. Saksik, tenants by the entirety	7 Azalea Drive	Book 17702, Page 444	Easement in AZALEA DRIVE	"N/F DANA G. BLUNT & RIKKI B. SAKSIK 17702/444 #7 AZALEA DRIVE LOT 33	<b>Lot 33</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Jeannette E. Verdolino and Walter J. Wasnewsky, tenants in common	5 Azalea Drive	Book 13185, Page 355	Easement in AZALEA DRIVE	"N/F JEANNETTE E VERDOLINO & WALTER J. WASNEWSKY 13185/355 #5 AZALEA DRIVE LOT #4"	<b>Lot 34</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Eric W. Schult	3 Azalea Drive	Book 15817, Page 314	Easements in AZALEA DRIVE and "DRAINAGE EASEMENT"	"N/F ERIC W. SCHULT 15817/314 #3 AZALEA DRIVE LOT 35"	<b>Lot 35</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Patrick J. Foy	1 Azalea Drive	Book 29763, Page 50	Easement in AZALEA DRIVE and "DRAINAGE EASEMENT"	"N/F PATRICK J. FOY 29763/50 #1 AZALEA DRIVE LOT 36"	<b>Lot 36</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
John P. Marcone	2 Azalea Drive	Book 11472, Page 64	Easements in AZALEA DRIVE and "SNOW STORAGE EASEMENT"	"N/F JOHN P. MARCONE 11472/646 #2 AZALEA DRIVE LOT 37"	<b>Lot 37</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373

David K. Walmsley and Jennifer A. Walmsley, tenants by the entirety	4 Azalea Drive	Book 26070, Page 437	Easement in AZALEA DRIVE	"N/F DAVID K. & JENNIFER A. WALMSLEY 26070/437 #4 AZALEA DRIVE LOT 38"	<b>Lot 38</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Karl A. Infanger and Julie A. Infanger, tenants by the entirety	24 Azalea Drive	Book 29609, Page 177	Easement in AZALEA DRIVE	"N/F KARL A. & JULIE A. INFANGER 29609/177 #24 AZALEA DRIVE LOT 44"	<b>Lot 44</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373
Timothy G. Pozsgai and Gladys L. Pozsgai, tenants by the entirety	26 Azalea Drive	Book 9088, Page 570	Easement in AZALEA DRIVE	"N/F TIMOTHY G. & GLADYS L. POZSGAI 9088/570 #26 AZALEA DRIVE Lot 45"	<b>Lot 45</b> on Plan No. 1082 of 1988 recorded with said Deeds at Plan Book 373

The takings do not include trees, buildings, and other structures standing upon or affixed thereto.

Excepting from the rights taken are all rights of way and easements for drainage, wires, pipes, conduits, poles and other appurtenances for conveyance of water, sewage, gas, oil, steam, electricity and telephone and telecommunication and other utilities now lawfully in or upon the properties. **No fee takings are made.**

The Board determines that no person has sustained damage by reason of this taking and makes no award therefore.

No betterments are to be assessed for the improvements for which this taking is made.

AND FURTHER ORDERED that a representative of the Town of Medway shall cause this Order of Taking to be recorded in the Norfolk County Registry of Deeds, in Dedham, Massachusetts and shall notify the Treasurer and Collector of Taxes in the Town of Medway of this taking in accordance with General Laws c.79, §7F.

IN WITNESS WHEREOF, we the Board of Selectmen of the Town of Medway have executed this Order of Taking this 20<sup>th</sup> day of January, 2015.

BOARD OF SELECTMEN OF THE TOWN OF MEDWAY

\_\_\_\_\_  
Dennis Crowley, Chairman

\_\_\_\_\_  
Maryjane White

\_\_\_\_\_  
Richard D’Innocenzo

\_\_\_\_\_  
John Foresto

\_\_\_\_\_  
Glenn Trindade

COMMONWEALTH OF MASSACHUSETTS

Norfolk, ss.

January 20, 2015

On this 20<sup>th</sup> day of January, 2015, before me, the undersigned notary public, personally appeared,

\_\_\_\_\_  
members of the Board of Selectmen for the Town of Medway, and who proved to me through satisfactory evidence of identification, which was personal knowledge, to be the persons whose names are signed on the preceding document, and acknowledged to me that it was signed voluntarily as members of the Town of Medway Board of Selectmen for its stated purpose.

\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_

*2015. 1.20 Order of Taking for Azalea Drive (1301-67)*



ACCEPTANCE OF DEED

Acceptance of the foregoing deed by the Town of Medway Board of Selectmen is acknowledged as of this 20<sup>th</sup> day of January, 2014, pursuant to authority granted by vote under Article 14 of the November 10, 2014 Special Town Meeting.

IN WITNESS WHEREOF, we the Board of Selectmen of the Town of Medway have executed this Acceptance of Deed this 20<sup>th</sup> day of January, 2015.

BOARD OF SELECTMEN OF THE TOWN OF MEDWAY

\_\_\_\_\_  
Dennis Crowley, Chairman

\_\_\_\_\_  
Maryjane White

\_\_\_\_\_  
Richard D'Innocenzo

\_\_\_\_\_  
John Foresto

\_\_\_\_\_  
Glenn Trindade

COMMONWEALTH OF MASSACHUSETTS

Norfolk, ss.

January 20, 2015

On this 20<sup>th</sup> day of January, 2015, before me, the undersigned notary public, personally appeared

\_\_\_\_\_  
\_\_\_\_\_, members of the Board of Selectmen for the Town of Medway, and who proved to me through satisfactory evidence of identification, which was personal knowledge, to be the persons whose names are signed on the preceding document, and acknowledged to me that it was signed voluntarily as members of the Town of Medway Board of Selectmen for its stated purpose.

\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_

# AGENDA ITEM #7

## Vote – Local Meals Tax

*Associated back up materials attached.*

- Info provided by the Finance Director

**Proposed motion:** I move that the Board adopt the local meals tax and to place an article on the 2015 Annual Town Meeting warrant for consideration of its adoption.

**LOCAL OPTION MEALS EXCISE**  
**Chapter 27, §§ 60 and 156 of the Acts of 2009**  
**Adding General Laws Chapter 64L**  
**Effective for sales of restaurant meals on or after October 1, 2009**

A city or town may now impose an excise of .75% on the sales of restaurant meals originating within the municipality by accepting G.L. c. 64L, § 2(a). As with the existing local option room occupancy excise, the DOR will collect the local meals excise at the time it collects the state tax on the sale. Therefore, the local excise applies to all meals subject to the state sales tax. A community may not vary the rate or the meals subject to the excise.

The DOR will distribute the collections to the city or town on the same quarterly schedule that applies to the local room occupancy excise. G.L. c. 64L, § 2(b). The distribution schedule is found in Attachment A. A community may dispute its distribution by notifying the DOR, in writing, within one year of the distribution. G.L. 64L, § 2(b).

To assist in the administration of the excise, the DOR may provide cities and towns with certain information, including the total collections in the prior year and the identity of vendors collecting the tax locally. G.L. c. 64L, § 2(d).

**Acceptance Procedure**

Acceptance of the local option meals excise is by majority vote of the municipal legislative body, subject to local charter. To accept G.L. c. 64L, § 2(a), the following or similar language may be used:

VOTED: That the city/town of \_\_\_\_\_ accept G.L. c. 64L, § 2(a) to impose a local meals excise.

**Acceptance Effective Date**

A community's acceptance of the local meals excise becomes operative on the first day of the next calendar quarter after the vote, provided that date is at least 30 days after the vote to accept. If not, the acceptance becomes operative on the first day of the second quarter after the vote. **As a result, October 1, 2009 is the earliest an acceptance can become operative for FY10. A community must accept on or before August 31, 2009 in order for the DOR to begin collecting the excise on that date.**

For the start dates of each quarter and last date an acceptance vote will take effect for that quarter, please see the schedule in Attachment A.

A city or town may make the acceptance operative at the start of a later quarter by including the later start date in the vote ("to take effect on January/April/July/October 1, 2\_\_.")

## Notification Requirements

### **(1) Notice of Acceptance**

The city or town clerk must notify the Municipal Data Management/Technical Assistance Bureau within the DLS whenever the statute is accepted or rescinded. (“Notification of Acceptance/Rescission–Meals Excise”). The notice is to be submitted **within 48 hours** of the vote. **Without timely notice, the DOR cannot begin collecting the excise for the city or town.**

### **(2) List of Restaurants**

After the clerk notifies the DLS of the community’s acceptance, the local licensing board or official will be asked to verify the restaurants or other establishments that serve meals in the community. The verified information will be used by the DOR to notify vendors of their obligations to collect and pay over the local excise and to ensure that sales are properly sourced to the community. More detailed instructions will be provided, but local officials should be prepared to review and verify this information on an expedited basis.

## Revenue Estimates

Within the next few weeks, the DOR expects to **release estimates** of the amounts each city or town could collect from imposing the local meals excise. At that time, we will provide further information about the use of meals excise revenue as an estimated receipt in the FY10 tax rate. **No community will be allowed to use new local meals excise revenues in the FY10 tax rate, however, unless it has accepted the statute before the rate is set.**

## LOCAL OPTION EXCISE TIMETABLE

FY QUARTER	QUARTER START DATE	ACTION DEADLINE	DISTRIBUTION DATE	REVENUE COLLECTED DURING
Q1	July 1	May 31 <sup>1</sup>	September 30	June, July, August
Q2 <sup>2</sup>	October 1	August 31	December 31	September, October, November
Q3	January 1	December 1	March 31	December, January, February
Q4	April 1	March 1	June 30	March, April, May

---

<sup>1</sup> Latest date to accept or amend in order to implement for full fiscal year. In first year, community will receive collections from July – May (11 months). Community will receive full year collections thereafter.

<sup>2</sup> Earliest Quarter acceptances or amendments can become operative for FY10. If community implements in this quarter, it will receive collections from October – May (8 months) during FY10.

Medway Projected:			
	DOR CURRENT REVENUE ESTIMATE FOR YR		
Medway	147,966.76		

TOWN	ADOPTED MEALS TAX?
FRANKLIN	YES
MEDFIELD	YES
MILLIS	YES
NORFOLK	YES
WRENTHAM	YES
BELLINGHAM	YES
ASHLAND	YES
HOLLISTON	NO
SHERBORN	YES
FOXBORO	YES
MILFORD	NO
MEDWAY	NO

MEALS TAX REVENUES-ACTUALS			
	Effective Date	Fiscal Year	TOTAL REVENUES RECEIVED
FRANKLIN	10/1/2009	2010	239,644.92
		2011	347,217.25
		2012	419,219.00
		2013	461,823.00
		2014	468,515.00
		2015 YTD	122,205.00
MEDFIELD	9/1/2014	2015 YTD	7,916.00
MILLIS	1/1/2010	2010	28,046.12
		2011	62,858.05
		2012	84,441.00
		2013	92,383.00
		2014	91,759.00
		2015 YTD	24,610.00
NORFOLK	7/1/2010	2010	0.00
		2011	41,716.65
		2012	51,926.00
		2013	53,552.00
		2014	54,156.00
		2015 YTD	13,814.00
WRENTHAM	1/1/2010	2010	76,404.17
		2011	217,770.67
		2012	242,725.00
		2013	239,580.00
		2014	244,242.00
		2015 YTD	69,483.00
BELLINGHAM	12/1/2012	2013	129,418.00
		2014	280,628.00
		2015 YTD	78,693.00

# AGENDA

## ITEM #8

**Vote to Re-open March 9, 2015 Special  
Town Meeting Warrant; Add Articles:  
Home Rule Petition for Redevelopment Authority Eminent  
Domain Acquisitions; Transfer to FY15 Veterans' Services  
Budget; Free Cash Appropriation for Health Care  
Reimbursement Account**

*Associated back up materials attached.*

- Draft warrant

**Proposed motions:**

1. I move that the Board re-open the March 9 Special Town Meeting warrant.
2. I move that the Board place the following articles on the warrant:
  - a. A home rule petition relative to Redevelopment Authority eminent domain acquisitions
  - b. The transfer of \$30,000 to FY15 Veterans' Services budget
  - c. A \$25,000 free cash appropriation for the Health Care Reimbursement Account
3. I move that the Board close the March 9 Special Town Meeting warrant.



**TOWN OF MEDWAY  
WARRANT FOR MARCH 9, 2015  
SPECIAL TOWN MEETING**

**NORFOLK ss:**

To either of the Constables of the Town of Medway

**GREETINGS:**

In the name of the Commonwealth of Massachusetts, you are hereby required to notify and warn the inhabitants of said Town who are qualified to vote in Town affairs to meet at the **Medway Middle School Auditorium, 45 Holliston Street, on Monday, March 9, 2015 at 7:00 PM**, then and there to act on the following articles:

**ARTICLE 1:** (McGovern School Window Replacement)

To see if the Town will vote to appropriate, borrow or transfer from available funds, an amount of money to be expended under the direction of the Medway Public Schools for the purpose of replacing obsolete windows at the McGovern School at 9 Lovering Street, which proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program and for which the Town has applied for a school construction grant from the Massachusetts School Building Authority ("MSBA"). The Town acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and if the MSBA's Board of Directors votes to invite the Town to collaborate with the MSBA on this proposed repair project, any project costs the Town incurs in excess of any grant that may be approved by and received from the MSBA shall be the sole responsibility of the Town.

**BOARD OF SELECTMEN**

**BOARD OF SELECTMEN RECOMMENDATION:**

**FINANCE COMMITTEE RECOMMENDATION:**

**ARTICLE 2:** (Home Rule Petition – Redevelopment Authority)

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court for a special act providing that legislation be adopted in the form set forth below; provided, however, that the General Court may make clerical or editorial changes of form only to the bill, unless the Board of Selectmen approve amendments to the bill before enactment by the General Court; and provided further that the Board of Selectmen be authorized to approve amendments which shall be within the scope of the general public objectives of the petition:

SECTION 1. Notwithstanding the provisions of General Laws chapters 121B and 79 or any other general or special law to the contrary, the Town of Medway Redevelopment Authority, when acquiring land or any interest therein by eminent domain in accordance with said General Laws chapters 121B and 79, shall be subject to the provisions of this Act.

SECTION 2. If the Town of Medway Redevelopment Authority is unable, upon reasonable investigation, to determine the name of any person entitled to damages awarded on account of the acquisition of land or any interest therein which it acquires by eminent domain under General Laws chapter 79, section six, the Town of Medway Redevelopment Authority, notwithstanding the provisions of General Laws chapter 79, section 7D, shall not be required to set aside any funds on account of any damages awarded to such person; provided that, when the person entitled to such amount or any portion thereof satisfies the Redevelopment Authority of his right to receive it, the Redevelopment Authority shall, after such notice as it may order, order such amount or portion thereof to be paid to him forthwith.

SECTION 3. Notwithstanding the provisions of General Laws chapter 79, section 7E, if any check issued in accordance with General Laws chapter 79, section 7B remains unclaimed by any person entitled thereto for a period of sixty days after notice in accordance with General Laws chapter 79, section 7C, such check shall be withdrawn and the funds retained by the Redevelopment Authority; provided that, when the person entitled to such amount or any portion thereof satisfies the Redevelopment Authority of his right to receive it, the Redevelopment Authority shall, after such notice as it may order, order such amount or portion thereof to be paid to him forthwith.

SECTION 4: The Town of Medway Redevelopment Authority shall not be required to comply with the provisions of General Laws chapter 79, section 40 when acquiring land or any interest therein by eminent domain.

SECTION 5: The provisions of this act shall apply to all eminent domain takings made by the Medway Redevelopment Authority, if any, prior to the effective date of this act.

SECTION 6. This act shall take effect upon its passage.

or act in any manner relating thereto.

**BOARD OF SELECTMEN**

**BOARD OF SELECTMEN RECOMMENDATION:**

**FINANCE COMMITTEE RECOMMENDATION:**

**ARTICLE 3:** (Transfer: Veterans' Benefits)

To see if the Town will vote to transfer the sum of \$30,000 from Unemployment Compensation to the Veterans Benefit Account, or act in any manner relating thereto.

**BOARD OF SELECTMEN**

**BOARD OF SELECTMEN RECOMMENDATION:**

**FINANCE COMMITTEE RECOMMENDATION:**

**ARTICLE 4:** (Free Cash Appropriation: Health Care Reimbursement Account)

To see if the Town will vote to transfer the sum of \$25,000 from Free Cash to the Health Care Reimbursement Account authorized by Town Meeting as Article 17 of the June 13, 2011 Annual Town Meeting, or act in any manner relating thereto.

**BOARD OF SELECTMEN**

**BOARD OF SELECTMEN RECOMMENDATION:**

**FINANCE COMMITTEE RECOMMENDATION:**

And you are hereby directed to serve this warrant by posting printed attested copies thereof at two (2) locations in each precinct at least FOURTEEN (14) days before the day of said meeting. Hereof fail not and make due return of this warrant with your doings thereon to the Clerk of said Town at or before the time of said meeting.

Given under our hands in Medway, this 20<sup>th</sup> day of January, 2015.

**A TRUE COPY:**

**SELECTMEN OF THE TOWN OF MEDWAY**

\_\_\_\_\_  
Dennis Crowley, Chairman

\_\_\_\_\_  
John Foresto, Vice Chairman

\_\_\_\_\_  
Richard D’Innocenzo, Clerk

\_\_\_\_\_  
Glenn Trindade, Member

\_\_\_\_\_  
Maryjane White, Member

**ATTEST:** \_\_\_\_\_  
Paul Trufant, Constable

# **AGENDA ITEM #9**

**Vote to Open the May 11, 2015 Annual  
Town Meeting Warrant**

*No associated back up materials.*

**Proposed motion:** I move that the Board open the 2015 Annual Town Meeting warrant.

# AGENDA

## ITEM #10

**Approval – One-Day Alcohol License Requests – a. Donald Ralph – Jan. 28 Event at Thayer Homestead b. Kate Davis – Feb. 22 Event at Thayer Homestead**

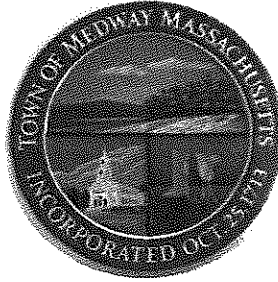
*Associated back up materials attached.*

- Application from Donald Ralph and Police Chief's recommendation
- Application from Kate Davis and Police Chief's recommendation

**Proposed motion:** I move that the Board approve one-day wine and malt licenses for Donald Ralph and Kate Davis for events at the Thayer Homestead on January 28 and February 22 respectively, conditioned upon fulfillment of the Police Chief's recommendations.

**Board of Selectmen**

*Dennis P. Crowley, Chair*  
*John A. Foresto, Vice-Chair*  
*Richard A. D'Innocenzo, Clerk*  
*Glenn D. Trindade*  
*Maryjane White*



Medway Town Hall  
155 Village Street  
Medway, MA 02053  
Phone (508) 533-3264  
Fax (508) 321-4988

**TOWN OF MEDWAY**  
**COMMONWEALTH OF MASSACHUSETTS**

**APPLICATION FOR SPECIAL ONE-DAY LIQUOR LICENSE**

MGL c.138, §14

Application for the purpose of selling or dispensing the following beverages permitted by law. A Section 12 license holder may not also be granted a Section 14 (one-day) license unless event is held at a separate location. A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. Purchase must be made from a licensed wholesaler/importer, manufacturer, farmer-winery/brewery, or special permit holder.

For Profit Businesses are eligible for wine and malt license only.

Application must be submitted at least two weeks prior to event.

There is no fee for this license.

All Alcohol \_\_\_\_\_ Wine and Malt

Event Company dinner party

Name of Organization/Applicant Staples Inc / Donald Ralph

Address 500 Staples Drive, Framingham, MA 01702

SS# or FID#

Phone ( ) \_\_\_\_\_ Fax ( ) \_\_\_\_\_ Email \_\_\_\_\_

Non-Profit Organization Y \_\_\_\_\_ N   
Attach non-profit certificate of exemption

Event Location Thayer Homestead

Event Date 1/28/15

Event Hours (No later than 1:00 AM; Last call 12:30 AM)

Is event open to the general public? Y \_\_\_\_\_ N

Estimated attendance 60 people

Will there be an age restriction? Y \_\_\_\_\_ N    
 Minimum age allowed: \_\_\_\_\_

How, where and by whom will ID's be checked? Bartender

Is there a charge for the beverages? Y \_\_\_\_\_ N    
 Price structure: \_\_\_\_\_

Alcohol server(s)   
 Attach Proof of Alcohol Server Training

Special Occasion Servers, Inc

Provisions for Security, Detail Officer N/A

Does the applicant have knowledge of State liquor laws? Y \_\_\_\_\_ N \_\_\_\_\_

Experience \_\_\_\_\_

The following may be required:   
 Police Dept. – Detail; Fire Dept. – Detail; Board of Health – Food Permit; Building Dept. – Tent Permit

Date of Application 1/14/15

Applicant's Signature Donald F. Ralph

Applicant's Name Donald F Ralph % Staples

Address 500 Staples Drive, Framingham, MA 01702

Phone \_\_\_\_\_ Fax ( ) \_\_\_\_\_ Email \_\_\_\_\_

The Board of Selectmen's Office will forward this application to the Police, Fire, and Building Departments and the Board of Health for approval and recommendations.

Police Department \_\_\_\_\_ Date \_\_\_\_\_   
 315 Village St

Fire Department \_\_\_\_\_ Date \_\_\_\_\_   
 44 Milford St

Board of Health \_\_\_\_\_ Date \_\_\_\_\_   
 Town Hall, 2<sup>nd</sup> Fl

Building Department \_\_\_\_\_ Date \_\_\_\_\_   
 Town Hall, 1<sup>st</sup> Fl





# Medway Police Department

315 Millage Street  
Medway, MA 02053

Phone: 508-533-3212  
FAX: 508-533-3216  
Emergency: 911

Allen M. Tingley  
Chief of Police

January 15, 2015

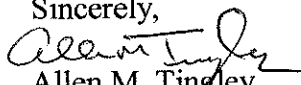
To: Michael Boynton  
Town Administrator

From: Allen M. Tingley  
Chief of Police

Re: One day liquor license- Thayer Property- Staples Dinner Party

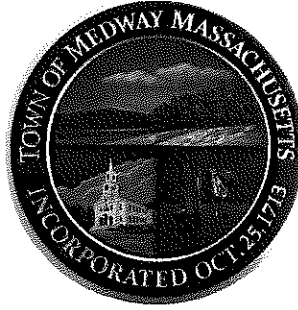
I have reviewed the request from Donald Ralph/ Staples Inc. for a one day liquor license for a company dinner party, to be held at the Thayer House, 2B Oak Street, on January 28, 2015. I approve of the issuance of this license with the stipulation there will be no on-street parking on Mechanic Street and Oak Street.

Sincerely,

  
Allen M. Tingley  
Chief of Police

**Board of Selectmen**

Dennis P. Crowley, Chair  
John A. Foresto, Vice-Chair  
Richard A. D'Innocenzo, Clerk  
Glenn D. Trindade  
Maryjane White



Medway Town Hall  
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**TOWN OF MEDWAY  
COMMONWEALTH OF MASSACHUSETTS**

**APPLICATION FOR SPECIAL ONE-DAY LIQUOR LICENSE**

MGL c.138, §14

Application for the purpose of selling or dispensing the following beverages permitted by law. A Section 12 license holder may not also be granted a Section 14 (one-day) license unless event is held at a separate location. A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. Purchase must be made from a licensed wholesaler/importer, manufacturer, farmer-winery/brewery, or special permit holder.

For Profit Businesses are eligible for wine and malt license only.

Application must be submitted at least two weeks prior to event.

Fee: \$50 (May be waived at Board of Selectmen's discretion)

All Alcohol \_\_\_\_\_ Wine and Malt \_\_\_\_\_ Champagne only -

Event Baby Shower

Name of Organization/Applicant Kate Davis

Address 4 Beatrice Lane

SS# or FID# \_\_\_\_\_

Phone \_\_\_\_\_ Fax ( ) \_\_\_\_\_ Email \_\_\_\_\_

Non-Profit Organization Y \_\_\_\_\_ N

Attach non-profit certificate of exemption

Event Location Thayer Homestead

Event Date February 22, 2015

Event Hours (No later than 1:00 AM; Last call 12:30 AM) - 11-4

Is event open to the general public? Y \_\_\_\_\_ N

Estimated attendance 50

Will there be an age restriction? Y \_\_\_\_\_ N X

Minimum age allowed: 15

How, where and by whom will ID's be checked? by myself

Is there a charge for the beverages? Y \_\_\_\_\_ N X

Price structure: \_\_\_\_\_

Alcohol server(s)

Attach Proof of Alcohol Server Training

no

Provisions for Security, Detail Officer no

Does the applicant have knowledge of State liquor laws? Y X N \_\_\_\_\_

Experience serve safe certified

The following may be required:

Police Dept. – Detail; Fire Dept. – Detail; Board of Health – Food Permit; Building Dept. – Tent Permit

Date of Application January 12, 2015

Applicant's Signature Katherine Davis

Applicant's Name Katherine Davis

Address 4 Beatrice Lane Medway

Phone \_\_\_\_\_ Fax ( ) \_\_\_\_\_ Email \_\_\_\_\_

The Board of Selectmen's Office will forward this application to the Police, Fire, and Building Departments and the Board of Health for approval and recommendations.

Police Department \_\_\_\_\_  
315 Village St \_\_\_\_\_ Date \_\_\_\_\_

Fire Department \_\_\_\_\_  
44 Milford St \_\_\_\_\_ Date \_\_\_\_\_

Board of Health \_\_\_\_\_  
Town Hall, 2<sup>nd</sup> Fl \_\_\_\_\_ Date \_\_\_\_\_

Building Department \_\_\_\_\_  
Town Hall, 1<sup>st</sup> Fl \_\_\_\_\_ Date \_\_\_\_\_



# Medway Police Department

315 Village Street  
Medway, MA 02053

Phone: 508-533-3212  
FAX: 508-533-3216  
Emergency: 911

Allen M. Tingley  
Chief of Police

January 13, 2015

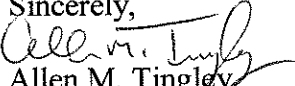
To: Michael Boynton  
Town Administrator

From: Allen M. Tingley  
Chief of Police

Re: One day liquor license- Thayer Property- Davis baby shower

I have reviewed the request from Kate Dais for a one day liquor license for a baby shower, to be held at the Thayer House, 2B Oak Street, on February 22, 2015. I approve of the issuance of this one day liquor license with the stipulation that the champagne, wine and beer be purchased from a licensed alcohol wholesale distributor, as indicated on the license application and the Town of Medway's Alcohol Policy, there will be no on-street parking on Mechanic Street and Oak Street.

Sincerely,

  
Allen M. Tingley  
Chief of Police

# AGENDA

# ITEM #11

## Approval – Banner Policy

*Associated back up materials attached.*

- Draft banner policy

**Proposed motion:** I move that the Board approve the banner policy as amended.

**TOWN OF MEDWAY  
Banner Display Policy**

**Policy**

This policy governs the placement and display of banners over Main Street (Route 109 at Medway Plaza) in the Town of Medway (hereinafter “the Town”).

1. Banners to be displayed or placed over Main Street, proposed by any individual, group or entity, are subject to the requirements of this policy, as well as the conditions set forth in “Mandatory Conditions for Banner Display”, which follows.
2. Banners are approved by the Board of Selectmen or, if so designated by the Board of Selectmen, the Town Administrator.
3. Applications for banner display may be referred by the Board of Selectmen or the Town Administrator to the Design Review Committee for a recommendation prior to approval.
4. If there is a conflict involving the time of placement of two or more banners, then the banners promoting or advertising any activity, event or group within the town shall be given preference to any such activity, event or group outside the town. The Town specifically reserves the right to have any banners which promote activities, events or groups outside the town removed in favor of any such activities, events or groups within the town. The Town further reserves the right to display banners announcing Town events to the exclusion of all others. Banners announcing Town events shall take precedence over any approved request.
5. Banners displayed shall have no commercial content, except in reference to sponsorship information. Banners with commercial content, including but not limited to any form of commercial advertising or commercial logos, are otherwise prohibited. Banners shall have no partisan political content. The Town reserves the right to remove any banner that is not in compliance with this section without notice to the requester.
6. Any banner approved by the Board of Selectmen or Town Administrator may contain orders, terms or conditions which the requester of the banner must comply with in order to display the banner.
7. The banner must comply with all federal, state and local laws and regulations including, but not limited to, safety and fire laws, Town bylaws and regulations, and building codes. Should the banner not comply with any of the above referenced laws and regulations, it may be removed immediately by the Town at the expense, if any, to the responsible individual or group.

BOS Approval: \_\_\_\_\_

8. The requester shall be liable to the Town for any and all expenses associated with property damage or cleanup costs should the Town incur the same. The requester shall indemnify and hold the Town harmless for any and all property damage, bodily injury or damages of any kind caused by the banner display, as well as any and all attorney fees and costs incurred by the Town in defense of any legal action against the Town resulting from damage caused by the banner display.

**Mandatory Conditions for Banner Display**

1. A written application (Exhibit A – Banner Display Request) is required and must be submitted to the Board of Selectmen’s office, 155 Village Street, Medway at least ten (10) days prior to the requested display date.
2. There is a minimum fee of \$60, which is intended to recover the labor and materials costs associated with hanging and removing the banner.
3. Alternatively, with the approval of the Town Administrator, the applicant may make arrangements to have a professional company hang and remove the banner. The cost of this service will be borne by the applicant. No fee is due in this case.
4. The \$60 fee is due within seven days of booking and prior to banner display. If the Town’s cost to hang the banner exceeds \$60, an invoice for the balance will be issued to the applicant. Any balance must be paid within thirty days of the invoice date.
5. Banner will be displayed for no more than fourteen (14) days, with display beginning on a Monday. The first day of display will depend upon weather conditions.
6. Banner must be delivered to Town Hall between seven (7) and two (2) days prior to the display date. Banner will not be accepted outside of this time range.
7. Banner must be picked up at Town Hall no later than seven (7) days following its removal from display.
8. Banner must be in good condition and meet minimum specifications: 19 oz., webbed, hemmed, grommets, “D” rings, reinforced corners, and wind holes.
9. Any banners deemed unfit due to traffic or pedestrian safety concerns will not be displayed.
10. Display dates may be booked up to one year in advance of the intended display date.
11. If a Town Meeting or Town Election is called, the Town’s banner announcing the event will take precedence over an approved request. Refunds will be provided in these instances.
12. Banners will be displayed only at the approved location on Main Street.

BOS Approval: \_\_\_\_\_

# **AGENDA ITEM #12**

## **Action Items from Previous Meetings**

*Associated back up materials attached.*

- Action Item List



	DATE	ACTION ITEMS BOS	WHO	COMPLETED
1	7/6/2010	Street acceptance progress	S. Affleck-Childs	Ongoing
2	9/20/2010	Route 109 Project	T. Holder/M. Boynton	Ongoing
3	2/4/2013	Brentwood Project	DPS	Ongoing
4	2/3/2014	Cable license renewal process (commences 36 mos. ahead of license exp.); Mtg of Cable Advisory Com	BOS	Verizon to initiate in early 2015; Com to meet in fall 2014
5	2/24/2014	Report on unaccounted for water	T. Holder	Monitoring
6	7/22/2014	Net-metering Agreement	J. Foresto/S. Mercande	Ongoing
7	7/28/2014	Policy - Responsibility for implementation School construction projects	BOS	October
8	7/28/2014	Zoning Bylaw recodification	SAC/Judi Barrett	2015 Town Meeting
9	7/28/2014	DPS Facility Study	G. Trindade	Ongoing
10	8/11/2014	McGovern School windows project (final design)	School Dept.	3/9/15 Special Town Meeting
11	8/11/2014	Banner Display Policy	TA's Office	January 2015
12	8/11/2014	Consideration of Local Meals Tax	BOS	Annual Town Meeting

# **AGENDA**

## **ITEM #13**

### **Approval of Warrants**

*Warrants to be provided at meeting.*

# **AGENDA ITEM #14**

## **Approval of Minutes**

*Associated back up materials attached.*

- Minutes from Board of Selectmen's Meeting 9/22/14

1 **Board of Selectmen's Meeting**  
2 **September 22, 2014 – 6:45 PM**  
3 **Sanford Hall, Town Hall**  
4 **155 Village Street**  
5  
6

7 **Present: Dennis Crowley, Chair; John Foresto, Vice Chair; Richard D'Innocenzo, Clerk (6:53); Glenn**  
8 **Trindade (6:47), Maryjane White.**  
9

10 Staff Present: Michael Boynton, Town Administrator; Tom Holder, Director, Department of Public  
11 Services; Susy Affleck-Childs, Planning and Economic Development Coordinator; Carol Pratt, Town  
12 Accountant; Police Chief Allen Tingley; Fire Chief Jeff Lynch; Melanie Phillips, Finance Director; Robert  
13 Weiss, Energy Manager.  
14

15 \*\*\*\*\*

16  
17 At 6:45 PM Chairman Crowley called the meeting to order and led the Pledge of Allegiance.  
18

19 **At 6:46 PM Chairman Crowley declared that a public discussion of the Mayer property may have a**  
20 **detrimental effect on the negotiating position of the Town and therefore requested a motion to go**  
21 **into executive session under Exemption 6 and to return to public session after executive session is**  
22 **concluded. The motion was made by Selectman Foresto and seconded by Selectman White. The**  
23 **Board voted by roll call -- 3-0-0: Crowley, aye; Foresto, aye; White, aye.**  
24

25 \*\*\*\*\*

26  
27 At 7:00 PM Chairman Crowley reconvened public session.  
28

29 **Public Comments:** At this time, Selectman Foresto reported that former Selectman Joe Hoban had  
30 passed away and expressed condolences to the family.  
31

32 **Public Hearing – Laying out Azalea Drive as a Public Way:**

33 *The Board reviewed the following information: (1) Public Hearing Notice, dated August 25, 2014; (2)*  
34 *Memorandum, dated September 17, 2014, from Susy Affleck-Childs, Planning Coordinator; and (3)*  
35 *Associated maps, dated 5/13/14, prepared by Precision Land Surveying, Inc.*  
36

37 **At 7:02 PM Selectman Trindade moved that the Board open a public hearing on the matter of Laying**  
38 **out Azalea Drive as a Public Way; Selectman D'Innocenzo seconded. No discussion. VOTE: 5-0-0.**  
39

40 Present: Susy Affleck-Childs, Planning Coordinator; Tom Holder, DPS Director.  
41

42 Ms. Affleck-Childs stated the purpose of this hearing was so that the Board could formally lay out Azalea  
43 Drive as a public way. She briefly reviewed the documents in the meeting packet, her memo, the  
44 roadway layout, and the notice to abutters, adding that bond funds are available having been released  
45 by TD Bank North. She noted that this is a required step in the street acceptance process. An article has  
46 been submitted for Fall Town Meeting to accept the street.  
47

48 Chairman Crowley asked for public input or questions from those assembled. There were none.

1  
2 Responding to a question from Selectman White, Ms. Affleck-Childs stated the Town will have to  
3 complete the remaining work which was developed by Tetra Tech and DPW engineers. The work will  
4 pretty much be covered by the available funds.

5  
6 For the benefit of viewers, Selectman Trindade stated this development was completed in the 1980s  
7 except for the acceptance of the road, as the developer went bankrupt. Property owners have been  
8 paying real estate taxes. The road will need some repairs, and now the repairs can be made once the  
9 street is accepted. Over the years, the Town has been plowing the road even though it has no  
10 responsibility to do so. Brief discussion followed on the potential for costs exceeding funds.

11  
12 **At 7:06 PM Selectman Trindade moved that the Board close the public hearing; Selectman**  
13 **D’Innocenzo seconded. No discussion. VOTE: 5-0-0.**

14  
15 Chairman Crowley asked what the Board is committing itself to if it votes to lay out the street. Ms.  
16 Affleck-Childs responded that the matter then goes to Fall Town Meeting as a Warrant Article.  
17 Discussion followed. He expressed concern for having sufficient funds for the work and suggested  
18 conditioning the vote on the dollar amount. The estimated cost to complete is \$66,062. The bond  
19 seizure is about \$10K less. Ms. Affleck-Childs noted that a 25% contingency factor is built into the  
20 estimate.

21  
22 **Chairman Crowley moved that the Board formally lay out Azalea Drive as a Public Way with a cost to**  
23 **complete not to exceed \$56,000; Selectman Trindade seconded. Mr. Holder stated the punch list is**  
24 **laid out and agreed that a cap on the funds was a good idea. Some of the proposed work is already**  
25 **included in work that is under contract with other projects. Selectman Foresto requested a complete**  
26 **cost break down from DPS on work completed under general contract. Ms. Affleck-Childs added that**  
27 **the plan preparation cost is about \$10,000, leaving approximately \$45,000 left for the actual work.**  
28 **No further discussion. VOTE: 5-0-0.**

29  
30 **Vote – Intent to Lay Out Morningside Drive as a Public Way:**

31 *The Board reviewed the following information: (1) Memorandum, dated September 17, 2014, from Susy*  
32 *Affleck-Childs, Planning Coordinator; and (2) Road Acceptance Plan, dated September 2, 2014, prepared*  
33 *by Outback Engineering, Inc.*

34  
35 Present: Susy Affleck-Childs, Planning Coordinator; Tom Holder, DPS Director.

36  
37 Ms. Affleck-Childs stated that this is the first step in the street acceptance process, a statement of intent  
38 to initiate the roadway process. If it moves forward, the public hearing could be held mid-October.  
39 There is \$43K bond money available. She briefly described working with the developer. Brief discussion  
40 followed. Chairman Crowley asked for an update on the number of roadways remaining on the list for  
41 street acceptance; Ms. Affleck-Childs responded that there were 10-12. Town Administrator Boynton  
42 suggested consideration might be given to alter the Town’s process to ensure, going forward, that street  
43 acceptances are held until the roadway under consideration goes through one full winter cycle.

44  
45 **Selectman Trindade moved that the Board of Selectmen express its intent to lay out as a public way**  
46 **Morningside Drive in its entirety from Station 0+00 beginning at its intersection with Holliston Street**  
47 **to its end at Station 5+27.55, as shown on the Roadway Acceptance Plan for Morningside Drive in**  
48 **Medway, MA dated 9/2/14, prepared by Outback Engineering of Middleborough, MA and to refer this**

1 **matter to the Planning and Economic Development Board for a report and recommendation;**  
2 **Selectman Foresto seconded. No discussion. VOTE: 5-0-0.**

3  
4 **Update – Governor’s Appointment to Redevelopment Authority:**

5 *The Board reviewed a letter to Governor Deval Patrick from the Medway Board of Selectmen, dated*  
6 *September 15, 2014.*

7  
8 Chairman Crowley asked the Town Administrator if there had been any feedback to the Board’s letter.  
9 Mr. Boynton responded there had not, and there had not been an acknowledgement of the letter being  
10 received. Chairman Crowley suggested the Board file a Freedom of Information Act records request, if  
11 the Town does not hear anything soon. Discussion followed. It was suggested that, if the Board hears  
12 nothing by September 30, the Board direct the Town Administrator to compose a letter requesting  
13 documentation, and the Board will sign off on it.

14  
15 **Introduction – Shared Energy Manager – Robert Weiss:**

16 *There was no background material.*

17  
18 At this time, Mr. Boynton introduced Mr. Robert Weiss, the Town’s new Energy Manager, who will be  
19 shared with the Town of Millis. It was noted that 50% of the salary is paid by the Commonwealth of  
20 Massachusetts. Selectman Trindade pointed out that the hiring of Mr. Weiss was another step in the  
21 Town’s Green Communities efforts to save energy.

22  
23 Mr. Weiss thanked the Board for the opportunity. He stated he already has a couple of grant  
24 opportunities in process and briefly described them. Brief discussion followed. Mr. Weiss explained  
25 that he started his career as a city planner in Newton, built community organizations around  
26 sustainability and environmental issues, directed solar retrofit projects, and also managed real estate  
27 projects for Energy Star homes and office space. Brief discussion followed on tracking projects, both  
28 those that are completed and those that are anticipated. Chairman Crowley, although acknowledging  
29 some benefits would not be measured in dollars, requested a “measurable” report to justify paying for  
30 this position at the conclusion of the two-year grant cycle. Selectman Foresto noted that Dave D’Amico  
31 had completed a substantial amount of work in setting up the energy baseline information.

32  
33 **Discussion – Other Post-Employment Benefits – The USI Consulting Group:**

34  
35 *The Board reviewed the following information: (1) Correspondence to Town Accountant Carol Pratt from*  
36 *USI Vice President and Actuary Robert Webb dated July 31, 2014; and (2) Document entitled “Other*  
37 *Postemployment Benefits GASB 45 Actuarial Valuation as of July 1, 2014 for: Town of Medway”*  
38 *prepared by The USI Consulting Group.*

39  
40 Present: Carol Pratt, Town Accountant; Robert Webb, USI Consulting Group.

41  
42 Ms. Pratt stated USI won the competitive bid to do the OPEB analysis. It is a requirement to do a survey  
43 every other year.

44  
45 Mr. Webb briefly highlighted some components of the report, which projects payouts for all those  
46 employed by the Town as of 7/31/13. Basically, the expected cash flow is determined, followed by a  
47 plan to generate funds to replace those funds in the account as the benefits are being paid out. He  
48 clarified that “pay as you go” is the Town paying benefits as they are due [currently \$1.8M needed for

1 annual payouts]. Ideally, every community should have an account on deposit earning interest so that it  
2 is continually growing while some funds are paid out annually. The Town is beginning to put funds into a  
3 trust to help build up an account from which to pull those benefit costs in the future. Current liability  
4 totals \$41,000,000. Selectman Foresto clarified for residents that OPEB covers “health” benefits in  
5 retirement; employees themselves pay into “pension” fund. Discussion followed.  
6

7 Mr. Boynton confirmed that the pension plans for new employees are part of the Norfolk Retirement  
8 System, and noted that 401K programs are not available for employees at this time nor are they  
9 available in proposed pension reform measures. He cautioned that the bond rating of a community  
10 could be adversely affected if it does not begin to address OPEB funding resulting in increased expense  
11 for borrowing and future liability growing exponentially. Chairman Crowley responded that this is more  
12 a matter of where the money will come from. Selectman Trindade pointed out that the Town is also  
13 dealing with the Department of Environmental Protection requiring certain actions at a cost of \$25  
14 million or more. Ms. Tina Wright reported that appropriate attention had not been given to this issue  
15 and now that inaction will come at a cost. Chairman Crowley theorized that the only way to fund this is  
16 to cut departmental and school budgets.  
17

18 Chairman Crowley asked Mr. Boynton to work with his management team to identify for the Board what  
19 they feel is a reasonable way to fund this.  
20

21 **Approval – Community Innovation Challenge Grant – Resource Guide on Septic System, Community**  
22 **Water Supply and private Well Development for Mixed-Income, Multi-Unit and Single-Family Home**  
23 **Development:**

24 *The Board reviewed the following information: (1) August 19, 2014 memo outlining proposed*  
25 *Community Innovation Challenge Grant application; and (2) FY15 Community Innovation Challenge*  
26 *Grant Application.*  
27

28 Present: Doug Havens.  
29

30 Mr. Havens reported that the Town will be co-authoring a grant with the Town of Carlisle. The funds will  
31 be used for three consulting sessions. The Town of Carlisle will actually be submitting the grant  
32 application; there is no need for Town funds.  
33

34 **Selectman Trindade moved that the Board approve the FY15 Community Innovation Challenge Grant,**  
35 **as presented, and, further, authorize the Town Manager to sign on behalf of the Board and Town;**  
36 **Selectman D’Innocenzo seconded. No discussion. VOTE: 5-0-0.**  
37

38 **Status Report – Zoning Bylaw Recodification:**

39 *There was no background material.*  
40

41 Present: Andy Rodenhiser, Chair, Planning and Economic Development Board.  
42

43 Mr. Rodenhiser reported the Planning Board has been working with Judi Barrett for recodification of the  
44 Zoning Bylaw, expressing concern that the timeframe in which to submit a Warrant Article to the  
45 Selectmen for the Fall Town Meeting may be very tight, given the rate of progress. Chairman Crowley  
46 asked if there were a section or two that could be pulled out to move forward to Fall Town Meeting.  
47 Mr. Rodenhiser responded that they need to have time to have Town Counsel weigh in before moving  
48 forward. Discussion followed. He noted that it is important to stay within the limitations of the scope of

1 work for which the expenditure was authorized, and the concern is to avoid making changes just to  
2 make the changes, but rather have a more thoughtful approach. The preference would be to put it all  
3 together and bring it forward at the 2015 Annual Town Meeting. Mr. Rodenhiser clarified that the work  
4 will be done well before the Annual Town Meeting.

5  
6 Chairman Crowley asked if developers interested in projects should wait. Mr. Rodenhiser responded  
7 they should move forward in order to get those projects up and running. It will bring revenue to the  
8 Town that would otherwise have to wait several months or a couple of years.

9  
10 For the benefit of viewers, Selectman Trindade explained that the update is quite complicated due to  
11 the number of definitions. There are currently sections that reference airports, for example. Much of  
12 the work involves reorganization of the categories and formatting.

13  
14 Chairman Crowley stated he would like someone from the Planning Board to come to the October 6  
15 Selectmen's meeting to speak to changes proposed in warrant articles.

16  
17 **Authorization of Chairman to Execute Third Amendment to Contract for Owner Project Manager**  
18 **Services – Architectural Consulting Group, \$687:**

19 *The Board reviewed a document entitled "Third Amendment between the Town of Medway and*  
20 *Architectural Consulting Group", dated June 20, 2014.*

21  
22 **Selectman Trindade moved that the Board authorize the Chair to execute the Third Amendment to**  
23 **the Contract with Architectural Consulting Group for owner project manager services for an amount**  
24 **of \$687; Selectman Foresto seconded. No discussion. VOTE: 4-1-0 – Crowley opposed. Chairman**  
25 **Crowley stated he opposed the motion because he has yet to see an update on how this project is**  
26 **progressing, and how previous change orders have added to the cost of the project. He noted that he**  
27 **will continue to vote against any change order that comes forward for any project that is not**  
28 **adequately documented.**

29  
30 **Approval – One-Day Liquor License – Taste of Medway, October 4, 2014:**

31 *The Board reviewed the following information: (1) Application for Special One-Day Liquor License –*  
32 *Medway 300 – Taste of Medway event; and (2) Memorandum, dated September 12, 2014, from Police*  
33 *Chief Tingley.*

34  
35 **Selectman Trindade moved that the Board approval a Special One-Day Liquor license for the Taste of**  
36 **Medway event scheduled for October 4, 2014 with the proviso that all conditions set forth in Chief**  
37 **Tingley's memorandum of September 12, 2014 are met; Selectman D'Innocenzo seconded. No**  
38 **discussion. VOTE: 5-0-0.**

39  
40 **Approval – One Day Liquor License – Lisa Hsieh/Mia's Militia, October 17, 2014:**

41 *The Board reviewed the following information: (1) Application for Special One-Day Liquor License – Lisa*  
42 *Hsieh – Mia's Militia Fundraiser, along with associated documentation; and (2) Memorandum, dated*  
43 *September 17, 2014, from Police Chief Tingley.*

44  
45 **Selectman Trindade moved that the Board approve a Special One-Day Liquor license for the Lisa**  
46 **Hsieh/Mia's Militia event scheduled for October 17, 2014 with the proviso that all conditions set forth**  
47 **in Chief Tingley's memorandum of September 17, 2014 are met; Selectman Foresto seconded. No**



1 **discussion. VOTE: 5-0-0. Selectman Foresto reported that this is a group raising funds for diabetes**  
2 **research and this is a major fundraising event.**

3  
4 Chief Tingley reported that the standard police detail is comprised of two officers. People typically  
5 come and go throughout the event, utilizing the parking lots and area back roads.

6  
7 **Approval – Public Event Application, Revelation Family Enrichment Center, October 25, 2014:**

8 *The Board reviewed the following information: (1) Public Event Application from R.I.S.E. Outlet;*  
9 *(2) Correspondence, dated September 12, 2014, from Tyechia James of Revelation Family Enrichment*  
10 *Center; (3) Landlord approval letter dated October 18, 2014 [sic]; and (4) Memorandum from Police Chief*  
11 *Tingley dated September 18, 2014.*

12  
13 **Selectman Trindade moved that the Board approve the Public Events Application for Revelation**  
14 **Family Enrichment Center’s proposed October Festival scheduled for October 25, 2014 with the**  
15 **proviso that any conditions which might be placed by Police Chief Tingley and/or Fire Chief Lynch be**  
16 **met; Selectman Foresto seconded. Ms. Kisty reported that the insurance certificate is still outstanding**  
17 **and she will withhold the approval document until their proof of liability insurance is received. No**  
18 **further discussion. VOTE: 5-0-0.**

19  
20 **Appointments – Medway Cable Advisory Committee – Richard Boucher, John Foresto, Robert O’Neill,**  
21 **Glenn Trindade and Shelley Wieler:**

22 *There were no background materials.*

23  
24 **Selectman Trindade moved that the Board appoint Richard Boucher, John Foresto, Robert O’Neill, Glenn**  
25 **Trindade and Shelley Wieler to the Medway Cable Advisory Committee for one-year terms to expire on**  
26 **June 30, 2015; Selectman Foresto seconded. Responding to a question from the Board on why the term**  
27 **was a single year, Ms. Kisty responded she merely followed the model set by previous appointments.**  
28 **Selectman Trindade amended his motion to reflect three-year terms to expire on June 30, 2017; the**  
29 **amended motion was seconded by Selectman Foresto. There was no further discussion. VOTE: 5-0-0.**

30  
31 **Discussion/Vote – Support for HB 1840 Seniors and Retired Volunteers Act of 2013:**

32 *The Board reviewed the following information: (1) Memorandum, dated August 28, 2014, from Dick*  
33 *Skinner, resident of Mendon, MA; (2) Copy of Correspondence from Mendon Board of Selectmen to*  
34 *Congressman James McGovern dated July 9, 2014; and (3) Copy of H.R. 1840: To amend the Internal*  
35 *Revenue Code of 1986 to exclude from income and employment taxes real property tax abatements for*  
36 *seniors and disabled individuals in exchange for services.*

37  
38 Mr. Boynton reported this was a request from a resident which can be handled as a recommendation to  
39 Congressman McGovern and later to Senator Kennedy. At this time, the people participating in Senior  
40 Work-off program have to pay income tax for the amount of their benefit. Currently, the state does not  
41 consider it as income but the federal government does. Brief discussion followed.

42  
43 **Selectman Trindade moved that the Board express support for HB 1840: Seniors and Retired**  
44 **Volunteers Act of 2013, as discussed; Selectman Foresto seconded. No discussion. VOTE: 5-0-0.**

45  
46 **Discussion/Closing of 2014 Fall Town Meeting Warrant:**

47 *The Board reviewed the following information: (1) 2014 Fall Town Meeting Calendar; and (2) Proposed*  
48 *2014 Fall Town Meeting Warrant (draft).*

1  
2 The Board was not prepared to review Warrant Articles tonight; Chairman Crowley suggested review be  
3 handled on October 6 or a special meeting for that purpose. After discussion, it was decided to tether  
4 the discussion to the strategic visioning meeting scheduled for Monday, September 29. This meeting  
5 will be held at 6:30 PM at the Thayer Homestead.

6  
7 At this time, Selectman Trindade left the meeting.

8  
9 **Action Items from Previous Meeting:**

10 *The Board reviewed the Action Items list.*

11  
12 Unaccounted for Water will be covered in the Town Administrator's report. It was announced that the  
13 DPS Facility Committee will be meeting on Thursday night.

14  
15 **Approval of Warrants:**

16 *The Board reviewed Warrant 15-13.*

17  
18 Selectman D'Innocenzo, Clerk, read aloud Warrant 15-13, dated 9/25/14, presented for approval:

19  
20 School Bills \$ 202,767.02  
21 Town Payroll \$ 291,029.59  
22 School Payroll \$ 791,864.06  
23 TOTAL \$1,285,660.67

24  
25 **Selectman Foresto moved that the Board approve the Warrant as read; Selectman White seconded.**  
26 **No discussion. VOTE: 5-0-0.**

27  
28 **Approval of Minutes:**

29 *The Board reviewed draft meeting minutes from April 7, 2014; June 2, 2014; and August 11, 2014.*

30  
31 **Selectman Foresto moved that the Board approve the public session minutes of April 7, 2014, as**  
32 **amended; Selectmen D'Innocenzo seconded. No further discussion. VOTE: 4-0-0.**

33  
34 **Selectman Foresto moved that the Board approve the public session minutes of June 2, 2014, as**  
35 **presented; Selectmen D'Innocenzo seconded. No discussion. VOTE: 4-0-0.**

36  
37 **Selectman Foresto moved that the Board approve the public session minutes of August 11, 2014, as**  
38 **amended; Selectman D'Innocenzo seconded. No further discussion. VOTE: 4-0-0.**

39  
40 **Town Administrator's Report:**

41 Mr. Boynton reported that leak detection continued evenings and overnight this week. He attended a  
42 meeting of the Water and Sewer Commissioners earlier tonight. Discussion followed.

43  
44 Regarding the position of Building Commissioner, a conditional offer has been extended, but he cannot  
45 reveal the individual's name. He thanked the search committee who provided him with two excellent  
46 candidates. He is awaiting results of both the background check and physical examination. If all goes  
47 well, Mr. Boynton anticipates an October 27 start date. John Emidy, retiring Building Commissioner, will  
48 stay on to overlap a short period of time with the new person.

1  
2 Mr. Boynton continued with brief reports on Community Development, staffing analyses by individual  
3 department heads, general observations and updates. He distributed a list of items that will be included  
4 in the upcoming strategic planning session.

5  
6 **Selectmen's Reports:**

7 Selectman White reported that costs for inspecting the handicap lift at the VFW have increased  
8 significantly. What used to be \$1,000 every four years has morphed into \$1,000 every year. The state is  
9 assessing the VFW a fine of \$5,000 for missing the deadline to have the inspection performed. She met  
10 with Representative Roy who will contact someone at the state to look into it.

11  
12 Chairman Crowley stated he has received a lot of nice comments about the new athletic fields. He also  
13 asked that the topic of signage at the schools be included for discussion at the Leadership Meeting.

14  
15 Selectmen Foresto had no formal report, but reminded residents that the Third Annual Town-Wide Yard  
16 Sale is the annual fundraising event for the annual Christmas parade.

17  
18 Referring to Tri-Valley Commons, it was announced that the Town would like to fund a traffic study, and  
19 the cost will be reimbursed by the developer. Brief discussion followed.

20  
21  
22  
23 **At 9:03 PM Selectmen Foresto moved to adjourn; Selectman D'Innocenzo seconded. No discussion.**  
24 **VOTE: 4-0-0.**

25  
26  
27 Respectfully submitted,  
28 Jeanette Galliardt  
29 Night Board Secretary

# **AGENDA ITEM #15**

**Town Administrator's Report**

# **AGENDA ITEM #16**

**Selectmen's Reports**