



Wellfleet Selectboard

Note: Start Time of 6pm

The Wellfleet Selectboard will hold a public meeting on **Tuesday, May 25, 2021, at 6:00 p.m.** **This meeting will be held via Zoom Video Conference** in accordance with the temporary suspension and enhancement of the Open Meeting Law requirements by Governor Baker. Instructions for a Zoom video conference meeting which also allows phone dial-in are given below:

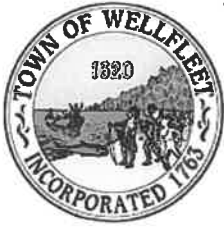
1. Watch a livestream on Wellfleet's YouTube Channel located at the following link:
www.youtube.com/c/wellfleettownmedia.

Join the meeting hosted in Zoom by using the following link:

<https://us02web.zoom.us/j/85689604806?pwd=blplVFFBZzViQ0xNWkZKMm9iMVdrdz09>

2. Audio, video, chat, and screen sharing functions will be disabled during the public session. Request to participate by using the "raise hand" function. **Meeting ID: 856 8960 4806 | Passcode: 611877**
 - a. Raise hand in smartphone app – touch bottom of your screen and select "more" - hit "raise hand" button
 - b. Raise hand on computer – hit "participants" button on bottom of screen – hit "raise hand" button on bottom of participants panel
 - c. Please make sure you properly identify yourself before speaking, rename yourself by selecting the participants button and choosing "more" (or by holding down on your name on a smartphone app) and selecting "rename" - full, legal names only.
 - d. Please join the meeting on time.
3. You may also listen to the meeting by calling in on a phone to **+1 929 205 6099** and enter **Meeting ID: 856 8960 4806 | Passcode: 611877** Landline callers can participate by **dialing *9 to raise their hand**.
4. You may submit questions and comments to the Town using the following email:
executive.assistant@wellfleet-ma.gov Comments made during the meeting via e-mail will be sent to Selectboard members AFTER the meeting.
5. Meeting materials are attached to this agenda, available online at Wellfleet-ma.gov. It is recommended that phone participants access materials in advance of the meeting.
6. **Please follow the following general instructions:**
 - a. Keep your phone muted at all times when not talking; no one is allowed to unmute themselves during the meeting.
 - i. Selectboard meetings are NOT interactive. If public comments are allowed that's all, comments only, not questions.
 - ii. If the Chair is allowing comments during the meeting the number of comments will be limited and may be **no longer than one minute**.
 - b. Do not use speakerphone; do not use Bluetooth devices; mute all background noise.
 - c. Please do not speak until the Chair asks for public comments or questions and you have been recognized by the moderator and unmuted.
 - d. After the business section is complete no public comments are permitted. Future agenda items are from the Selectboard, no one else.
7. It is anticipated that the meeting will be recorded by the Town. Anyone else desiring to record the meeting may do so only after notifying the chair and may not interfere with the conduct of the meeting in doing so.

- I. ***Announcements, Open Session and Public Comments***
Note: Public comments must be brief. The Board will not deliberate or vote on any matter raised solely during Announcements & Public Comments.
- II. ***COVID-19 Updates and Recommendations***
 - A. Any updates, new information, or recommendations will be given from the Health Agent or Chair of the Selectboard.
- III. ***Public Hearings***
 - A. Transfer and Pledge of Inventory of the seasonal all alcohol license at 842 State Highway, Route 6 from Bocce Italian Grill, Minina Benevento, manager, to New Fleet Corporation, Jefferey Baker, Manage
- IV. ***Use of Town Property***
 - A. Mayo Beach Parking Lot ~ June 17, 2021 3pm-5pm ~ Nancy O'Connell
 - B. DPW Parking Lot ~ October 2, 2021 1pm – 3pm ~ Blake Olson
 - C. Memorial Garden ~ August 8, 2021 3pm – 5pm ~ Beth Treffeisen/Aaron Bacon
 - D. Town Pier ~ June 13, 2021 3pm – 7pm ~ Rev. Frank J Alexander
- V. ***Board/Committee Appointments and Updates***
 - A. Herring River Executive Council ~ Deborah Freeman
 - B. Terri Smith ~ Bike and Walkways Committee term ending 6/30/2022
- VI. ***Business***
 - A. Terminating Maria Broadbent's appointment from Herring River Executive Council
 - B. Special Officers Reappointment/Full Time Officers Reappointment ~ Chief Mike Hurley
 - C. High Toss Road ~ Carole Ridley/Brian Carlstrom National Seashore
 - D. Discussion with Historical Commission ~ Merrill Mead-Fox
 - E. Nature's Alternative, extension of Community Host Agreement ~ Ben Zehnder
 - F. Discussion regarding Mass DOT projects ~ Main Street/Rt 6 & Route 6 Repaving ~ TA Charlie Sumner
 - G. Discussion on management letter and 2020 Audit ~ Powers & Sullivan
- VII. ***Selectboard Reports***
 - A. Board Member Wilson to discuss doodle poll for Round table meeting
- VIII. ***Town Administrator's Report***
 - A. Letter from Beth Albert, Barnstable County Administrator ~ American Rescue Plan – Fiscal Recovery Fund
- IX. ***Topics for Future Discussion***
- X. ***Minutes***
 - May 12, 2021
- XI. ***Adjournment***



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

II

COVID-19 UPDATES AND RECOMMENDATIONS

REQUESTED BY:	Chair DeVasto/Health Agent Lemos
DESIRED ACTION:	Discuss any new updates or information
PROPOSED MOTION:	TBD
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

III

PUBLIC HEARINGS ~ A

REQUESTED BY:	New Fleet Corporation
DESIRED ACTION:	To transfer and pledge of inventory of the seasonal all alcohol license at 843 State Highway, Route 6 from Bocce Italian Grill, Minina Benevento, manager, to New Fleet Corporation, Jefferey Baker, Manager
PROPOSED MOTION:	I move to approve the transfer and pledge of inventory of the seasonal all alcohol license at 842 State Highway, Route 6 from Bocce Italian Grill, Minina Benevento, Manager, to New Fleet Corporation, Jefferey Baker, Manager
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

TOWN OF WELLFLEET
PUBLIC NOTICE

In accordance with M.G.L. Chapter 138, notice is hereby given that the Wellfleet Board of Selectmen will hold a virtual public hearing on Tuesday May 25, 2021 at 6:00 p.m. to consider the following:

- Application received April 27, 2021 for a Transfer and Pledge of Inventory of the Seasonal All Alcohol license at 842 State Highway, Route 6 from Bocce Italian Grille, Minina Benevento, Manager to New Fleet Corporation, Jeffrey Baker, Manager.

WELLFLEET BOARD OF SELECTMEN

BOARD OF SELECTMEN
TOWN OF WELLFLEET

APPLICATION PROCESSING FORM FOR LIQUOR LICENSE

Applicant: New Fleet Corporation dba Flair

Jeffrey Baker, Manager

Address: 842 State Highway

Date Received: April 27, 2021 1:25 p.m.

Application for: (check one)

- Restaurant - all alcohol
- Restaurant - beer & wine
- Package Store - all alcohol
- Package Store - beer & wine
- Innholder - all alcohol
- Innholder - beer & wine
- New License
- Transfer of License**
- Transfer of Stock**
- New Officers/Directors/Stockholders
- Change in Description of Premises
- Seasonal to Annual
- Change of Manager
- Change of Hours

Police: MMA Date: 5-5-21 Comments: OK

Fire: RPM Date: 4/28/2021 Comments: OK

Health: 7000 Hwy 30. Cemerio Lemos Date: 4/28/21 Comments: _____

Zoning: pk Date: 4-28-2021 Comments: -OK-



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
 95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
 www.mass.gov/abcc

APPLICATION FOR A TRANSFER OF LICENSE

Municipality

1. TRANSACTION INFORMATION

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> Transfer of License | <input checked="" type="checkbox"/> Pledge of Inventory | <input type="checkbox"/> Change of Class |
| <input type="checkbox"/> Alteration of Premises | <input checked="" type="checkbox"/> Pledge of License | <input type="checkbox"/> Change of Category |
| <input type="checkbox"/> Change of Location | <input type="checkbox"/> Pledge of Stock | <input type="checkbox"/> Change of License Type
(§12 ONLY, e.g. "club" to "restaurant") |
| <input type="checkbox"/> Management/Operating Agreement | <input type="checkbox"/> Other <input type="text"/> | |

Please provide a narrative overview of the transaction(s) being applied for. On-premises applicants should also provide a description of the intended theme or concept of the business operation. Attach additional pages, if necessary.

Transfer of a Section 12 Restaurant All Alcohol License from Bocce Italian Grill LLC to New Fleet Corporation for the restaurant located at 842 State Highway Route 6, Wellfleet, MA 02667. The applicant, New Fleet Corporation is comprised of two shareholders, Donna DiGiovanni and Paresh Patel. Jeffrey Baker is the proposed Manager of the License. There is a Pledge of License/Inventory to the applicant's lender, Rockland Trust Company. No alterations to the location. The theme of the restaurant will be new american high scale pub fare with a generous tap list and creative cocktails.

2. LICENSE CLASSIFICATION INFORMATION

ON/OFF-PREMISES	TYPE	CATEGORY	CLASS
Off-Premises-15	§12 Restaurant	All Alcoholic Beverages	Annual

3. BUSINESS ENTITY INFORMATION

The entity that will be issued the license and have operational control of the premises.

Current or Seller's License Number FEIN

Entity Name

DBA Manager of Record

Street Address

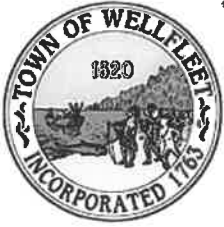
Phone Email

Add'l Phone Website

4. DESCRIPTION OF PREMISES

Please provide a complete description of the premises to be licensed, including the number of floors, number of rooms on each floor, any outdoor areas to be included in the licensed area, and total square footage. If this application alters the current premises, provide the specific changes from the last approved description. You must also submit a floor plan.

Total Sq. Footage	<input type="text" value="4,130"/>	Seating Capacity	<input type="text" value="125"/>	Occupancy Number	<input type="text" value="125"/>
Number of Entrances	<input type="text" value="4"/>	Number of Exits	<input type="text" value="4"/>	Number of Floors	<input type="text" value="1"/>



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

IV

USE OF TOWN PROPERTY ~ A

REQUESTED BY:	Nancy O'Connell
DESIRED ACTION:	To approve the use of Mayo Beach Parking lot
PROPOSED MOTION:	I move to approve the use of Mayo Beach Parking Lot to Nancy O'Connell; on June 17, 2021 from 3pm-5pm
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

APPLICATION FOR PERMIT TO USE TOWN OWNED PROPERTY

TOWN OF WELLFLEET
300 MAIN STREET
WELLFLEET, MA 02667

Applicant NANCY O'CONNELL

Affiliation or Group shellfishing friends

Telephone Number 508 737 1016

Mailing Address 25 BELLAMY LANE

Email address clamfam@comcast.net

WELLFLEET MA 02667

Town Property to be used (include specific area) MAYO BEACH + parking @
Mayo Beach & harbor

Date(s) and hours of use: 6/17/2021 3:00-5:00

Describe activity including purpose, number of persons involved, equipment to be used, parking arrangements, food/beverage service, etc. Also, please indicate if fees will be charged by applicant.

A memorial gathering for Dick Krauss - former owner
of ARC hatchery - shellfish industry colleague,
mentor and friend.

Describe any Town services requested (police details, DPW assistance, etc.)

Ø

NOTE TO APPLICANTS: All applications must be accompanied by a non-refundable \$50.00 processing fee. Applications must be received at least 30 days prior to the first event date to ensure that all reviews can be completed prior to the event. This application is only for permission to use Town property. Any additional licenses, such as food service permit, etc., may be required and it is the applicant's responsibility to secure the same.

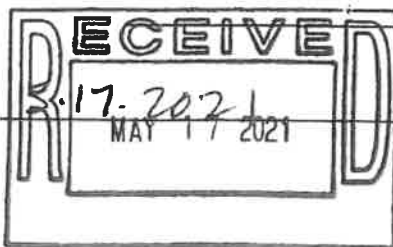
Action by the Board of Selectmen:

_____ Approved as submitted

_____ Approved with the following condition(s): _____

_____ Disapproved for following reason(s): _____

Date:









Processing Fee: \$50.00 paid



Fee: _____



(over)



APPLICANT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND INSPECTIONS

Health/Conservation Agent:	Inspector of Buildings:
Comments/Conditions: 	Comments/Conditions: 
Permits/Inspections needed:	Permits/Inspections needed:

Police Department:	Fire Department:
Comments/Conditions:   5-18-21	Comments/Conditions:   5-20-21

DPW:	Community Services Director:
Comments/Conditions:  5-21-20	Comments/Conditions:  5-20-21

Harbormaster:	Shellfish:
Comments/Conditions:  5-20-21	Comments/Conditions:  5-20-21

Recreation:	Town Administrator:
Comments/Conditions:  5-21-21	Comments/Conditions: 



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

IV

USE OF TOWN PROPERTY ~ B

REQUESTED BY:	Blake Olson
DESIRED ACTION:	To approve the use of DPW Parking Lot
PROPOSED MOTION:	I move to approve the use of the Department of Public Works Parking lot located at 220 West Main Street Wellfleet to Blake Olsen On October 2, 2021 from 1pm to 3pm
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

APPLICATION FOR PERMIT TO USE TOWN OWNED PROPERTY

TOWN OF WELFLEET
300 MAIN STREET
WELFLEET, MA 02667

Applicant Blake Olson Affiliation or Group _____
Telephone Number 774 89 8217 Mailing Address 30 Elinors Way
Email address Blake Olson 89@gmail.com Wellfleet 02667
Town Property to be used (include specific area) Parking lot of DPW
building 220 west Main st
Date(s) and hours of use: October 2 2021 1:00 - 3:00 pm

Describe activity including purpose, number of persons involved, equipment to be used, parking arrangements, food/ beverage service, etc. Also, please indicate if fees will be charged by applicant.

My fiance and I plan on having a small wedding
on a property that we own in the Browns Neck
neighborhood and we would like to park cars
approximately 15-20 cars in the DPW lot for about an hour
Reception to be held at eastham Elks Lodge.

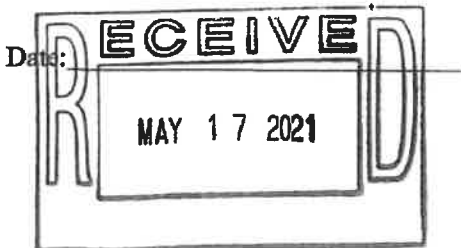
Describe any Town services requested (police details, DPW assistance, etc.)

None

NOTE TO APPLICANTS: All applications must be accompanied by a non-refundable \$50.00 processing fee. Applications must be received at least 30 days prior to the first event date to ensure that all reviews can be completed prior to the event. This application is only for permission to use Town property. Any additional licenses, such as food service permit, etc., may be required and it is the applicant's responsibility to secure the same.

Action by the Board of Selectmen:

_____ Approved as submitted
_____ Approved with the following condition(s): _____
_____ Disapproved for following reason(s): _____



Processing Fee: \$50.00 paid

Fee: _____

(over)

APPLICANT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND INSPECTIONS

Health/Conservation Agent:	Inspector of Buildings:
Comments/Conditions: X	Comments/Conditions: X
Permits/Inspections needed: X	Permits/Inspections needed: X

Police Department:	Fire Department:
Comments/Conditions: MPA OK 5-18-2021	Comments/Conditions: MPA OK 5-20-21

DPW:	Community Services Director:
Comments/Conditions: 5-20-21 OK	Comments/Conditions: X

Harbormaster:	Shellfish:
Comments/Conditions: X	Comments/Conditions: X

Recreation:	Town Administrator:
Comments/Conditions: X	Comments/Conditions: X



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

IV

USE OF TOWN PROPERTY ~ C

REQUESTED BY:	Beth Treffeisen & Aaron Bacon
DESIRED ACTION:	To approve the use of the Memorial Garden
PROPOSED MOTION:	I move to approve the use of the Wellfleet Memorial Garden located beside Preservation Hall on Main Street Wellfleet to Beth Treffeisen & Aaron Bacon on August 8, 2021 from 3pm to 5pm
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

APPLICATION FOR PERMIT TO USE TOWN OWNED PROPERTY

TOWN OF WELFLEET
300 MAIN STREET
WELFLEET, MA 02667

Applicant Beth Treffeisen & Aaron Brezen Affiliation or Group _____

Telephone Number 914-304-5876 Mailing Address 56 Meadowspring Drive

Email address beth.treffeisen@gmail.com Salem Dennis, MA, 02660

Town Property to be used (include specific area) Welfleet Memorial Garden

Date(s) and hours of use: Aug. 28, 2021 3:30 to 5:00 p.m.

Describe activity including purpose, number of persons involved, equipment to be used, parking arrangements, food/beverage service, etc. Also, please indicate if fees will be charged by applicant.

We hope to use the garden for the ceremony of our wedding.

There will be a few chairs set up, but mostly everyone will be

standing. We also plan to incorporate a chuppah, that we will

bring on-site. No installations are needed. About 100 people will be attending.

People will walk, take a shuttle or park at the street.

Describe any Town services requested (police details, DPW assistance, etc.)

NOTE TO APPLICANTS: All applications must be accompanied by a non refundable \$50.00 processing fee. Applications must be received at least 30 days prior to the first event date to ensure that all reviews can be completed prior to the event. This application is only for permission to use Town property. Any additional licenses, such as food service permit, etc., may be required and it is the applicant's responsibility to secure the same.

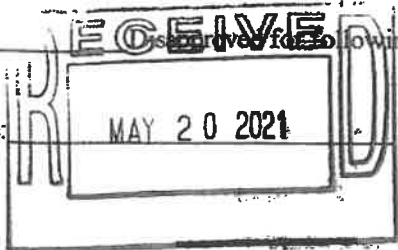
Action by the Board of Selectmen:

_____ Proof of Insurance Required

_____ Approved as submitted

_____ Approved with the following condition(s): _____

_____ Disapproved for following reason(s): _____



Date:

MAY 20 2021


Processing Fee: \$50.00 OK



Fee: TBD


APPLICANT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND INSPECTIONS

Health/Conservation Agent: 5-20-21 Comments/Conditions: If damage occurs to the lawn, the party is responsible Permits/Inspections needed: for repairs, grass can be wet & too many people may destroy it depending on weather	Inspector of Buildings: Comments/Conditions: <i>okay</i> Permits/Inspections needed: 5-20-21
---	---

Police Department: Comments/Conditions: <i>okay 5-20-21</i>	Fire Department: Comments/Conditions: <i>OK 5.20.21</i>
--	--

DPW: Comments/Conditions 5-20-21 <i>okay</i>	Community Services Director: Comments/Conditions: 
---	--

Harbormaster: Comments/Conditions 	Shellfish: Comments/Conditions 
--	---

Recreation: Comments/Conditions 	
--	--

**MARKEL AMERICAN INSURANCE COMPANY**

P.O. Box 906, Pewaukee, Wisconsin 53072-0906

(800) 236-2862 www.markelamerican.com**Special Event Liability Insurance Policy Declarations Page**

Policy Number:	MEL00000582531	Date of Issue:	05/10/2021	Event Date:	08/28/2021
Policy Period:	08/28/2021				
Named Insured:	BETH TREFFEISEN				
Mailing Address:	56 MEADOWSPRING DRIVE South Dennis, MA 02660				
Honoree(s):	BETH TREFFEISEN AARON BACON				
Insured Event:	Wedding Ceremony, Reception, and/or Rehearsal				
Policy Premium: Surcharges and Taxes	\$75 \$0.00				
Multi Policy Discount Total:	Not Applicable \$75.00				
Event Location 1:	WELLFLEET MEMORIAL GARDEN 335 MAIN ST Wellfleet MA 02667				
Hosting Facility Insured Extension: <input type="checkbox"/> <i>(coverage applies if box checked)</i>					
Event Location 2:					
Hosting Facility Insured Extension: <input type="checkbox"/> <i>(coverage applies if box checked)</i>					
Event Location 3:					
Hosting Facility Insured Extension: <input type="checkbox"/> <i>(coverage applies if box checked)</i>					
Policy Coverage	Limit:	Deductible:			
General Aggregate	\$500,000	\$0			
Each Occurrence	\$500,000	\$0			
Property Damage	Included	\$1,000			
Administered by:	MARKEL SERVICE INCORPORATED P O BOX 906 PEWAUKEE, WI 53072-0906				
Agency	90700 - 0000004 800-236-4252				
For Policy Questions Call Toll Free:	800-236-4252				
For Claims Call Toll Free:	800-236-3113				
Policy Form(s):	EVL100-0708,EVL129-0904,EVL138-0708,,MIL1214MA-09 17, Host Liquor Liability is excluded				
Countersignature (If required):					

Forms and endorsements made a part of this policy at inception are those which numbers are entered above.
EVL102-0708



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

IV

USE OF TOWN PROPERTY ~ D

REQUESTED BY:	Rev. Frank J Alexander ~ Grace Chapel Assembly of God Church
DESIRED ACTION:	To approve the use of the town pier
PROPOSED MOTION:	I move to approve the use of the Town Pier located at 255 Commercial Street Wellfleet on June 13, 2021 from 3pm to 7pm
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

APPLICATION FOR PERMIT TO USE TOWN OWNED PROPERTY

TOWN OF WELFLEET
300 MAIN STREET
WELFLEET, MA 02667

Applicant Rev Frank J Alexander Affiliation or Group Grace Chapel Assembly of God Church
Telephone Number 508-349-9323 Mailing Address P.O. Box 625
Email address frankalex@netzerd.com So. Wellfleet Ma 02663
Town Property to be used (include specific area) 255 Commercial St (Town Pier)
The Stage

Date(s) and hours of use: SUNDAY JUNE 13, 2021 3-4 PM. Preparation 6-7 Breakdown
4-6 PM. EVENT
Total 3-7

Describe activity including purpose, number of persons involved, equipment to be used, parking arrangements, food/beverage service, etc. Also, please indicate if fees will be charged by applicant.

Grace Church event. Approx 200 Equipment-Sound.
No food - No fees charged.

Describe any Town services requested (police details, DPW assistance, etc.)

NOTE TO APPLICANTS: All applications must be accompanied by a non refundable \$50.00 processing fee. Applications must be received at least 30 days prior to the first event date to ensure that all reviews can be completed prior to the event. This application is only for permission to use Town property. Any additional licenses, such as food service permit, etc., may be required and it is the applicant's responsibility to secure the same.

Action by the Board of Selectmen:

Proof of Insurance Required

Approved as submitted

Approved with the following condition(s): _____

Disapproved for following reason(s): _____

Date: 5-20-2021


Processing Fee: \$50.00 paid

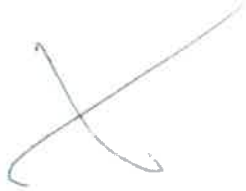
Fee: TBD


APPLICANT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND INSPECTIONS

Health/Conservation Agent: Comments/Conditions: Permits/Inspections needed:	Inspector of Buildings: Comments/Conditions: <i>okay</i> Permits/Inspections needed: <i>5-21-21</i>
--	--

Police Department: Comments/Conditions: <i>5-21-01</i> <i>okay</i>	Fire Department: Comments/Conditions: <i>5/21/0K</i>
--	--

DPW: Comments/Conditions <i>5-21-01</i> <i>okay</i>	Community Services Director: Comments/Conditions: 
---	--

Harbormaster: Comments/Conditions <i>5-21-21</i>	Shellfish: Comments/Conditions 
---	---

Recreation: Comments/Conditions 	
--	--



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

V

BOARDS/COMMITTEE APPOINTMENTS AND UPDATES

A

REQUESTED BY:	Board Member Helen Miranda-Wilson
DESIRED ACTION:	To appoint Deborah Freeman to the Herring River Executive Council
PROPOSED MOTION:	I move to approve the appointment of Deborah Freeman to the Herring River Executive Council for an indefinite term
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____



**TOWN OF WELLFLEET
APPLICATION FOR TOWN BOARDS & COMMITTEES MEMBERSHIP**

Wellfleet depends on its citizens to carry out many of our government's activities. Your community needs your help. *Please volunteer.*

FILL OUT THE FORM BELOW and mail it to:

Wellfleet Selectmen's Office, Town Hall, 300 Main Street, Wellfleet, MA 02667

Name Deborah S. Freeman Date 5/19/21

Mailing Address P.O. Box 405
Wellfleet, MA 02667

Phone (Home) 508-349-7815 (cell) 860-833-0195

E-mail deborahfreeman1@comcast.net

Please describe briefly any work experience, including volunteer service, that you feel would be useful to the Town: I have served on several town committees!

the Personnel Task Force, the Personnel Board (chair),
the Charter Review Committee (chair), the Conserva-
tion Commission (member + chair). I have also served as
a Trustee of the Wellfleet Conservation Trust and as a
Board Member (clerk) of The Friends of Herring River.

Please add any other information that you think may be useful, including education or other formal training, specialized courses, professional licenses or certifications, etc.:

I am a lawyer and practiced civil trial law for
35 years.

Committees/Boards of Interest: 1) Herring River Executive Committee

2) _____

3) _____



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

V

BOARD/COMMITTEE APPOINTMENTS AND UPDATES B

REQUESTED BY:	Principal Clerk
DESIRED ACTION:	To appoint Terri Smith to the Bike and Walkways committee
PROPOSED MOTION:	I move to appoint Terri Smith to the Bike and Walkways Committee for a term of one-year ending June 30, 2022
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____



**TOWN OF WELLFLEET
APPLICATION FOR TOWN BOARDS & COMMITTEES MEMBERSHIP**

Wellfleet depends on its citizens to carry out many of our government's activities. Your community needs your help. *Please volunteer.*

FILL OUT THE FORM BELOW and mail it to:
Wellfleet Selectmen's Office, Town Hall, 300 Main Street, Wellfleet, MA 02667

Name Theresa (Terri) Smith Date 05/14/2021

Mailing Address 130 Village Lane Wellfleet, MA 02667

Phone (Home) _____ (cell) (508) 241-4067

E-mail tsmith.coastal@gmail.com

Please describe briefly any work experience, including volunteer service, that you feel would be useful to the Town: _____

Volunteer, Town Of Wellfleet: Election Inspector, GIS consultant for the Bike and Walkways Committee

Research geologist, hydrographer and GIS technician, Center for Coastal Studies

Term Contractor for USGS Woods Hole, to conduct the Massachusetts Shoreline Change 2012 Update

Please add any other information that you think may be useful, including education or other formal training, specialized courses, professional licenses or certifications, etc.:

M.S. Geology, University of Rhode Island, 2010. Thesis: Laurentide Deglaciation of Southern Rhode Island

B.S. Coastal and Marine Policy and Management, University of Rhode Island, 2007.

Technical skills: GIS (ArcGIS Pro, ArcGIS Online), Graphic Design/Cartography (Adobe Illustrator, Photoshop)

Committees/Boards of Interest: 1) Bike and Walkways Committee

2) _____

3) _____



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

VI

BUSINESS ~ A

REQUESTED BY:	Selectboard
DESIRED ACTION:	To terminate Maria Broadbent former Town Administrator's appointment from The Herring River Restoration Executive Council
PROPOSED MOTION:	I move to approve the termination of Maria Broadbent's appointment from The Herring River Restoration Executive Council
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021



BUSINESS ~ B

REQUESTED BY:	Police Chief Michael Hurley														
DESIRED ACTION:	To reappoint The Town of Wellfleet's Special Officers														
PROPOSED MOTION:	I move to approve the reappointment of The Town of Wellfleet's Special Officers listed below from the period of July 1, 2021 through June 30, 2022 <table><tr><td>Michael Valora</td><td>W. Russell Hughes</td></tr><tr><td>Seth DiGiacomo</td><td>Christopher Hartsgrove</td></tr><tr><td>Eric Trudeau</td><td>Christopher Anderson</td></tr><tr><td>Meghan Farrell</td><td>Ryan Wright</td></tr><tr><td>Scott Higgins</td><td>Marc Spigel</td></tr><tr><td>Ronald L. Fissette</td><td>Alex Flaxman</td></tr><tr><td>Desmond Keogh</td><td></td></tr></table>	Michael Valora	W. Russell Hughes	Seth DiGiacomo	Christopher Hartsgrove	Eric Trudeau	Christopher Anderson	Meghan Farrell	Ryan Wright	Scott Higgins	Marc Spigel	Ronald L. Fissette	Alex Flaxman	Desmond Keogh	
Michael Valora	W. Russell Hughes														
Seth DiGiacomo	Christopher Hartsgrove														
Eric Trudeau	Christopher Anderson														
Meghan Farrell	Ryan Wright														
Scott Higgins	Marc Spigel														
Ronald L. Fissette	Alex Flaxman														
Desmond Keogh															
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):														
VOTED:	Yea _____ Nay _____ Abstain _____														

**Town of Wellfleet
Police Department**

May 17, 2021

To: Wellfleet Select Board
From: Chief Michael P. Hurley

Subject: SPECIAL POLICE OFFICERS REAPPOINTMENT

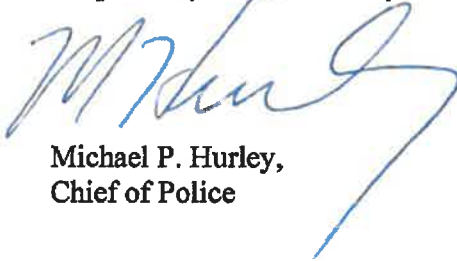
Due to the large portion of Wellfleet being part of the National Park it is common for law enforcement personnel of the National Park Service assist us in different law enforcement ventures. This provides us the opportunity for co-jurisdiction and a valuable resource that has flourished over the past twenty plus years.

I request the following individuals be appointed / reappointed as a Special Police Officer:

Appointment Period: July 1, 2021 through June 30, 2022

Michael Valora	Christopher Hartsgrove	Christopher Anderson
W. Russell Hughes	Eric Trudeau	Meghan Farrell
Seth DiGiacomo		Ryan Wright

Respectfully submitted for your information and consideration.



Michael P. Hurley,
Chief of Police

cc: Charles Sumner, Interim Town Administrator
Jennifer Congel, Assistant Town Clerk

Town of Wellfleet
Police Department

May 17, 2021

To: Wellfleet Select Board
From: Chief Michael P. Hurley

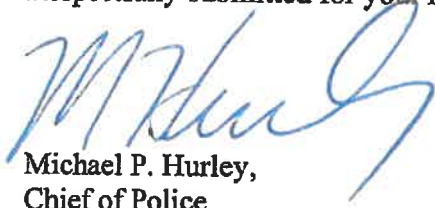
Subject: SPECIAL POLICE OFFICERS REAPPOINTMENT

I request the following individuals be reappointed as a Special Police Officer:

Appointment Period: July 1, 2021 through June 30, 2022

Scott Higgins	Marc Spigel	Desmond Keogh
Ronald L. Fisette	Alex Flaxman	

Respectfully submitted for your information and consideration.



Michael P. Hurley,
Chief of Police

cc: Charles Sumner, Interim Town Administrator
Jennifer Congel, Town Clerk

**Town of Wellfleet
Police Department**

May 17, 2021

To: Wellfleet Select Board
From: Chief Michael P. Hurley

Subject: FULL TIME POLICE OFFICERS REAPPOINTMENT

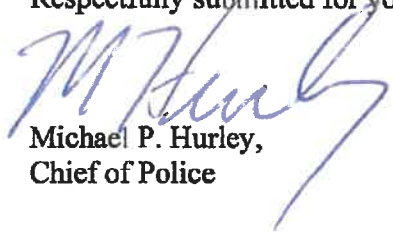
Full time police officers require annual appointments for the first 5 years of their career, and thereafter they are tenured and require no further appointments.

I request the following individuals be reappointed as a Full Time Police Officer:

Appointment Period: July 1, 2021 through June 30, 2022

<u>Officer:</u>	<u>Initial Appointment</u>
Mark Braun	4/04/2016
Nicholas Daley	10/19/2017
Edward Garneau	12/04/2017
Jeremiah Valli	3/26/2018
Robert Pimentel	2/25/2019
Michael Allen	12/16/2019
Matthew McGue	2/17/2020

Respectfully submitted for your information and consideration.



Michael P. Hurley,
Chief of Police

cc: Charles Sumner, Interim Town Administrator
Jennifer Congel, Town Clerk



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021



BUSINESS ~ C

REQUESTED BY:	Carole Ridley/Brian Carlstrom (National Seashore)
DESIRED ACTION:	To accept the layout of High Toss Road
PROPOSED MOTION:	I move that the Selectboard vote its intention to lay out High Toss Road, between Pole Dike Road and Duck Harbor Road as a town way, as shown on a plan entitled "Plan of Land High Toss Road, Wellfleet, MA Being a 40' Public Way as Laid Out by the Town of Wellfleet," dated April 6, 2020, prepared by Outermost Land Survey, Inc., and that the Selectboard forward the layout petition and plan to the Planning Board for its comments and recommendation pursuant to G.L. c. 41, §§81G and 81I
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____



TOWN OF WELLFLEET

300 MAIN STREET WELLFLEET MASSACHUSETTS 02667

Tel (508) 349-0300 Fax (508) 349-0305

www.wellfleetma.org

Ms. Kara Runsten
Municipal Vulnerability Preparedness Manager
Executive Office of Energy and Environmental Affairs
100 Cambridge Street, Suite 900
Boston, MA 02114

May 7, 2021

Re: MVP Action Grant Proposal - Herring River Restoration Project Final Construction Plans and Bid Specifications

Dear Ms. Runsten:

Thank you for your consideration of the Town of Wellfleet's above referenced proposal. The proposal requests \$589,960 in MVP funds to complete final construction plans and bid specifications for six infrastructure elements of the Herring River Restoration Project. The Project is a community resilience priority identified in the Wellfleet/Truro MVP Action Plan (2019).

This letter serves to confirm the required match commitment of 26%, or \$203,224. The match will be provided in a combination of cash grant contributions and in-kind technical support as follows:

1. A total of \$171,000 in grants received by Friends of Herring River, Inc. (FHR) will be contributed as cash match to this project. The grant funds come from the NOAA Restoration Center and the National Fisheries and Wildlife Foundation. A letter of match commitment from FHR is enclosed.
2. A total of \$12,749 in in-kind technical support from FHR will be contributed as in-kind match support. Further detail on this in-kind support is provided on the enclosed letter of match commitment from FHR.
3. A total of \$19,474 in technical support from Town of Wellfleet personnel will be contributed as in-kind match support. This includes contributions from the following departments: Conservation/Health, Public Works, Harbormaster, and Administration.

The above referenced match does not involve state funding and is not used as match for another government program. All match will be contributed within the grant contract period and reported as required.

Thank you for consideration of this funding request.

Sincerely

Rebecca Slick
Wellfleet Assistant Town Administrator

Memorandum

To: Wellfleet Planning Board
Fr: Carole Ridley, Herring River Restoration Project Coordinator
Date: May 20, 2021
Re: Town lay out of High Toss Road

The Town lay out of High Toss Road from Duck Harbor Road to Pole Dike Road is needed to demonstrate the Town's legal ability to undertake work proposed for the Herring River Restoration Project, and is a requirement of many potential project funders. The proposed layout is shown on the attached plan by Outermost Land Survey.

Although it is a private way, High Toss Road has effectively functioned as a public way and has been maintained by the Town of Wellfleet for many years. The intended lay out of the road as a town way will not alter the customary use or maintenance of the road. The Town will continue to plow the road as it has always done. The Town will, further, be responsible for major repairs of the road – which was not previously the case.

The Selectboard is taking this action in preparation for work proposed to occur in connection with the Herring River Restoration Project. Proposed work includes, but is not limited to: (1) the removal of High Toss Road where it crosses the marsh between Duck Harbor Road and roughly Way #672 (aka Rainbow Lane); and (2) elevation of High Toss Road from Way #672 (aka Rainbow Lane) to just east of Hopkins Drive).

Because the elevated road will remain in its current alignment, vegetation clearing will be kept to a minimum. The remainder of High Toss Road from east of Hopkins Drive to Pole Dike Road will remain at its current elevation and alignment.

The lay out of High Toss Road as a town way requires the Town to follow the process specified in Massachusetts General Laws Chapter 82, Sections 21-24. To date, the following actions have occurred:

On April 29, 2021, the Selectboard voted its intention to lay out High Toss Road, between Pole Dike Road and Duck Harbor Road, as a town way and to refer the layout plan to the Planning Board for a report. The vote requested that the Planning Board provide its report by May 21st.

On May 19, 2021, the Planning Board considered the requested referral from the Selectboard, and voted to support the acceptance of the Town layout of High Toss Road.

On May 25, 2021, the Selectboard is scheduled to hold a public meeting in order to vote to approve the layout of the town way and the layout plan. Letters were sent to abutters explaining the process and alerting them to the meeting dates, including the May 25th public meeting of the Selectboard to take this action.

The vote approving the layout and layout plan must be filed with the Town Clerk at least 7 days prior to the June 26, 2021 Town Meeting.

On June 26, 2021 Town Meeting will be asked to vote to accept the layout and authorize the Selectboard “to acquire on behalf of the Town by gift, purchase, or eminent domain an easement to use High Toss Road” from abutting property owners.

If Town Meeting votes to accept the layout, the Selectboard will then have 120 days to execute and record an order of taking of easements from those abutting property owners who have an interest in High Toss Road. The Town has determined that the acquisition of easements for the purpose of laying out High Toss Road as a public way will not result in damage to the abutting property owners, and, accordingly, compensation will not be awarded for the takings.



I hereby certify that this plan was prepared in accordance with the Registry of Deeds Act, Chapter 151B, § 15, and recorded on Jan. 6, 1988.

[Signature]
 David T. Poole PLS #32862
 Date



Plan Notes:

- 1) This plan is based on a field run survey. Bearings are from the NAD83 Horizontal datum.
- 2) Parcel Easement Areas are to the centerline of the Proposed 40 foot layout.
- 3) Land Court Plan 32885, Plan Book 627, Page 37; Plan Book 366, Page 99, and Plan Book 536, Page 4 were held for location.
- 4) The 40' Layout of High Toss Road falls within the AE Zone as shown on FEMA Panel # 25001C0233J Effective date 7/18/2014 and the Wellfleet Harbor ACEC zone.

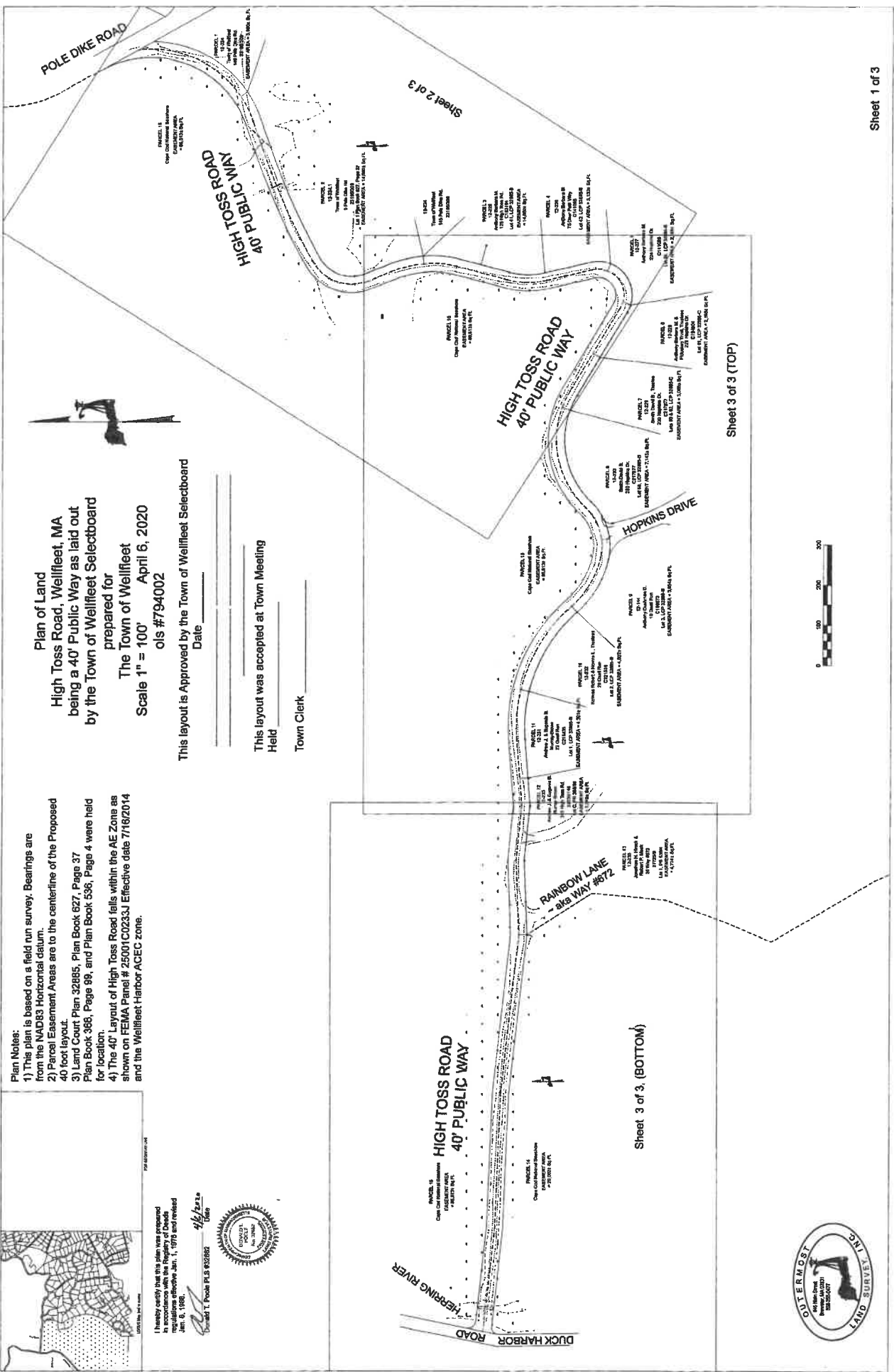
Plan of Land
High Toss Road, Wellfleet, MA
 being a 40' Public Way as laid out
 by the Town of Wellfleet Selectboard

prepared for
The Town of Wellfleet
 Scale 1" = 100' April 6, 2020
 o/s #794002

Date _____

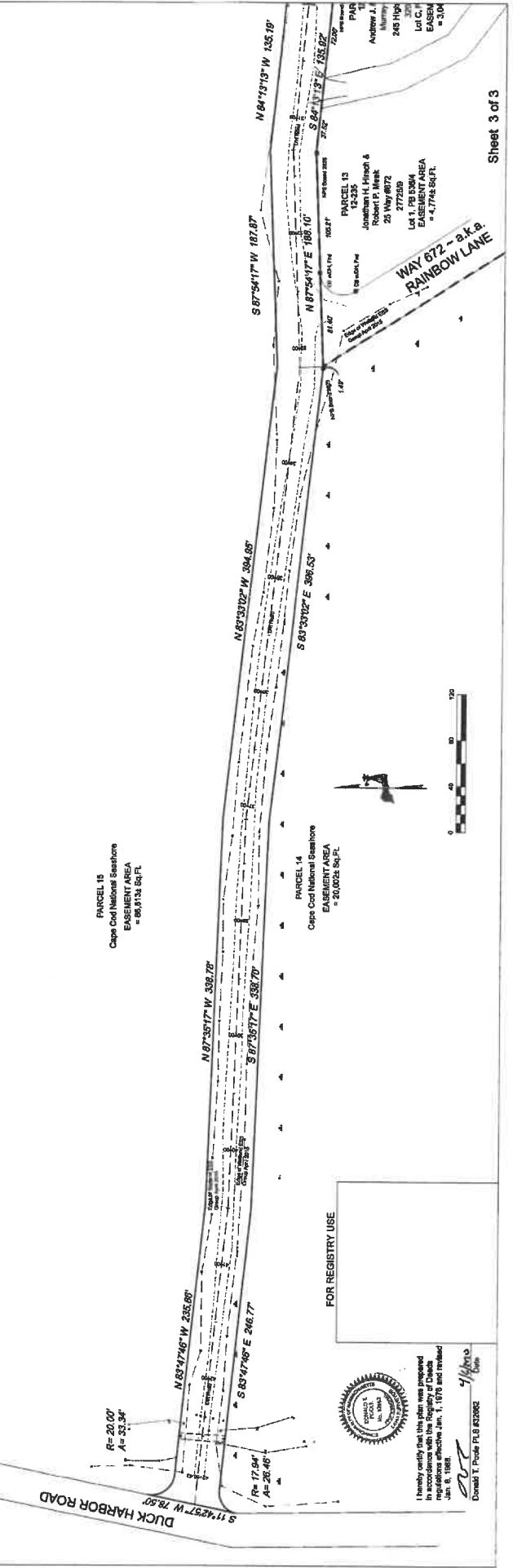
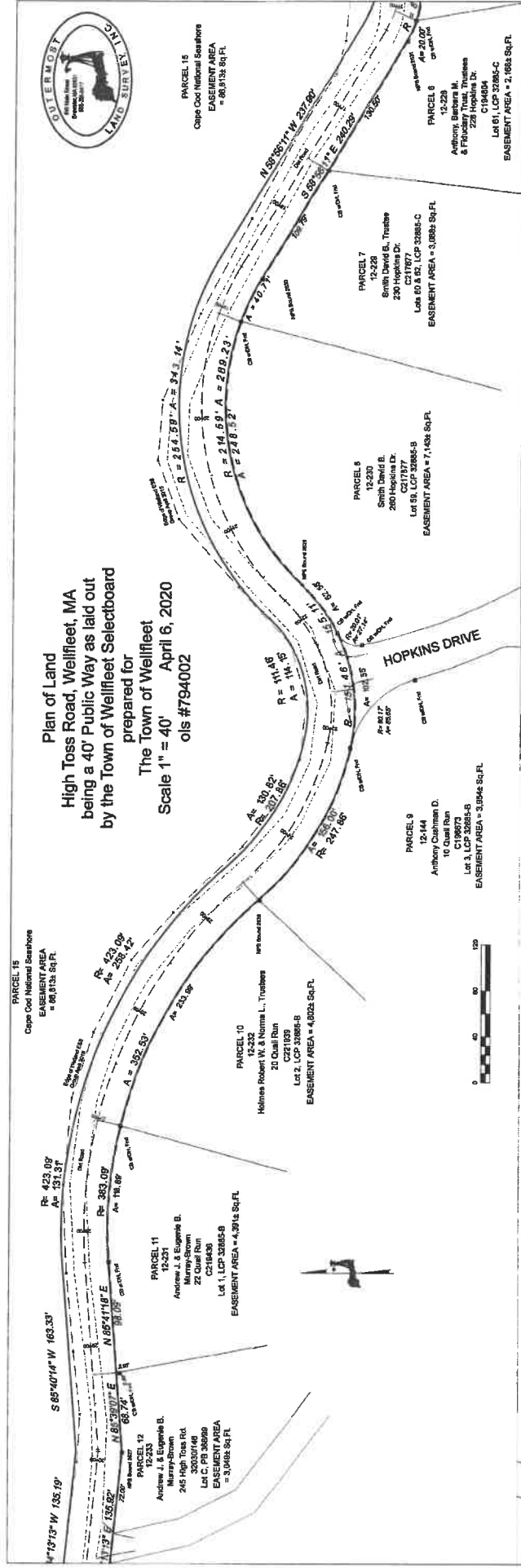
This layout is Approved by the Town of Wellfleet Selectboard

This layout was accepted at Town Meeting
 Held _____
 Town Clerk _____





Plan of Land
High Toss Road, Wellfleet, MA
 being a 40' Public Way as laid out
 by the Town of Wellfleet Selectboard
 prepared for
The Town of Wellfleet
 Scale 1" = 40' April 6, 2020
 o/s #794002



FOR REGISTRY USE

I hereby certify that this plan was prepared in conformity with the rules and regulations effective Jan. 1, 1978 and released Jan. 6, 1988.

Donald T. Poole P.L.S. #32082

Attachment D

TOWN OF WELLFLEET LAYOUT, ACCEPTANCE AND ACQUISITION OF TOWN WAYS

CHECKLIST OF PUBLIC WAY PROCEDURES

This checklist sets forth the steps a town must take by statute to lay out and accept a way as a public way, and to acquire rights in such way.¹ G.L. c.82, §§21-24. This checklist also contains several recommendations, *which are in italics*.

I. LAYOUT

- A. A petition is submitted to the Selectboard² to lay out a way as a public way, or the Selectboard may initiate the layout. G.L. c. 82, §21.
- B. The petitioner provides the Selectboard with a layout plan that shows the metes and bounds of the layout, or the town prepares such a plan. A plan that is already on record (usually a subdivision plan) may be used as a layout plan provided that the recorded plan accurately describes the way that is constructed on the ground. A legal description may be used instead.
- C. *The petitioner provides the Selectboard with a title certification prepared by an attorney licensed in Massachusetts, or town counsel conducts title research. Title research is required to ascertain who owns the fee in the way and the abutting lots (if drainage, slope, utility or access easements are required on such lots) so that land and/or easements are acquired from the proper parties. Title research is also done to determine if there are mortgages or other monetary encumbrances that, if foreclosed upon, would terminate the municipality's rights. Since the services of town counsel are often required in the layout process to prepare and/or confirm the title certification and/or to conduct such research, and the fees to record easements, takings, and plans (at \$75 per plan sheet) are often high, we recommend that the petitioner be asked to pay for the Town's costs.*
- D. The Selectboard votes its intention to lay out the way as public and refers the petition and layout plan to the planning board. G.L. c.41, §81G and §81I.
 - 1) The planning board has 45 days from referral to make a non-binding report to the selectmen. A public hearing is not required by statute, unless separately required by charter, bylaw, or custom. The planning board's

¹ The procedures to alter the layout a public way and to relocate a public way are the same as the procedures to lay out a way as a public way. The checklist does not, therefore, address layout alterations or relocations specifically.

² Where the authority over town ways is vested in the road commissioners, the reference to the Selectboard in this checklist should be taken to mean such commissioners.

report may be brief.

- 2) The public way proceedings may continue only if the planning board has made its report or 45 days have passed since the referral without a report, whichever is earlier.

E. The Selectboard gives written notice of the meeting at which the selectmen will consider the layout to the landowners from whom the Town intends to acquire land and/or easements by eminent domain. G.L. c.82, §22.

- 1) The Town must give notice at least 7 days prior to the meeting at which the layout will be voted.
- 2) The notice is left at the usual place of residence of the landowner or delivered in person to the owner or the owner's tenant or authorized agent. Notice can be sent by registered mail to create a record. If an owner does not reside in the Town and has no known tenant or agent, the notice of the meeting must be posted in a public place in the Town at least 7 days prior to the layout meeting.
- 3) There is no statutory requirement for notice to be given to landowners from whom the Town does not intend to acquire land or easements by eminent domain. *However, since the need for eminent domain may not become apparent until later in the layout process, we recommend that notice be given to all landowners from whom the Town needs an easement. Charters and bylaws should be reviewed to determine if there are additional notice requirements.*
- 4) The notice must identify the way to be laid out and state the date, time and place of the meeting at which the layout will be adopted. *We recommend that the notice contain a description of the physical location and dimensions of the way. If a plan has been prepared, the notice could refer to the plan instead and state where it may be viewed (usually, the town clerk's office), or, if the layout plan is already on record, refer to the registry of deeds' plan book and page numbers. We recommend that a copy of the plan be filed with the town clerk.*
- 5) *The notice may also request landowners to donate the land/easements to the Town, and include a Waiver of Appraisal and Damages, in case the Town elects to take the land/easements by eminent domain.*

F. Provided that the planning board has submitted a report, or 45 days have elapsed since the referral to the planning board, and notice has been given to the landowners, the Selectboard holds a public meeting and votes to approve the layout as shown on the layout plan. A public hearing is not required unless otherwise specified in a local charter or by-law. *We recommend that the*

Selectboard request owners to grant land/easements voluntarily for nominal consideration, if such request has not been made already.

- G. The vote approving the layout and the layout plan must be filed with the town clerk at least 7 full days prior to town meeting.
- H. *Towns should establish the anticipated acquisition costs prior to this point, either by negotiation or by appraisal, so that they know how much is to be appropriated and can identify a source of funds. If land/easements are to be taken by eminent domain, an appraisal is required to determine the amount of damages. We recommend that landowners be asked to sign a Waiver of Appraisal and Damages.*

II. ACCEPTANCE

- A. The Selectboard places an article on the town meeting warrant regarding the acceptance of the way. If land/easements need to be acquired, the acceptance article should authorize the acquisition of land/easements by purchase, gift, and/or eminent domain and, if necessary, appropriate funds therefor.
- B. Town meeting may not vote to accept the way sooner than 7 days after the layout vote and plan have been filed with the town clerk. G.L. c.81, §23.
- C. Town meeting votes to accept the way as public.
 - 1) A majority vote is required to accept a way that is shown on an approved subdivision plan. G.L. c.41, §81Y.
 - 2) A two-thirds vote is needed to accept any other way. G.L. c.41, §81Y.
 - 3) A two-thirds vote is needed to appropriate funds to acquire land/easements by purchase or eminent domain. G.L. c.40, §14.

III. ACQUISITION

- A. Within 120 days after the close of the town meeting at which the way was accepted, the Selectboard is required under G.L. c.82, §24 to:
 - 1) Acquire the necessary land/easements by purchase or gift; or
 - 2) Adopt an order of taking under G.L. c.79 and award damages, if any; or
 - 3) Institute proceedings for a taking under G.L. c.80A.
- B. If an order of taking is adopted, the order must be recorded in the registry of deeds for the county in which the property lies within 30 days from the date of the order. G.L. c.79, §3.



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

VI

BUSINESS ~ D

REQUESTED BY:	Merrill Mead-Fox
DESIRED ACTION:	To update the Selectboard about the work of the Historical Commission and the openings they will have as of July 1, 2021
PROPOSED MOTION:	No Action Required
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____



Board of Selectmen

Request for Placement on Agenda

Name: Merrill Mead-Fox

Address: 35 Pine Point way ; Wellfleet (WHC)

Company or Organization Representing: Wellfleet Historical Commission

Phone Number: 617-519-8644

Email Address: mmeadbx@gmail.com

Specific Request: I would like about 5 minutes
of your time to update the selectboard
about the work of the WHC and inform
the town that we will have three
openings as of 7/1/2021.

To be Filed out by Dept.

Applicant Notified: _____ Date of Hearing: _____

Date Request Completed: _____



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

VI

BUISNESS ~ E

REQUESTED BY:	Nature's Alternative, Ben Zehnder
DESIRED ACTION:	To discuss and possibly approve the extension of the Community Host Agreement
PROPOSED MOTION:	I move to approve an extension of the Community Host Agreement between the Town of Wellfleet and Nature's Alternative
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

**TOWN OF WELLFLEET AND
NATURE'S ALTERNATIVE, INC.
HOST COMMUNITY AGREEMENT**

This Host Community Agreement (“Agreement”) is entered into this ___ day of May, 2021 by and between NATURE’S ALTERNATIVE, INC., a Massachusetts corporation, and any successor in interest, with a principal office address of 20 Centerville Road, Warwick, RI 02886 (the “Company”), and the TOWN OF WELLFLEET, a Massachusetts municipal corporation with a principal address of 286 Main St, Wellfleet, MA 02667 (the “Town”), acting by and through its Selectboard in reliance upon all of the representations made herein (the Company and Town, collectively the “Parties”).

WHEREAS, the Company wishes to locate an approximately 3,130 square foot Adult Use Retail Marijuana Establishment on an approximately 101,192 square foot parcel of land at the property located at 2393 State Highway and as Assessor’s Map/ Parcel ID 23-211, more accurately described by the deed recorded with the Barnstable County Registry of Deeds Book 11494, Page 218 (the “Property”), solely for the retail sales of adult use marijuana and marijuana products, with approximately 724 square feet of administrative space, 1,494 square feet of retail space, 484 square feet of storage/warehouse space, and 60,000 square feet of parking (the “RME”), in accordance with and pursuant to applicable state laws and regulations issued by the Cannabis Control Commission (“CCC”), or such other state licensing or monitoring authority, as the case may be (each a “Licensing Authority,” and collectively “Licensing Authorities”), including, but not limited to 935 CMR 500.000, and such approvals as may be issued by the Town in accordance with its Zoning Bylaws and other applicable local regulations; and

WHEREAS, the Company anticipates that the Town will incur additional expenses and impacts on the Town’s road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services and public health, as well as unforeseen impacts, both quantifiable and unquantifiable on the Town;

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite license from the CCC or such other Licensing Authorities, as the case may be, to operate the RME and any and all required local permits and approvals from the Town;

WHEREAS, the Parties intend by this Agreement to satisfy the provisions of G.L. c.94G, §3(d), applicable to the operation of the RME, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Annual Payments

In the event that the Company obtains the requisite licenses, permits and/or approvals as may be required for the operation of the RME, including but not limited to an occupancy permit from the Town's Building Commissioner and a final license and approval to operate from the CCC, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which permits, approvals and/or licenses allow the Company to locate, occupy, and operate the RME in the Town, then the Company agrees to provide the following annual payments as described in this Section 2 (the "Annual Payments"); provided, however, that if the Company fails to secure any such other license and/or approval as may be required, or any of the required municipal approvals, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement. These Annual Payments shall be in addition to and separate from any local sales tax required to be paid to the Town pursuant to G.L. c. 64N, §3.

A. Community Impact Fee

The Company anticipates that, as a result of the Company's operations of the RME, the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, permitting and consulting services, administrative services, public health education, and substance abuse counseling services, and any necessary and related legal and enforcement costs, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the direct and indirect financial impact on the Town and use of Town resources, both quantifiable and unquantifiable, the Company agrees to pay an annual community impact fee to the Town, in the amount and under the terms provided herein (the "Annual Community Impact Fee"):

1. Company shall pay an Annual Community Impact Fee in an amount equal to three percent (3%) of the gross sales from marijuana and marijuana product sales at the RME. The term "Gross Sales" shall mean the total of all sales transactions of the RME without limitation, whether wholesale or retail, and shall include but not be limited to all sales occurring at the RME, including the sale of adult use marijuana, marijuana infused products, paraphernalia, and any other products sold by the RME.
2. The RME shall be deemed to have commenced operations upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a final license from the ("Commencement of Operations"). The Annual Community Impact Fee shall be made in quarterly installments per the Town's fiscal year (July 1 - June 30) on September 30, December 31, March 31, and June 30 with the first payment due thirty (30) days after the close of each quarter following the Commencement of Operations.
3. The Annual Community Impact Fee for the first (1st) year of operation shall be prorated based on the number of months the RME is in operation provided, however, that in no event shall the Town be responsible for the return of any

Annual Community Impact Fee or portion thereof already provided to the Town by the Company.

4. The Annual Community Impact Fee shall continue for a period of five (5) years from the date of the Commencement of Operations, and shall be subject to renegotiation for successive terms for as long as the RME remains in operation. At the conclusion of each of the respective five (5) year terms, the Parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided, however, that if the parties are unable to reach an agreement on a successor Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor Community Impact Fee.
5. The Town shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services and permitting and consulting services, as well as unforeseen impacts upon the Town. The Company acknowledges and agrees that the Town is under no obligation to use the Community Impact Fees in any particular manner.
6. Pursuant to M.G.L. c. 94G, §3(d), a “community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment...” (“Town Costs”). Notwithstanding the foregoing, the Parties acknowledge the difficulty in computing actual Town Costs and have agreed to utilize a fixed percentage of Gross Sales as specified in Paragraph 2.A.1 above in lieu of attempting to determine actual Town Costs incurred. The Company acknowledges that the impacts of its operation may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, the Company acknowledges that the payments due under this Agreement are reasonably related to Town Costs and waives any claims to the contrary.
7. Annual Community Impact Fees are expressly included as “other municipal charges” pursuant to M.G.L. c. 40, § 57. A Town licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of the Company or agent thereof if the Company’s name appears on a list furnished to the licensing authority from the Town Collector of individuals delinquent on their taxes and/or water bills.

B. Annual Community Benefit Payments

In addition to the Annual Community Impact Fee, the Company agrees to additionally make an annual community benefit payment to the Town which shall be in the form of a donation in the amount and under the terms provided herein (the “Annual Community Benefit Payment”).

1. For as long as the RME is in operation, the Company shall pay to the Town an Annual Community Benefit Payment in an amount equal to ten thousand dollars (\$10,000.00).
2. The Annual Community Benefit Payments shall be made in quarterly installments per the Town’s fiscal year (July 1 - June 30) on September 30, December 31, March 31, and June 30 following the Commencement of Operations. The Annual Community Benefit Payment for the first year of operation shall be prorated based on the number of months the RME is in operation.
3. The Town shall use the Annual Community Benefit Payments in its sole discretion. The Parties hereby recognize and agree that the Annual Community Benefit Payments to be paid by the Company shall not be deemed an impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

C. Annual Charitable/Non-Profit Contributions

The Company, in addition to any funds specified herein, shall annually contribute to local charities/non-profit organizations in the Town of Orange in an amount no less than ten thousand dollars (\$10,000.00) said charities/non-profit organizations to be determined by the Company. The Annual Charitable Non/Profit Contribution shall be made annually beginning on the first anniversary following the Commencement of Operations at the RME, and shall continue for the term of this Agreement. The Company shall provide the Town with evidence of such payment within thirty (30) days of the annual anniversary of the Commencement of Operations.

The Parties hereby recognize and agree that any Annual Charitable Non/Profit Contribution to be paid by the Company shall not be deemed a community impact fee subject to the requirements or limitations set forth in G.L. c.94G, §3(d).

A. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal the Town’s building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable and of the same rates and fees chargeable to other comparable commercial developments in the Town.
2. RME Consulting Fees and Costs: The Company shall reimburse the Town for any and all reasonable consulting costs and fees related to any land use applications concerning the RME, negotiation of this and any other related

agreements, and any review concerning the RME, including, but limited to, planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the RME. Any Town legal fees and costs associated with the RME, including the cost to negotiate this Agreement, shall be paid from a \$5,000 contribution made by the Company to the Town within thirty (30) days of the execution of this Agreement. Legal fees and costs exceeding the \$5,000 contribution shall be reimbursed to the Town within thirty (30) days of the Town's request for the same.

3. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted to discussing the RME and/or reviewing the RME and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees.
4. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to its timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made with five (5) days of the date they are due, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments; provided, however, that the Town, in its discretion, may agree to waive said penalty, for good cause.

B. Annual Reporting for Host Community Impact Fees

The Company shall notify the Town within seven (7) days of when the Company Commences Operations. The Company shall annually submit written reports to the Town Administrator, no later than July 1st each year, with a certification of: (1) its annual Gross Sales, and (2) all other information required to ascertain compliance with the requirements of this Agreement. During the term of this Agreement the Company shall, upon request of the Town, appear before a meeting of Selectboard to review compliance with the terms of this Agreement. Such meeting shall occur no later than thirty (30) days following written notice from the Town.

The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC and the Department of Revenue (DOR). All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and DOR for purposes of obtaining and maintaining a license for the RME.

Upon request of the Town, during the term of this Agreement and for three (3) years following the termination of this Agreement, the Company shall, upon request of the Town, have its financial records examined, copied, and audited by an Independent Financial Auditor, the expense of which

shall be borne by the Company. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Annual Payments are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment, and shall include a certification of itemized Gross Sales for the previous year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. No Off-Set Payments

If the Town receives additional payments from the Company, or from the DOR or any other source, the funds for which have been collected by assessment against the Company, including, but not limited to taxes, imposed by an act of the legislature of the Commonwealth of Massachusetts, or a mandate from the Town for said payments, the amounts due from the Company to the Town under the terms of this Agreement shall not be reduced by the amount of such other payments.

4. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use its best efforts in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the RME when such contractors and suppliers are properly qualified and price competitive. The Company shall use its best efforts to hire Town residents and make reasonable efforts to utilize women-owned, minority-owned, and veteran-owned vendors within the Town. The Company shall report annually to the Selectboard on the number of Wellfleet residents employed at the RME.

Best efforts shall include, at a minimum, actively soliciting bids from Town vendors through local advertisements and direct contact, advertising any job expansion or hiring of new permanent full time employees first to Town residents before advertising through all typical regional employment advertising outlets, as well as hosting annual employee training programs for career advancement, cannabis career advancement, management training, business financing, entrepreneurship and/or diversity training.

The Company's annual report to the Selectboard shall include information concerning the number of Wellfleet residents employed at the RME and a description of the measures taken to fulfill this workforce hiring commitment. The Company shall furnish the Town with such further information and documentation as the Town may reasonably request to support and document compliance with this Agreement.

5. Approval of Manager

The Company shall provide to the Town, for review by the Town Administrator, the name and relevant information, including but not limited to the information set forth in 935 CMR 500.030, or such other state regulations, as the case may be, of the person(s) proposed to act as on-site manager(s) of the RME. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The Town Administrator shall may consult with the Police Chief, and if the person proposed to act as on-site manager is of unsuitable character to act as on-site manager, the Town may, in its discretion at its option, require the Company to appear before the Select Board to discuss the selection of the on-site manager. Following such appearance, the Town may at its option require that the on-site manager be removed if the manager is of unsuitable character. If after said appearance, the Select Board determines that the proposed on-site manager is unsuitable, the Company shall immediately, within two (2) weeks, replace the on-site manager. In no event shall any on-site manager approved by the CCC be prohibited from acting as on-site manager during the pendency of any Town review, and any on-site manager approved by the CCC prior to the execution hereof shall be deemed suitable unless and until deemed unsuitable herein. This approval process shall also apply to any change of on-site manager.

6. Educational Programs

The Company also shall use best efforts to provide staff to participate in ten (10) hours annually of educational programs on public health and drug abuse prevention in Town, and to work cooperatively with other Town public safety departments not mentioned in the Agreement. The Company's annual report to the Selectboard shall include information concerning the number of educational programs provided.

7. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

8. Security

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of Department of Public Health and the CCC, or such other Licensing Authorities, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras and reviewing and approving all security plans prior to the Commencement of Operations.

The Company agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the RME and with regard to any anti-diversion procedures to ensure that marijuana and marijuana products are not being transferred to the illegal market or to minors.

To the extent requested by the Town's Police Department, the Company shall work collaboratively with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the Commencement of Operations at the RME.

The Company shall promptly report the discovery of the following to Town Police within twenty-four (24) hours of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

9. Traffic Mitigation

The Company agrees to cooperate with Town officials on traffic management, including, but not limited to the Police Department, to ensure that sufficient traffic control measures are in place to mitigate traffic impacts. The Company shall pay for all customary traffic control measures required by the Town and shall also, at its own expense, employ a police detail, if deemed necessary by the Town, to manage traffic at the site. In the event that there is traffic queuing at the RME that cannot be accommodated through existing parking and police detail, the Company shall provide off-site parking and shuttle service to the RME to alleviate traffic issues. The Company further agrees to maintain sufficient spaces on site for customer parking. The Company shall also make arrangements for employee parking off street and off site, and shall provide the Town with documentation regarding its employee parking plan.

10. Hours of Operation

The Company agrees that in no event shall the RME be open for business, nor shall any distribution, delivery or transportation of marijuana occur at the RME outside the hours of 9 A.M. through 8 P.M. Monday through Sundays.

11. Waste Disposal

The Company shall ensure that no fewer than two agents witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105. When marijuana products or waste is disposed or handled, the Company will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three (3) years.

12. Odor Control

The Company shall ensure that odor from the RME is not released so as to constitute a nuisance to surrounding properties and shall use a vented odor control system so as not to release or introduce any outdoor air into the RME, nor allow any indoor air to escape. The Company shall employ odor control technology to remove odors and harmful volatile organic compounds (VOCs) from the RME. The Company shall ensure proper maintenance of all odor mitigation equipment to ensure maximum efficiency. In the event that the Town receives complaints concerning the presence of odor from the RME, the Company shall address such complaints and may be required to introduce new measures to control odor emanating from the RME.

In the event the Town receives five (5) or more complaints with respect to odor impacts in relation to the operation of the RME, the Company shall be required to meet with the Selectboard, which may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the complaints, including, but not limited to, having its odor prevention mechanism and technologies reviewed and assessed by Independent Engineer, to address the specific nature of the complaints to the satisfaction of the Selectboard. The Company agrees and acknowledges that if odor mitigation is not addressed to the satisfaction of Selectboard, the Company shall immediately, within thirty (30) days of notice cease all outdoor cultivation upon the request of the Selectboard.

Nothing set forth herein, shall limit the authority or jurisdiction of the Building Inspector, Board of Health, or any other local enforcement official from enforcing applicable state laws and regulations, the Town's local bylaws and regulations, with respect to odor violations.

13. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any concerns or issues that may arise as a result of its operation of the RME, including, but not limited to any and all concerns or issues that are raised at the Company's

required Community Outreach Meeting relative to the operation of the RME. In addition, at the request of the Selectboard, the Company shall hold community forums for discussion with neighboring residences and businesses owners in order to address community feedback and neighborhood concerns with respect to the operation of the RME; the Company shall establish or update its written policies and procedures to address concerns raised. Said written policies and procedures, as may be amended from time to time, shall be approved by the Selectboard prior to Commencement of Operations and reviewed annually by the Selectboard as part of the Company's annual report to ensure compliance with the policies and procedures and to address any further impacts requiring mitigation. The policies and procedures addressing community impact mitigation adopted by the Company and presented to the Selectboard shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

The Company further agrees and acknowledged that in the event the Town receives complaints with respect to the failure to mitigate conditions at the operation of the RME, the Company shall be required to meet with the Selectboard, which may require that additional mitigation measures be taken, at the Company's sole expense, to address the specific nature of the complaints to the satisfaction of the Selectboard.

14. Additional Obligations

A. Retained Authority of the Municipality

This Agreement does not affect, limit, or control the authority of the Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the RME to operate in the Town, or to refrain from enforcement action against the Company and/or the RME for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

B. Annual Reporting

The Company shall file an annual written report with the Selectboard in connection with its annual financial submissions on July 1st of each year for purposes of reporting on compliance with each of the terms of this Agreement and shall, at the request of the Selectboard, appear at a regularly scheduled meeting to discuss the Annual Report.

C. Annual Inspections

The Company agrees that it will voluntarily submit to a minimum of one (1) annual inspection by the Police, Fire and Building Departments to ensure compliance with the terms of this Agreement and other local approvals. This provision shall not preclude the municipality or any of its departments from conducting inspections at other times during the year to address enforcement

matters or respond to complaints. A reasonable provision of access to the RME by local inspecting agents shall be provided in accordance with state regulations concerning access to the RME.

D. Limitations on Other Uses

The Company agrees that it will not allow or engage in the on-site social consumption of adult use marijuana and adult use marijuana products. The delivery of adult use marijuana and adult use marijuana products directly to consumers shall only be permitted in compliance with state law, subject to required local approvals with prior written approval of the Selectboard, and either amendment of this Agreement or negotiation of a new Host Community Agreement to address such use.

E. Senior Discount

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall stock a designated and affordable line of products for use by senior citizens and shall apply a senior citizen discount of at least fifteen percent (15%) on products for customers ages sixty-five (65) years old and older.

F. Improvements to the Property

The Company shall make capital improvements to the site at which the RME is located such that the property will match the look and feel of the Town, and be of construction standards at least at the quality of other nearby businesses. The Company agrees to comply with all laws, rules, regulations and orders applicable to the RME, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of such work.

15. Re-Opener/Review

The Company or any “person or entity having direct or indirect control” in the Company, as defined in 935 CMR 500.002, shall be required to provide to the Selectboard notice and a copy of any other Host Community Agreement entered into for any marijuana establishment in which the Company, or any person or entity having direct or indirect control in the Company, has any interest and which is licensed by the CCC as the same type of establishment as the entity governed by this agreement.

In the event the Company or any controlling person enters into a Host Community Agreement for a retail marijuana establishment, either individually or as co-located uses, with another municipality that contains financial terms that are superior to what the Company agrees to provide the Town pursuant to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in benefits to the Town equivalent or superior to those provided to the other municipality. The re-negotiation of the Host Community Agreement under this provision would not preclude the Company from operating during the negotiation of the successor agreement, provided the Company is in full compliance with all other terms of this Agreement.

16. Municipal Support

The Town agrees to submit to the CCC, or such other Licensing Authorities, as the case may be, the required certifications relating to the Company's application for a license to operate the RME where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the RME, in any particular way other than by the Town's normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

17. Term and Termination

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates the RME in the Town with the exception of the Community Impact Fee, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has not secured a final license from the CCC and all necessary local permits from the Town and commenced operations at the RME within two (2) years from the date this Agreement takes effect, this Agreement shall expire at the option of the Selectboard, and the Company shall be required to negotiate a new Host Community Agreement in order to operate the RME within the Town. The Selectboard, in its discretion, may agree to an extension of the two (2) year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of any permits required for the operation of the RME, the special permit or other legal proceeding.

The Town may terminate this Agreement for cause by providing written notice to the Company in the event that: (i) Company with willful or gross negligence violates any laws of the Town or the Commonwealth with respect to the operation of the RME, and such violation remains uncured for thirty (30) days following the Town's issuance to Company of written notice of such violation; (ii) Company fails to make payments to the Town as required under this Agreement, and such failure remains uncured for ten (10) days following the Town's issuance to Company of written notice of such violation; or (iii) there is any other material breach of the Agreement by the Company, which material breach remains uncured for thirty (30) days following the Town's issuance to Company of written notice of such violation.

In the event of termination of this Agreement, the Company shall immediately cease all operations at the RME.

18. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, and shall not assign or obligate any of the monies payable under this Agreement, except by and with the prior written consent of the Town. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

19. Notices

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To:	Town Administrator Town of Wellfleet 300 Main Street Wellfleet, MA 02667
Copy To:	Carolyn M. Murray, Esq. Town Counsel KP Law, PC 101 Arch Street, 12th Floor Boston, MA 02110
To Licensee:	Nature's Alternative, Inc. 20 Centerville Road Warwick RI 02886 By e-mail: m.wilkes@terps.com
Copy to:	Benjamin E. Zehnder, Esq. La Tanzi, Spaulding & Landreth, LLP 8 Cardinal Lane Orleans, MA 02653 By email: bzehnder@latanzi.com

20. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed

affected thereby unless the Town would be substantially or materially prejudiced. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

21. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

22. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

23. Amendments/Waiver

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by authorized representatives of both Parties to this Agreement, prior to the effective date of the amendment.

24. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

25. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

26. Signatures

Facsimile or electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature.

27. No Joint Venture

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

28. Nullity

This Agreement shall be null and void in the event that the Company does not locate the RME in the Town or relocates the RME out of the Town; provided, however, that if the Company decides not to locate the RME in the Town, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Annual Payments due to the Town hereunder shall be calculated based upon the period of occupation of the RME within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

29. Indemnification

30. The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or RME. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand. **Third-Parties**

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

31. Representation of Authority

The Company represents and warrants that it is duly organized and existing and in good standing, has the full power, authority, and legal right to enter into and perform this Agreement, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, state law, bylaw, or regulation, and (ii) does not conflict with, or constitute a default under, any agreement or instrument to which the Company is a party or by which the Company may be bound or affected.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF WELLFLEET

NATURE'S ALTERNATIVE, INC. by:

Michael DeVasto
Chair of the Selectboard
On behalf of the
Town of Wellfleet

Patrick J. Casey, III
President



May 4, 2021

Michael DeVasto, Chair
Wellfleet Select Board
300 Main Street
Wellfleet, MA 02667

Via hand delivery on May 5, 2021 and email to Rebekah Eldridge
<Rebekah.Eldridge@wellfleet-ma.gov>

Re: Nature's Alternative Inc. / Request for Approval of Host Community Agreement

Dear Mr. DeVasto and Select Board Memebers:

I am writing to request that the Select Board approve a new Host Community Agreement for my client Nature's Alternative, Inc. ("NA"). As the Board is aware, NA entered into a Host Community Agreement dated December 11, 2018, which expired on its terms as NA did not commence operations within two years of that date.

Since December of 2018, NA has applied for and obtained Board of Appeals approval for operation at 2393 State Highway, has obtained a building permit and substantially completed its buildout, and is expected to receive Cannabis Control Commission approval to commence operations, possibly as early as May 13, 2021.

I have attached hereto in accordance with the Select Board's March 24, 2020 Town of Wellfleet Marijuana Host Community Agreement Policy, 8 copies of the following:

1. The recorded Board of Appeals Special Permit, which includes a description of the premises and a detailed operational description and operational conditions;
2. Ownership structure of NA as previously approved by the Select Board;
and
3. A Proposed Host Community Agreement, in the form most recently approved by the Select Board for the Old Bank property at 10 Main Street.

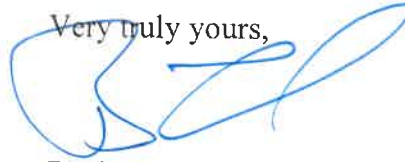
I ask that you place this matter on your May 12, 2021 agenda for review and

A Legal Beacon since 1969

action. I will plan on attending to answer any questions and will have available a representative of my client as well.

Thank you and my regards,

Very truly yours,

A handwritten signature in blue ink, appearing to read 'BEZ', with a large, sweeping flourish extending to the right.

Benjamin E. Zehnder

BEZ/
cc via email only:
Rich Pauley, Acting Town Administrator
Michael DeVasto
client

Zoning Board of Appeals
Town of Wellfleet
Town Hall
300 Main St. Wellfleet Ma 02667

Certification of the Town Clerk

I, Jennifer Congel, Acting Town Clerk, Town of Wellfleet, Massachusetts, do hereby certify that
Twenty(20) days have elapsed since the filing with this office of the Decision of the
Wellfleet Zoning Board of Appeals in:

Special Permit 19-23
Nature's Alternative, Inc.
2393 State Highway.
Map 23, Parcel 211
Book 11494, Page 218

And that no notice of appeal of said decision has been filed with me, or if such appeal has been
Filed, it has been dismissed or denied.

Dated October 17, 2019
Signed Jennifer M Congel



WELLFLEET ZONING BOARD OF APPEALS

220 West Main St., Wellfleet, MA 02667

September 25, 2019

RECEIVED
2019 OCT 17 P 2:14
TOWN OF WELLFLEET

DECISION OF THE WELLFLEET ZONING BOARD OF APPEALS.

19-23 Nature's Alternative, Inc., 2393 State Highway, Map 23, Parcel 211, Application for a Special Permit for retail marijuana use operation pursuant to the WZB s. 5.4.2 (Use Tables) and s. 5.4.13 (more than one principle use)

Pursuant to a Notice of Petition and Public Hearing, which was published in The Cape Codder newspaper on 08/23/19 and 09/30/19, and which was posted in the Town Hall from 08/29/19 to 09/12/19 and which was sent to abutters and parties in interest on 08/21/19, the public hearing of the petition cited above, for the property cited above, was held on Thursday, September 12, 2019 at 8:05 pm.

The Board consisted of Sharon Inger, Mick Lynch, Manny Heyliger, Bruce Drucker, and Jan Morrissey. Also in attendance were Board members Wil Sullivan and Reatha Ciotti. Attorney Ben Zehnder represented the applicant and provided an overview of the project. Ryder Wilcox were at the table. Attorney Zehnder stated there are a number of leased spaces in the building and the old antique store will be converted into the marijuana retail space. There will be no alterations to the building, other than the front facade of the building to provide a secure frontage to the facility. The corridors will provide access for delivery. He gave an overview of the interior space, identifying the employee areas, security, retail space, etc. There is a community host agreement with the town. Lisa Toomey, Cove Rd., questioned where the deliveries will be made, hours of operation, expressed concern with lighting facing her home, odor control, how will smoking outside in the parking park be secured, people "hanging around", as well as entrance and egress from the parking lot. The hours will be 9:00 am to 8:00 pm; deliveries will be either from the front door or side door which faces the Post Office. There will be down lighting. Nancy Sheldon stated the area will be monitored by cameras 24 hours and the police will frequently monitor the store/area. There will be no odor from the products since there is no cultivation and the products are packaged in plastic, and under displayed under glass in the store. There was no traffic study performed because it is the same use, and there are 4 entrances / exits near the Cove Road area. From the audience, Beth Singer stated the parking lot is also a school bus stop for both the am and pm (before and after school). She is concerned with the traffic danger and difficulty accessing Route 6. A letter of opposition from Jim and Marcia Arnold was read expressing concern with traffic, safety, and impaired drivers.

Wil Sullivan questioned the use of the school buses on the property and Attorney Zehnder stated the owner of the property had never restricted the use as long as the tenants didn't have any problems. Attorney Zehnder stated he didn't think the location of the marijuana store would impact the children since they could not purchase any products. Ms. Sheldon stated there will be a liaison with the police department to ensure they are always informed. There will be a parking person to direct traffic, and if necessary due to a large number of customers, sales will be an

appointment only schedule. The company will make arrangements with the tenants, police, and other agencies to ensure safety. Attorney Zehnder suggested a condition for a detailed police presence during the first month. He believed the turnover of people buying products would be approximately 15 minutes (in and out). Off-site parking could be made available if necessary. The company has to go the Cannabis Control Committee. Bruce Drucker stated most of the problems with traffic will be in the summer months and we cannot predict what will happen. He stated this is a political issue. He stated he feels the abutters should get together with the Selectmen to make sure the town works with the police, the owners, etc. and the funding received from the sales per the Host Agreement supports the efforts of the agencies. Attorney Zehnder stated a school bus stop doesn't have required limited distance to marijuana stores (schools have 500 feet). There are approximately 123 parking spots on the property. Jan Morrissey expressed concern with the number of accidents in the Cove Road area. She stated a traffic report was done and recommendations were made, but never implemented. She questioned the use of the outside door for entrance to the rest room, and Ms. Sheldon stated there will be security at both the doors to the store. Mick Lynch moved for Findings of Fact; seconded by Manny Heyliger; passed 5-0

In connection with the granting of this Special Permit, pursuant to Section 8.4.2 of the Bylaw, the Board found the benefits of the proposed use of the property as an Adult Use Marijuana Establishment for the operation of a marijuana retail establishment will outweigh any adverse effects on the Town, based on the following findings:

1. The property comprises approximately 101,192 square feet of land and 300 linear feet of frontage on Route 6 State Highway in the Commercial zoning district where 40,000 square feet of land and 200 feet of frontage are required.
2. The property is improved with a two-story brick commercial structure with approximately 16,833 square feet of floor area containing a Dunkin' Donuts establishment, hair salon, a former antique store, thrift store and self-storage units.
3. The structure is conforming as to lot coverage, height, and all building sideline setbacks save for the south side which is 25.3 feet from the sideline where 35 feet is required.
4. The property is nonconforming with regard to parking area setback requirements – the parking areas being 0 feet from Cove Road where 10' are required, and 15' from Route 6 where 35 feet are required.
5. The applicant proposes establishing a marijuana retail store in 3,130 square feet of the first floor presently the location of a retail antique store.
6. The use of the space as a retail store is not changing.
7. The remaining uses of the building are not changing.
8. The site plan shows 107 parking spaces where 77 are required.
9. The building is well set back from Route 6 – being 215.7 feet, and from Cove Road, being 76 feet.

10. The property provides two entrance / exits onto Route 6 and affords relatively straight and clear sight lines.
11. The property also provides entrances onto Cove Road and the adjacent Post Office / Theatre property, both of which provide nearby access to Route 6.
12. Retail sales of marijuana is not separately defined or regulated by the Wellfleet Zoning Bylaw but is rather a Retail Trade use permitted in the Commercial Zoning District by special permit.
13. The proposed use is not a change of use of the building, and therefore the Parking Requirement provisions of Section 6.3 and Landscaping requirements of Section 6.12 do not apply to this application
14. The proposal is projected to provide significant additional revenue to the Town of Wellfleet.
15. Route 6 provides adequate access and other public services to the property.
16. There is no reasonable likelihood of environmental damage from the proposal since the exterior of the building and the parking areas will remain the same.
17. The proposal will beneficially increase the diversity of services available locally as it will create a new and dynamic business.
18. There will be a seasonal increase in traffic due to numerous factors during the summer-tourist season but given the volume of traffic and use of Route 6 and adjoining roads, the increase is not projected to be significantly detrimental.
19. The proposal will create needed year-round employment as 18 employees at maximum shift are anticipated.
20. There will be no impact on any scenic views from the proposal.
21. The proposal provides for adequate delivery and service areas.
22. The proposal will not affect public access to or along the shoreline.
23. There were 3 objections to the application.
24. The proposal will not be substantially more detrimental to the neighborhood than current uses and structures at locus, and the applicant has demonstrated that the benefits of the proposal will outweigh any adverse effects on the Town and the vicinity after considering the Special Permit Granting Objectives as set forth in Section 8.4.2 of the Wellfleet Zoning Bylaws.

Bruce Drucker moved the Findings of Facts; seconded by Mick Lynch, passed 5-0. Mick Lynch

moved to grant the Special Permit with the following conditions; seconded by Manny Heyliger, passed 5-0.:

The Board grants this approval for a Special Permit subject to the following conditions:

1. The adult use Marijuana Establishment shall be permitted to operate between the hours of 9:00 a.m. and 8:00 p.m. for adult use marijuana retail purposes.
2. This Special Permit is limited to the operation of a facility as an adult use marijuana retail establishment for the sale of adult recreational marijuana and marijuana products directly to adult consumers.
3. The adult use marijuana retail establishment may not operate, and the Special Permit will not take effect, until the Applicant has obtained all final license approvals from the Cannabis Control Commission (the "CCC").
4. Prior to commencing operations on the Property for the sale of adult recreational marijuana and marijuana products, the Applicant shall provide the Building Commissioner, Health Agent, Fire Chief, Police Chief and the Board with a copy of the applicable Final License from the CCC for an adult use marijuana retail establishment.
5. The Applicant shall provide an annual report of its operations to the Board and other Town officials no later than January 31st of each year, including a copy of all current state licenses and demonstrating continued compliance with the conditions of this special permit. Any change in ownership of the property or change in management staff and individuals with key access to the marijuana establishment shall also be reported within 30 days of such change.
6. This Special Permit is not transferrable or assignable to another party or entity and shall remain exclusively with the Applicant for the operation of the facility as an adult use marijuana retail establishment for the sale of adult recreational marijuana and marijuana products directly to adult consumers. Events deemed a transfer or assignment of the Special Permit shall include, without limitation: (i) the Applicant's takeover or merger by or with any other entity; (ii) the Applicant's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iii) or any other changes to a majority of the founding member ownership or status of the Applicant. A Special Permit may be transferred or assigned only with the approval of the Board in the form of an amendment to the Special Permit.
7. Smoking, burning and consumption of marijuana or marijuana infused products on the premises for personal or consumer use is prohibited.

8. The permit holder shall notify the Building Commissioner, the Health Agent, the Fire Chief, the Police Chief, and the Board in writing within forty-eight hours of the cessation of operation of the adult use marijuana retail uses or the expiration or termination of the license holder's Final License CCC.
9. The Special Permit shall lapse upon the expiration or termination of the Applicant's license by the Cannabis Control Commission.
10. There shall be a valid Host Community Agreement in effect at all times during the operation of the adult use marijuana retail establishment.
11. The Security Plan and Emergency Procedures shall be approved by the Police Chief and Fire Chief prior to commencing operations. Any changes to the Security Plan and Emergency Procedures shall be reported, in writing, to the Police Chief and Fire Chief within 14 days of such changes taking effect.
12. The Applicant shall provide to the Building Inspector and Chief of the Police Department, the name, telephone number and electronic mail address of a contact person in the event that such person needs to be contacted after regular business hours to address an urgent issue. Such contact information shall be kept updated by the permit holder.
13. No deliveries will be made to the facility from the Cove Road side of the property.
14. The applicant will employ a detail officer to control traffic for the first few months of operation or as deemed necessary by the chief of police.



Sharon Inger, Chair



Christine Bates, Committee Secretary

COMMONWEALTH OF MASSACHUSETTS
TOWN OF WELLFLEET
ZONING BOARD OF APPEALS

RECEIVED

2019 OCT 17 P 2 14

Certificate of Granting of Special Permit
(Massachusetts General Laws, Chapter 40-A, Section 11)

The Zoning Board of Appeals of the Town of Wellfleet, Massachusetts hereby certifies a Special Permit has been granted to the following:

Special Permit 19-23

Nature's Alternative, Inc.

2393 State Highway.

Map 23, Parcel 211

Book 11494, Page 218

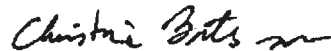
Retail marijuana use operation and more than one principle use on property

And the said Zoning Board of Appeals further certifies that the Decision attached hereto is a true and correct copy of its decision granting said Special Permit, and that copies of said Decision, and of all plans referred to in the Decision, have been filed with the Town Clerk.

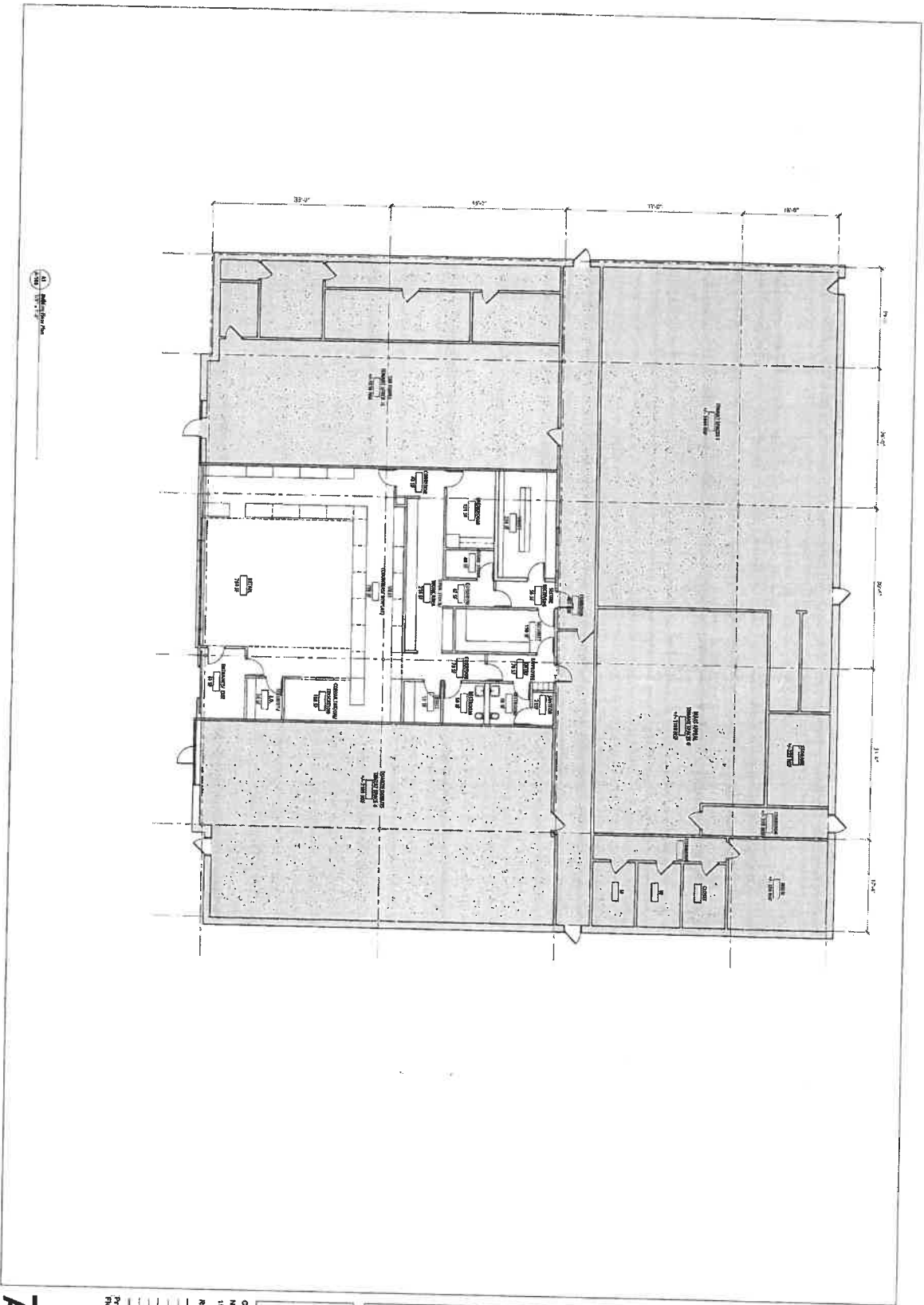
The Zoning Board of Appeals also calls to the attention of the owner and/or applicant that Massachusetts General Laws, Chapter 40-A, Section 11 (last paragraph) provides that no Special Permit, or any extension, modification or renewal thereof, shall take effect until the Decision bearing the certification of the Town Clerk that twenty days have elapsed after the Decision has been filed in the Office of the Town Clerk and no appeal has been filed or that, if such appeal has been filed, it has been dismissed or denied, is recorded in the Barnstable County registry of Deeds and indexed in the grantor index under the name of the owner of record and noted on the owner's certificate of title. The fee for such recording or registering shall be paid by the owner or the applicant.



Sharon Inger, Chair Date



Christine A. Bates, Clerk



LIB
AFFILIATES
Lerner Library Services
Riverside, NJ
Dover, VT, USA
www.libdover.com

Retail Space Renovation for
Nature's Alternative
2267 Route 6
Wellesley MA

Concept Design
Not for Construction
18 July 2015
Revisions

Proposed Building
Floor Plan

A-100

**Nature's Alternative, Inc. – Corporate and Operational Structure Since Organization on
11/3/2017 – Prepared by Benjamin E. Zehnder 04-21-2020**

November 3, 2017:

President – Stuart Bernstein
Treasurer – Ashley Esper
Secretary – David Miller
CEO – David Miller
Directors – Stuart Bernstein, Ashley Esper, David Miller
Equity Holders – N/A *

January 5, 2018:

President – David Miller
Treasurer – David Miller
Secretary – Jeff Bilodeau
CEO – David Miller
Directors – David Miller, Jeff Bilodeau, David Couture, Michael Gookin
Equity Holders – N/A *

*The organization was formed without ownership. Ownership was created upon stock transfer, Stuart Bernstein held equity for duration of transfer.

December 14, 2018:

President – Andrew J. Medeiros
Treasurer – Nicholas Salvadore
Secretary – Nicholas Salvadore
CEO – Andrew J. Medeiros
Director – Nicholas Salvadore
Permitting and Licensing Consultant – David Miller
Equity Holders – Medeiros Family Trust (majority), Patrick Casey, Nicholas Salvadore

Current as of April 21, 2020 :

President – Patrick J. Casey, III
Treasurer – Nicholas Salvadore
Secretary – Nicholas Salvadore
CEO – Patrick J. Casey, III
Director – Nicholas Salvadore
Director – Patrick J. Casey, III
Director – Jill E. Moniz
Equity Holders:
Stock Owned 99.99% by Aspen Blue, LLC, a Rhode Island limited partnership
.01% by Andrew J. Medeiros.

Ownership of Aspen Blue, LLC is as follows:

Nicholas A. Salvadore	25.00%
-----------------------	--------



TOWN OF WELFLEET

300 MAIN STREET WELLFLEET MASSACHUSETTS 02667
Tel (508) 349-0300 Fax (508) 349-0305
www.wellfleetma.org

June 29, 2020

To Whom It May Concern:

On April 28, 2020 the Wellfleet Selectboard voted unanimously to approve the corporate ownership of Nature's Alternative, Inc. by Aspen Blue, LLC (99.99%) and Andrew J. Medeiros (0.01%).

Aspen Blue, LLC (a Rhode Island LLC)
72 Pine Street, Suite 1
Providence, RI 02903
Fed. ID# 84-1984766

Daniel R. Hoort
Wellfleet Town Administrator

Patrick J. Casey, III	25.00%
Francesca Turner, LLC [1]	25.00%
Mal Salvadore	5.00%
Wilma Properties, LLC [2]	10.00%
Wolf Den Holdings LLC [3]	5.00%
Ralph Shuster Metals, Inc.	5.00%

The ownership of Francesca Turner, LLC [1] is as follows:

Jill E. Moniz	100%
---------------	------

The ownership of Wilma Properties, LLC [2] is as follows:

Andrew Wilkes	100%
---------------	------

The ownership of Wolf Den Holdings LLC [3] is as follows:

Frank Zaino, III	100%
------------------	------

The names, addresses, telephone numbers, email addresses, and, where relevant, corporate information for each applicant is as follows:

Aspen Blue, LLC (a RI domestic LLC):

RI Corporations ID 001695595; EIN 84-1984766

72 Pine Street, Suite 1

Providence, RI 02903

(401) 286-2119

mwilkes85@gmail.com (Matthew Wilkes, VP Licensing & Compliance)

Nicholas A. Salvadore:

6 Betty Drive

Narragansett, RI 02882

(401) 500-7478

nick.salvadore@gmail.com

Patrick J. Casey, III:

3 Twin Oak Drive

Warwick, RI 02889

(401) 633-4984

pjc3home@verizon.net

Francesca Turner LLC (a RI domestic LLC):

RI Corporations ID 001703700

Attn.: Jill E. Moniz

97 Bluff Avenue

Edgewood, RI 02905
(401) 640-4546
jill.e.moniz@gmail.com

Mal Salvadore:
400 Reservoir Avenue
Providence, RI 02907
(401) 780-8680
masltd@aol.com

Wilma Properties, LLC (a RI domestic LLC):
RI Corporations ID 000140170
Attn.: Andrew Wilkes
40 Quail Hollow Road
Cranston, RI 02920
(401) 241-5470
aw@awilx.com

Wolf Den Holdings, LLC:
EIN 84-3301719
Attn. Frank Zaino, III
400 Putnam Pike, #J212
Smithfield, RI 02917
(401) 636-2000
fzaino@cec-engineering.com

Ralph Shuster Metals, Inc.:
EIN 04-2171488
David Malkin, President
909 N. Main Street
Providence, RI 02904
(401) 277-0300
davidm@dsmrealty.com

END

Town of Wellfleet Marijuana Host Community Agreement Policy

All applicants seeking to execute an HCA with the Town shall appear before the Selectboard and present their plans for operation of a Marijuana Establishment. All materials must be received in the Town Administrator's office no later than noon on the Thursday preceding the Selectboard's Tuesday meeting. Applicant shall verify that all managers, directors, officers, investors, and others related to the establishment are free from any disqualifying criminal convictions. All investors shall be identified in the presentation. Applicant should provide the following:

1. Eight copies of the presentation to be given to the Selectboard
2. Eight copies of a site map of the property
3. Eight copies of a business summary of the proposed business (not to exceed four pages)

Should the Selectboard wish to proceed the Town Administrator will be directed to negotiate a Host Community Agreement with the applicant. A finalized Host Community Agreement will be brought back to the Selectboard at a subsequent meeting for approval and signature.

The Selectboard will consider the following when making a decision as to approving a Host Community Agreement.

- **Local** – The Town will give priority to businesses for which a majority of owners and operators include local proprietors. First priority to businesses primarily owned and operated by Wellfleet residents with second priority to those primarily owned and operated by residents of the Outer Cape (Provincetown, Truro and Eastham) and third priority to those primarily owned and operated by residents on the remainder of Cape Cod.
- **Year-round Business** – The Town requires that the business be open a minimum of ten months of the year.
- **Economic Vitality** – The opportunity for jobs for local residents and the use of local residents and businesses for construction and other business needs.
- **Medical vs Recreational Dispensary** – The Selectboard will give preference to those applicants who will dispense both medical and recreational marijuana.

Host Community Agreement Decision: The Selectboard may sign a Host Community Agreement with marijuana establishments at the conclusion of this process, however, the decision to sign a Host Community Agreement is solely at the discretion of the Selectboard. If the applicant's business plan does not meet the priorities established by the Board or is not considered sufficient by the Selectboard, the Board may decline to enter into a Host Community Agreement.

Prior to the opening the establishment the applicant will provide the Selectboard with an update not less than once a year.

Zoning Board of Appeals - The Board of Appeals shall be the Special Permit Granting Authority (SPGA) with the authority to hear and decide all applications for special permits, except for those special permits where the Planning Board is expressly designated as the SPGA. Registered Marijuana Dispensaries (medical) and Recreational Marijuana Dispensaries require a Special Permit to operate in the Town of Wellfleet. Section 8.4.2 of the Town's zoning bylaws (on Town's web site) describe the conditions the Board of Appeals will consider when making a decision on a Special Permit.

Premises and uses regulated by the **Board of Health**, such as “Medical Product Manufacturer” will require further application, fees and additional materials to be submitted to the Board of Health.

Adopted by the Wellfleet Selectboard on March 24, 2020

**TOWN OF WELLFLEET AND
NATURE'S ALTERNATIVE, INC.
HOST COMMUNITY AGREEMENT**

This Host Community Agreement ("Agreement") is entered into this ___ day of May, 2021 by and between NATURE'S ALTERNATIVE, INC., a Massachusetts corporation, and any successor in interest, with a principal office address of 20 Centerville Road, Warwick, RI 02886 (the "Company"), and the TOWN OF WELLFLEET, a Massachusetts municipal corporation with a principal address of 286 Main St, Wellfleet, MA 02667 (the "Town") (Company and Town, collectively the "Parties"), acting by and through its Selectboard in reliance upon all of the representations made herein.

WHEREAS, the Company wishes to locate an approximately 3,130 square foot Adult Use Retail Marijuana Establishment ("RME") for the retail sales of adult use marijuana and marijuana products at a parcel of land with approximately approximately 101,192 square feet of land located at 2393 State Highway (Assessor's Parcel ID 23-211), which is owned by the Cape Commerce Nominee Trust, J. Bruce MacGregor, Trustee, more accurately described by the deed recorded with the Barnstable County Registry of Deeds Book 11494, Page 218 (the "Property"), in accordance with and pursuant to applicable state laws and regulations issued by the Cannabis Control Commission ("CCC"), or such other state licensing or monitoring authority, as the case may be (each a "Licensing Authority," and collectively "Licensing Authorities"), including, but not limited to 935 CMR 500.000, and such approvals as may be issued by the Town in accordance with its Zoning Bylaws and other applicable local regulations; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the CCC or such other Licensing Authorities, as the case may be, to operate the RME and any and all required local permits and approvals from the Town;

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c.94G, §3(d), applicable to the operation of the RME, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

1. Recitals

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

2. Annual Payments

In the event that the Company obtains the requisite licenses and/or approvals from the Licensing Authorities, as may be required for the operation of the RME, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period

related thereto, said matter not being appealed further, which permits and/or licenses allow the Company to locate, occupy, and operate the RME in the Town, then the Company agrees to provide the following Annual Payments as described in this Section 2; provided, however, that if the Company fails to secure any such other license and/or approval as may be required, or any of the required municipal approvals, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement.

A. Community Impact Fee

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, the Company agrees to pay an Annual Community Impact Fee to the Town, in the amount and under the terms provided herein:

1. Company shall pay an Annual Community Impact Fee in an amount equal to three percent (3%) of the gross sales from marijuana and marijuana product sales at the RME (the "Annual Community Impact Fee"). The term "gross sales" shall mean the total of all sales transactions of the RME without limitation, whether wholesale or retail, and shall include but not be limited to all sales occurring at the RME, including the sale of adult use marijuana, marijuana infused products, paraphernalia, and any other products sold by the RME.
2. The Annual Community Impact Fee shall be made in quarterly installments, in arrears, per the Town's fiscal year (July 1 - June 30). The Annual Community Impact Fee for the first year of operation shall be prorated based on the number of months the RME is in operation. The initial payment of the Annual Community Impact Fee shall be due on the first day of the fourth (4th) month following the date the Company begins operations at the RME. Subsequent payments of the Annual Community Impact Fee shall be paid on a quarterly basis thereafter, due on the first day of the applicable month, for the term of the Agreement. The RME shall be deemed in operation upon receipt of both an occupancy permit from the Building Commissioner and the issuance of a final license from the CCC. The Annual Community Impact Fee shall continue for a period of five (5) years. At the conclusion of each of the respective five (5) year terms, the parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided, however, that if the parties are unable to reach an agreement on a successor Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor community impact fee.

3. With regard to any year of operation for the RME which is not a full calendar year, the applicable Annual Community Impact Fee shall be pro-rated accordingly.
4. The Town shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services, inspectional services, public health and addiction services and permitting and consulting services, as well as unforeseen impacts upon the Town.

B. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal the Town's building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable and of the same rates and fees chargeable to other comparable commercial developments in the Town.
2. RME Consulting Fees and Costs: The Company shall reimburse the Town for any and all reasonable consulting costs and fees related to any land use applications concerning the RME, negotiation of this and any other related agreements, and any review concerning the RME, including, but limited to, planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the RME.
3. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted to discussing the RME and/or reviewing the RME and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees.
4. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to its timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made with five (5) days of the date they are due, the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a five (5) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty equal to five percent (5%) of such required payments.

C. Annual Reporting for Host Community Impact Fees

The Company shall notify the Town when the Company commences sales at the RME and shall annually submit annual financial statements to the Town Administrator no later than July 31, which shall include certification of itemized gross revenues for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the CCC and Department of Revenue for purposes of obtaining and maintaining a license for the RME.

During the term of this Agreement and for three (3) years following the termination of this Agreement the Company shall agree, upon request of the Town, to have its financial records examined, copied, and audited by an Independent Financial Auditor, the expense of which shall be borne by the Company. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Annual Payments are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment, and shall include a certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

3. Local Vendors and Employment

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use its best efforts in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Establishment when such contractors and suppliers are properly qualified and price competitive and shall use its best faith efforts to hire Town residents and make reasonable efforts to utilize women-owned, minority-owned, and veteran-owned vendors within the Town. The Company shall report annually to the Selectboard on the number of Wellfleet residents employed at the Establishment.

4. Local Taxes

At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit or agricultural exemption or reduction with respect to such taxes.

Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement.

5. Security

To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of Department of Public Health and the CCC, or such other Licensing Authorities, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras.

The Company agrees to cooperate with the Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the RME and with regard to any anti-diversion procedures.

To the extent requested by the Town's Police Department, the Company shall work collaboratively with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the commencement of operations at the RME.

In the event the Town's Police Department deems it necessary for the protection of public safety, the Company shall hire a police detail at its own expense to address any queuing of vehicles and/or customers at the RME that presents a danger to public health and safety.

6. Community Impact Hearing Concerns

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any concerns or issues that may arise as a result of its operation of the RME and which presents a clear disruption to the use of such neighboring business's or resident's property, including, but not limited to any and all concerns or issues that are raised at the Company's required Community Outreach Meeting relative to the operation of the RME. Said written policies and procedures, as may be amended from time to time, shall be reviewed and approved by the Selectboard prior to commencement of operations and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

7. Additional Obligations

A. Permitting

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a license for operation of the RME in the Town, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate the RME in the Town.

B. Retained Authority of the Municipality

This agreement does not affect, limit, or control the authority of the Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the RME to operate in the Town, or to refrain from enforcement action against the Company and/or the RME for violation of the terms of said permits and approvals or said statutes, bylaws, and regulations.

C. Annual Reporting

The Company shall file an annual written report with the Selectboard in connection with its annual financial submissions on July 31 of each year for purposes of reporting on compliance with each of the terms of this Agreement and shall, at the request of the Selectboard, appear at a regularly scheduled meeting to discuss the Annual Report.

D. Annual Inspections

The Company agrees that it will voluntarily submit to a minimum of one (1) annual inspection by the Police, Fire and Building Departments to ensure compliance with the terms of this Agreement and other local approvals. Said annual inspection shall not preclude the municipality or any of its departments from conducting inspections at other times during the year to address enforcement matters or respond to complaints. A reasonable provision of access to the RME by local inspecting agents shall be provided in accordance with state regulations concerning access to the RME.

E. Limitations on Other Uses

The Company agrees that it will not allow or engage in the on-site social consumption of adult use marijuana and adult use marijuana products. The delivery of adult use marijuana and adult use marijuana products directly to consumers shall only be permitted in compliance with state law, subject to required local approvals and either amendment of this Agreement or negotiation of a new Host Community Agreement to address such use.

F. Improvements to the Property

The Company shall make capital improvements to the site at which the RME is located such that the property will match the look and feel of the Town, and be of construction standards at least at

the quality of other nearby businesses. The Company agrees to comply with all laws, rules, regulations and orders applicable to the RME, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of such work.

8. Re-Opener/Review

The Company or any “controlling person” in the Company, as defined in 935 CMR 500.002, shall be required to provide to the Selectboard notice and a copy of any other Host Community Agreement entered into for any marijuana establishment in which the Company, or any controlling person in the Company, has any interest and which is licensed by the CCC or DPH as the same type of establishment as the entity governed by this agreement.

In the event the Company or any controlling person enters into a Host Community Agreement for a retail marijuana establishment, either individually or as co-located uses, with another municipality located on Cape Cod, Nantucket and/or Martha’s Vineyard with a census population of less than 20,000 that contains financial terms resulting in payments of a Community Impact Fee or other payments totaling a higher percentage of gross sales for the same type of establishment than the Company agrees to provide the Town pursuant to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in financial benefits to the Town equivalent or superior to those provided to the other municipality. The re-negotiation of the Host Community Agreement under this provision would not preclude the Company from operating during the negotiation of the successor agreement, provided the Company is in full compliance with all other terms of this Agreement.

9. Municipal Support

The Town agrees to submit to the CCC, or such other Licensing Authorities, as the case may be, the required certifications relating to the Company’s application for a license to operate the RME where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any zoning application submitted for the RME, in any particular way other than by the Town’s normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

10. Term

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates the RME in the Town with the exception of the Community Impact Fee, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has not secured a final license from the CCC and all necessary local permits from the Town and commenced operations at the RME within two (2) years from the date this Agreement takes effect, this Agreement shall expire and the Company shall be required to

negotiate a new Host Community Agreement in order to operate the RME within the Town. The Selectboard, in its discretion, may agree to an extension of the two (2) year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of any permits required for the operation of the RME, the special permit or other legal proceeding.

11. Successors/Assigns

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

12. Notices

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To: Town Administrator
Town of Wellfleet
300 Main Street
Wellfleet, MA 02667

To Licensee: Nature's Alternative, Inc.
20 Centerville Road
Warwick RI 02886
By e-mail: m.wilkes@terps.com

Copy to: Benjamin E. Zehnder, Esq.
La Tanzi, Spaulding & Landreth, LLP
8 Cardinal Lane
Orleans, MA 02653
By email: bzehnder@latanzi.com

13. Severability

If any term of condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless the Town would be substantially or materially prejudiced. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

14. Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

15. Entire Agreement

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

16. Amendments/Waiver

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by the Wellfleet Selectboard, or its designee and an authorized representative from The Grateful Mind, prior to the effective date of the amendment.

17. Headings

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

18. Counterparts

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

19. Signatures

Facsimile or electronic signatures affixed to this Agreement shall have the same weight and authority as an original signature.

20. No Joint Venture

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

21. Nullity

This Agreement shall be null and void in the event that the Company does not locate the RME in the Town or relocates the RME out of the Town; provided, however, that if the Company decides not to locate the RME in the Town, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Annual Payments due to the Town hereunder shall be calculated based upon the period of occupation of the RME within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

22. Indemnification

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or RME. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal rates, of the Town's choosing, incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand. To the extent that any of the Town's insurance policies provide coverage for any Claim to which indemnity is being sought hereunder, the Town shall be requested to first submit the Claim to its insurance carrier before seeking indemnity from the Company, and the Company shall only be required to indemnify the Town to the extent there is no coverage.

23. Third-Parties

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

24. Termination

This Agreement shall terminate at the time that either of the following occur:

- A. If the Company ceases to operate, for any reason, an RME in the TOWN, then the Agreement shall no longer apply nor shall the Company continue to pay an Annual Community Impact Fee or other payments related to this Agreement.

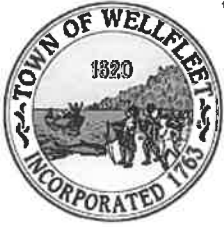
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF WELLFLEET

NATURE'S ALTERNATIVE, INC. by:

Michael DeVasto
Chair of the Selectboard
On behalf of the
Town of Wellfleet

Patrick J. Casey, III
President



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

VI

BUSINESS ~ F

REQUESTED BY:	Interim Town Administrator ~ Charlie Sumner
DESIRED ACTION:	To discuss Mass Dot Projects ~ Main Street Route 6 and Route 6 Repaving
PROPOSED MOTION:	To Be Determined
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

VI

BUSINESS ~ G

REQUESTED BY:	Interim Town Administrator Charlie Sumner
DESIRED ACTION:	To discuss and review 2020 with Powers & Sullivan the 2020 Management Letter and Audit
PROPOSED MOTION:	To Be Determined
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

TOWN OF WELLFLEET, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020

Powers & Sullivan, LLC

Certified Public Accountants



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

To the Honorable Selectboard
Town of Wellfleet, Massachusetts

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wellfleet, Massachusetts as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the **United States of America**, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. As described in the memorandum that accompanies this letter, we identified certain deficiencies in internal control regarding the Town's cash reconciliation process that we consider to be a material weakness.

Additionally, during our audit we became aware of several matters that we believe are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter also summarizes our comments and suggestions regarding those matters.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management of the Town of Wellfleet, Massachusetts, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Powers & Sullivan, LLC".

April 14, 2021

TOWN OF WELLFLEET, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020

CONTENTS

	PAGE
Material Weakness	1
Cash Reconciliations.....	2
Other Comments	3
Maintaining Proper Vendor Records and Database	4
Supporting Documentation for the Town's Payroll Process.....	4
Automation of Compensated Absences.....	5
Recording Interfund Transfers and the Contribution to the OPEB Trust Fund	5
Commingling the Stabilization Funds and the OPEB Trust Fund with Other Funds	6
Accounting for the PEG Cable Access Fund	6
Maintaining a Budget Reconciliation and Accounting for the General Fund Budget	7
Support for Receivables.....	7
Reserve for Abatements/Overlay	7
General Ledger Reporting and Maintenance.....	8
Encumbrances and the Use of Purchase Orders	8
General Ledger Journal Entries	9
Capital Asset Account Maintenance	9
Inadequate Controls Over the General Ledger and Financial Statements.....	10

Material Weakness

CASH RECONCILIATIONS

Material Weakness Comment

Both the Town Treasurer and Town Accountant play a key role in developing and monitoring a sound internal control structure. These roles are summarized as follows:

- The Treasurer is responsible for establishing and maintaining procedures to 1) properly safeguard the Town's cash and investments and 2) assure that all receipts and disbursements are reported accurately and timely.
- The Town Accountant's office is responsible for establishing and maintaining procedures to assure that 1) all Town receipts and disbursements are properly authorized and recorded in the general ledger accurately and timely 2) all journal entries are properly recorded and documented and 3) all departments are providing detailed and accurate accrual information on a timely basis.

One of the most effective controls to detect and correct errors in a timely manner is a timely process of reconciling bank balances to the cash book in the Treasurer's office and then reconciling those reconciled Treasurer's cash book balances to the Town's general ledger. Performing these monthly reconciliations helps to ensure that errors are detected and corrected timely and that records are complete and accurate. In 2020, the Town did not perform timely reconciliations and cash recorded on the general ledger at June 30, 2020, has not been reconciled.

In 2020, the Town implemented a new general ledger software and in performing our auditing procedures, we noted that beginning balance of cash imported into the new system for the Town's general fund did not agree to the ending balance of cash in the general fund from the previous year. This resulted in a \$2.3 million variance in beginning cash on the Town's ledgers. We were able to determine that the missing beginning balance in cash was recorded to fund balance in the general fund. This issue was not detected and corrected through the Town's cash reconciliation process. We proposed an audit adjustment which has been reflected in the Town's 2020 financial statements.

In 2020, the Treasurer's Office recorded a payment (a wire transfer, not placed on a warrant) for the purchase of land totaling \$2.0 million. The Treasurer recorded the transaction in the cashbook reconciling to the bank, but the transaction was not posted to the Town's general ledger. Because the Town did not reconcile cash between the Treasurer's cashbook and the general ledger throughout 2020, this missing expenditure was not detected and corrected in a timely manner. We proposed an audit adjustment which has been reflected in the Town's 2020 financial statements.

After the two adjustments as noted above were considered, there remained an unknown variance between the cashbook balance and the Town's general ledger totaling \$821,000, of which \$56,000 relates to outstanding checks. We proposed an audit adjustment of \$765,000 which has been reflected in the Town's 2020 financial statements.

Collectively, these instances constitute a material weakness in the Town's internal controls over cash.

Recommendation

We recommend that the Town complete a comprehensive evaluation of the cash management process with the goal of completing full reconciliations of cash on a monthly basis. With the change in the general ledger software, we also recommend that the Town enhance and update the cash reconciliation policy and formally document any cash reconciliation procedures as well as ensure compliance with any such policy or procedures.

Other Comments

MAINTAINING PROPER VENDOR RECORDS AND DATABASE

Comment

An important element of the Town's expenditure process should include maintaining proper vendor records and a comprehensive database containing all pertinent information for each vendor used by the Town, including W-9 Forms. Maintaining complete and accurate W-9 forms helps the Town prepare the required 1099 Tax Forms for independent contractor business that have been paid more than \$600.

The Town has not properly maintained vendor records including the collection of W-9 forms. Deficiencies in this process increase the risk that the Town will not prepare and file the appropriate 1099 Forms as required.

Recommendation

We recommend that the Town perform a review of the vendor listing and ensure that a vendor database is accurate and complete. This includes the preparation of W-9 forms for each vendor on file to ensure the appropriate 1099 forms are provided each year.

SUPPORTING DOCUMENTATION FOR THE TOWN'S PAYROLL PROCESS

Comment

Processing payroll is an integral part of the Town's day to day operations, and therefore should have strong internal controls. Payroll processed for each pay period should be adequately supported including signed and approved timesheets and proof of payrates. Additionally, both forms of supporting documentation should include proper signatory authority prior to the disbursement of funds.

In performing a review of the Town's internal control process for payroll operations, we noted that timesheets were not properly maintained and were not readily available for review. Furthermore, timesheets and pay periods were not standardized across departments and the timesheets did not require both the employee and their supervisor's signature for approval and support of hours worked. Nonstandard pay periods increase the risk that overtime, and other contractual benefits may not be calculated properly. Additionally, our review noted several instances where unionized employees were compensated at a rate falling outside the executed bargaining contract.

Furthermore, aside from the bargaining unit contracts, the Town does not have an annual salary notification or payrate change form that is used consistently or timely which details the annual payrate increases, if applicable, for each employee. These forms should be completed at each payrate change and should require the signature of the employee and their supervisor and/or management.

Maintaining adequate records of hours work and payrates agreed upon by both the employee and Town Management is an integral part of maintaining a strong internal control system over the Town's payroll process.

Recommendation

We recommend the Town establish and document formal internal control policies over the Town's payroll function, and to implement procedures to ensure compliance with such policies. We also recommend that as part of that internal control process, the Town establish the use of standardized forms to track payrates earned, hours worked, paid time-off and accrual balances as well as adopt a standard payroll period i.e. Sunday through Saturday. A full review of current bargaining unit contracts is also recommended to ensure payrates and terms

reflect the agreements.

AUTOMATION OF COMPENSATED ABSENCES

Comment

The Town does not have a centralized electronic system to track and accrue sick, vacation, and compensatory time. Compensated absences are specifically regulated by union contracts, and a decentralized and non-automated system increases the risk that time earned and taken will not be recorded properly, thus increasing the liability for the Town. Additionally, the records surrounding compensated absences displayed a variance from bargaining unit contracts.

Since the Town utilizes Harpers for the Town's payroll function, it is possible to record and monitor the compensated absences liability through the payroll system. This would provide greater internal control over accumulated sick and vacation time.

Recommendation

We recommend that the Town perform a detailed review of the accrued sick, vacation, and compensatory time for each employee and department to ensure that time earned and previously tracked by the non-automated system is accurate and reflects bargaining agreement terms. We then recommend that the Town implement an automated system to properly monitor compensated absences.

RECORDING INTERFUND TRANSFERS AND THE CONTRIBUTION TO THE OPEB TRUST FUND

Comment

The Town does not currently reconcile budgeted transfers to the actual transfers recorded on the ledger. A lack of reconciliation procedures surrounding the Town's budgeted transfers increases the risk that those transfers, as approved by Town Meeting, are not appropriately made in the proper period.

Consequently, in 2020, budgeted transfers were not recorded to the Town's general ledger. Furthermore, the Town did not record the \$200,000 contribution to the Town's Other Postemployment Benefit (OPEB) Trust Fund as voted at Town Meeting.

We proposed an adjustment to record budgeted transfers, including the contribution to the OPEB Trust Fund, which have been reflected in Town's 2020 financial statements.

Recommendation

We recommend that the Town implement procedures to reconcile any transfers as budgeted at Town Meeting to transfers recorded to the general ledger.

COMMINGLING THE STABILIZATION FUNDS AND OPEB TRUST FUND WITH OTHER FUNDS

Comment

GASB Statement #74 establishes accounting and financial reporting requirements for governments whose employees are provided with Other Postemployment Benefits (OPEB). For defined benefit OPEB plans that are administered through trusts that meet specified criteria as described in GASB Statement #74, the trust is required to be presented in a statement of fiduciary net position and a statement of changes in fiduciary net position.

Massachusetts General Law (MGL) Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. Stabilization funds are reported as part of the General Fund under Generally Accepted Accounting Principles.

In 2020, the Town converted to a new general ledger system, and during the conversion, set up separate funds to account for the Town's OPEB trust fund, and the Town's general stabilization fund. Throughout the year, the balances and activity in each of these funds were posted to a different fund, which was used to account for the Town's expendable trust funds, rather than the funds specifically set up for these purposes. We proposed an adjustment to reclassify the balances and activity for both the OPEB trust fund and the stabilization fund for separate reporting as a fiduciary fund and component of the general fund, respectively.

Recommendation

We recommend that the Town utilize the funds that have been set up in the general ledger to appropriately track and record the balances and activity in these funds separately from other expendable trust funds for proper reporting within the financial statements.

ACCOUNTING FOR THE PEG CABLE ACCESS FUND

Comment

The Massachusetts Department of Revenue (DOR) Informational Guideline Release No. 16-102 explains to local officials the procedures and requirements for accounting for cable television public, educational and governmental (PEG) activities.

The Release stipulates that the Town should either:

- Designate cable PEG access operations or services in an enterprise fund and separately account for all franchise fees and other revenues derived from enterprise activities in the same manner as other enterprise funds or;
- The Town may reserve the franchise fees and other cable related revenues for appropriation to support PEG access services; in a receipts reserved for appropriation fund.

In reviewing the Town's special revenue funds, we noted that PEG cable access activity was reported in another special revenue fund, and was not included as a receipts reserved for appropriation or an enterprise fund as stipulated by the DOR.

Recommendation

We recommend that the PEG cable access operations are recorded in compliance with DOR guidelines.

MAINTAINING A BUDGET RECONCILIATION AND ACCOUNTING FOR THE GENERAL FUND BUDGET

Comment

The Town is required to adopt and maintain a legal and balanced budget, and the Town utilizes their accounting system to maintain budgetary control. In 2020, the Town was unable to provide a reconciliation of the final budget recorded in the general ledger to the supporting Town Meeting votes or other documentation. This can put the Town at risk of overspending appropriations and inaccurate financial reporting.

Recommendation

We recommend that the Town implement a process to verify budgetary compliance by reconciling from Town Meeting votes to the amounts included on the tax recapitulation sheet and to the amounts recorded in the Town's general ledger system.

SUPPORT FOR RECEIVABLES

Comment

An integral part of ensuring that the financial statements are accurate and complete is ensuring that all amounts recorded to the Town's balance sheet are properly supported with underlying source documentation. Without support or source documentation, the Town is at risk for maintaining inaccurate balances in the general ledger and financial statements.

In 2020, we noted several accounts receivable balances in which supporting documentation was not provided and/or the supporting documentation that was provided did not substantiate the amounts as reported on the Town's general ledger.

Additionally, we noted that the Town does not have a strong internal control process to record activity regarding its septic betterments. We've noted variances between the general ledger and the supporting documentation for the past several years.

Recommendation

We recommend that the Town conduct a review for all of the Town's outstanding receivables to determine if the funds are still owed to the Town and if there are any receivables not properly recorded on the ledger. We also recommend that the Town retain adequate supporting documentation for all receivables and other assets recorded to the general ledger.

RESERVE FOR ABATEMENTS/OVERLAY

Comment

The Town Accountant's Office and the Assessor's Office are not managing and reconciling the Reserve for Abatement accounts. The Town is required to maintain an overlay balance that exceeds the potential liability for abatements. Without an accurate reconciliation between the general ledger and the Assessor's records the Board of Assessors could be making financial decisions for the Town based on inaccurate information.

Recommendation

In order to maintain the proper balances of overlay and to ensure that financial decisions are being made based on accurate information, we recommend that the two departments that are responsible for this actively work together to compare balances and activities, by year, and that these amounts are reconciled on a timely basis along with all other amounts recorded on the general ledger.

GENERAL LEDGER REPORTING AND MAINTENANCE

Comment

Part of the Town's accounting function is to ensure that the general ledger is adequately structured and managed in a way that allows for proper tracking of specific funding sources against any related and legal expenditures. This includes the use of funds or individual project codes that can identify specific funding sources and individual balances.

In 2020, the Town converted their general ledger system and it was constructed in a way that comingled funds and projects which hindered the ability to calculate and reconcile into beginning balance by project or fund from the previous year. This also caused the inability to determine if capital projects and grants funds were properly closed out at the end of the project or grant period. Commingling projects also increases the risk that funding sources will not be applied to proper expenditures.

Furthermore in 2020, we noted that the general ledger did not balance in total by approximately \$53,000 across **seven of the Town's funds. Unbalanced ledgers are** indicative of an underlying accounting issue and increases the risk that accounts are not properly recorded.

Recommendation

We recommend that the Town review each project within the accounting structure **across each of the Town's funds** to ensure that each present an accurate balance. We then recommend that the Town implement policies and procedures to ensure that transactions posted to the ledger are posted to the proper activity within the fund to accumulate to a proper ending balance for a specific project or fund.

ENUMBRANCES AND THE USE OF PURCHASE ORDERS

Comment

A proper purchase order system allows for disbursements to be subject to the internal controls of the Town prior to the purchase of goods or services. Purchase orders also allow management to have control over the expenditure process and provides more accurate and useful financial information by allowing management to monitor outstanding commitments against Town funds. A proper purchase order system can also mitigate risk **surrounding the Town's year-end encumbrance process.**

In 2020, we noted that the Town was not properly completing purchase orders prior to the purchase of goods and services. Furthermore, we noted that year end encumbrances were questionable as to their validity given the inadequate documentation to support the encumbrance and without completed purchase orders, as well as the Town not having a process in place to reconcile when encumbrances are paid down.

Recommendation

We recommend that the Town implement a process to utilize purchase orders to strengthen controls over the expenditure process as well as controls over the year-end encumbrance process.

GENERAL LEDGER JOURNAL ENTRIES

Comment

Manual adjusting journal entries are generally used to record year-end accruals, correct mispostings, and to record certain non-cash transactions. During our audit, we noted that there were an extremely large number of manual adjusting entries posted to the general ledger during the year. Additionally, we noted that some of the journal entries did not contain sufficient supporting documentation.

The accounting system used by the Town, along with most systems, is designed to minimize the need for any manual journal entries. Recording the transaction properly and charging it to the correct account at its inception is **the most efficient and accurate means of recording the Town's financial activity**. For example, when a receipt is received it is entered into the system and credited to the correct revenue account/fund. When employees or vendors are paid the expenditure is to be charged to the account/fund that incurs the expense. The only need for a journal entry is to correct errors, which should be minimal. If there is a need for a significant number of corrections to the original transactions, there is a weakness in the design of the accounting process. If the Town finds that journal entries are needed frequently, an immediate review of the policies and procedures surrounding the transaction type in question should be performed to isolate where the deviation from prescribed policies and procedures is occurring and what the correction should be.

Recommendation

We recommend that the Town work to identify the underlying issues resulting in the need for such an abundance of manual adjusting entries. Further, we recommend that procedures be implemented to properly train non-financial staff members charged with preparing source data so that errors and mispostings are minimized from the inception of each transaction. We also recommend that the Town maintain proper supporting documentation for all manual journal entries made throughout the year.

CAPITAL ASSET ACCOUNT MAINTENANCE

Comment

To comply with GASB Statement #34 reporting requirements, the Town had previously implemented a software system to maintain a list of the Town's capital assets as well as account for additions, disposals, and depreciation on capital assets each year.

Over time, the capital asset system has not been monitored or properly tracked for additions and disposals.

Recommendation

We recommend that the Town perform a full review of the capital assets listed in the capital asset software system to ensure that the assets listed are still in service and owned by the Town. Furthermore, we recommend that the Town implement procedures to ensure proper management of the software system to verify that material

capital asset additions, disposals, and depreciation are properly tracked and recorded in the Town's financial statements.

INADEQUATE CONTROLS OVER THE GENERAL LEDGER AND FINANCIAL STATEMENTS

Comment

The accounting office is responsible for proper controls over the general ledger and for preparing financial information used in compiling the financial statements. Other financial offices oversee and contribute to functions impacting the general ledger and financial statements. If there are employees who lack the qualifications and training to fulfill their assigned functions, i.e. if the person responsible for the accounting and reporting function lacks the skills and knowledge to apply GAAP in recording the Town's financial transactions and preparing its financial statements, and if the person responsible for the cash book is unable to apply standard accounting principles or payroll and accrual calculations and process are not understood by the individual(s) performing the tasks, then the Town is at risk for material misstatements.

Throughout the audit of the 2020 financial statements, we had numerous questions about account balances and transactions recorded on the Town's accounting ledgers or on the financial statements where it was difficult to obtain answers or explanations without the assistance individuals who did not have responsibility over the general ledger during the fiscal year.

Recommendation

We recommend that management re-evaluate individuals, and the roles and responsibilities of the accounting and finance departments, to ensure that the books and records of the Town are being maintained in accordance with internal policy and with legally prescribed external requirements.

TOWN OF WELLFLEET, MASSACHUSETTS

**REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2020

TOWN OF WELLFLEET, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

TABLE OF CONTENTS

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements	10
Statement of net position	11
Statement of activities.....	12
Governmental funds – balance sheet	14
Reconciliation of the governmental funds balance sheet total fund balances to the statement of net position	15
Governmental funds – 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
Proprietary funds – statement of net position	18
Proprietary funds – statement of revenues, expenses and changes in net position	19
Proprietary funds – statement of cash flows	20
Fiduciary funds – statement of fiduciary net position	21
Fiduciary funds – statement of changes in fiduciary net position	22
Notes to basic financial statements	23
Required Supplementary Information.....	55
General fund budgetary schedule.....	56
Schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual	57
Pension Plan Schedules	58
Schedule of Town's proportionate share of the net pension liability.....	59
Schedule of the Town's contributions	60
Schedule of the special funding amounts	61
Other Postemployment Benefits Plan Schedules	62
Schedule of changes in the Town's net OPEB liability and related ratios	63
Schedule of the Town's contributions	64
Schedule of investment returns	65
Notes to required supplementary information	66
Report on Internal Control over Financial Reporting and on Compliance.....	70



Independent Auditor's Report

To the Honorable Selectboard
Town of Wellfleet, Massachusetts

Report on the Financial Statements

100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

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 Wellfleet, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Wellfleet, Massachusetts' **basic financial statements as listed in the table of contents.**

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 of 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 Wellfleet, Massachusetts, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof 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 the management's discussion and analysis, located on the following pages, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2021, on our consideration of the Town of Wellfleet, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wellfleet's internal control over financial reporting and compliance.



April 14, 2021

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Wellfleet (Town), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2020. We encourage readers to consider the information presented in this report.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The *statement of net position* presents information on all assets, liabilities and deferred inflows and outflows of resources, with the difference 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 government's net position changed during the most recent 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 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, culture and recreation, COVID-19, and interest. The business-type activities include the activities of the Water and Marina enterprise funds.

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 statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the 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*.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains only one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for the Water and Marina activities.

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 statement 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 propriety funds.

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

Financial Highlights. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Wellfleet, governmental assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9.6 million at the close of 2020. Key components of the Town's governmental financial position are listed below.

Beginning net position was restated downwards in the amount of \$498,981 related to changing the measurement date of the OPEB liability to coincide with the reporting date of the financial statements. Previously, this measurement was one year behind the rest of the financial statements.

	2020	2019 (as restated)
Assets:		
Current assets.....	\$ 17,408,739	\$ 17,896,299
Capital assets, non depreciable.....	9,158,255	12,562,592
Capital assets, net of accumulated depreciation....	22,143,574	16,707,815
Total assets.....	48,710,568	47,166,706
Deferred outflows of resources.....	2,759,428	3,783,824
Liabilities:		
Current liabilities (excluding debt).....	4,644,948	1,597,755
Noncurrent liabilities (excluding debt).....	22,734,902	24,514,922
Current debt.....	1,264,008	1,378,817
Noncurrent debt.....	11,338,744	12,602,752
Total liabilities.....	39,982,602	40,094,246
Deferred inflows of resources.....	1,877,608	199,319
Net position:		
Net investment in capital assets.....	16,237,869	15,288,838
Restricted.....	3,431,689	3,094,218
Unrestricted.....	(10,059,772)	(7,726,091)
Total net position.....	\$ 9,609,786	\$ 10,656,965

Net position of \$16.2 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the investment in its capital assets is reported net of its 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, \$3.4 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$10.1 million. This is mainly due to the recognition of a \$13.9 million net pension liability and a \$8.7 million net OPEB liability.

The governmental activities net position decreased by \$1.0 million during the current year. This decrease was primarily due to a decrease in revenue from operating grants and contributions, while expenses increased from the previous year. Expenses mainly increased for the education function, which was related to increases in educational assessments.

The following table provides a summary of the financial highlights of the Town's governmental activities for 2020 and 2019.

	2020	2019
Program Revenues:		
Charges for services.....	\$ 1,547,394	\$ 1,950,998
Operating grants and contributions.....	2,477,688	4,135,792
Capital grants and contributions.....	796,124	824,140
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	17,489,068	17,323,681
Tax and other liens.....	200,266	-
Motor vehicle, other excise, hotel/motel and meals taxes.....	960,004	908,495
Penalties and interest on taxes.....	91,926	88,632
Grants and contributions not restricted to specific programs.....	57,064	8,316
Unrestricted investment income.....	236,281	159,890
Total revenues.....	23,855,815	25,399,944
Expenses:		
General government.....	3,467,833	3,559,265
Public safety.....	6,492,418	6,385,527
Education.....	7,892,257	6,838,594
Public works.....	3,014,772	3,151,404
Health and human services.....	1,252,580	1,054,299
Culture and recreation.....	1,866,337	1,782,036
COVID-19.....	221,104	-
Interest.....	410,832	405,622
Total expenses.....	24,618,133	23,176,747
Excess (Deficiency) before transfers.....	(762,318)	2,223,197
Transfers.....	(284,861)	(69,512)
Change in net position.....	(1,047,179)	2,153,685
Net position, beginning of year (as restated).....	10,656,965	8,503,280
Net position, end of year.....	\$ 9,609,786	\$ 10,656,965

The following table provides a summary of the financial highlights of the Town's business type activities for 2020 and 2019.

There was a decrease of \$198,000 in net position reported in connection with the Water and Marina enterprise business-type activities as compared to a decrease of \$311,000 in the prior year.

	2020	2019 (as restated)
Assets:		
Current assets.....	\$ 1,475,582	\$ 1,228,612
Capital assets, net of accumulated depreciation....	9,614,507	10,063,106
Total assets.....	11,090,089	11,291,718
Deferred outflows of resources.....	50,695	38,143
Liabilities:		
Current liabilities (excluding debt).....	97,343	84,300
Noncurrent liabilities (excluding debt).....	378,166	255,029
Current debt.....	160,734	160,036
Noncurrent debt.....	2,636,536	2,797,270
Total liabilities.....	3,272,779	3,296,635
Deferred inflows of resources.....	35,402	2,013
Net position:		
Net investment in capital assets.....	6,817,237	7,105,800
Restricted.....	352,230	321,730
Unrestricted.....	663,136	603,683
Total net position.....	\$ 7,832,603	\$ 8,031,213
	2020	2019
Program Revenues:		
Charges for services.....	\$ 810,183	\$ 770,046
Operating grants and contributions.....	3,852	-
General Revenues:		
Unrestricted investment income.....	3,008	7,265
Total revenues.....	817,043	777,311
Expenses:		
Water.....	477,016	514,131
Marina.....	823,498	643,577
Total expenses.....	1,300,514	1,157,708
Excess (Deficiency) before transfers.....	(483,471)	(380,397)
Transfers.....	284,861	69,512
Change in net position.....	(198,610)	(310,885)
Net position, beginning of year (as restated).....	8,031,213	8,342,098
Net position, end of year.....	\$ 7,832,603	\$ 8,031,213

The water enterprise fund increased \$31,000. In addition to transfers from other funds, this is primarily due to the fact that rates are designed to cover operating costs.

The marina enterprise fund net position decreased by \$230,000. This was primarily due to an increase in the enterprise fund's net pension liability.

Financial Analysis of the Governmental Funds

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

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

At the end of the current year, governmental funds reported combined ending fund balances of \$11.2 million comprised of \$4.6 million in the general fund, \$2.1 million in the Community Preservation fund, a \$483,000 deficit in the gifts and grants fund, \$2.8 million in the revolving funds, a deficit of \$402,000 in the major capital projects funds, and \$2.5 million in the nonmajor governmental funds.

The *general fund* is the chief operating fund of the Town. At the end of the current year, unassigned fund balance of the general fund was \$3.1 million, while total fund balance equaled \$4.6 million. 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 fund expenditures. Unassigned fund balance represents 14.0% of total general fund expenditures, while total fund balance represents 20.7% of that same amount. The general fund increased by \$192,000. This increase was primarily the result of an increase in the real estate and personal property tax collections received within the 60 days subsequent to year end, as well as activity in the general fund articles fund; offset by the use of prior year fund balance to cover current year budgetary operations.

The *Community Preservation fund* is used to account for financial resources to purchase land for open space conservation land primarily through land bank surtax, intergovernmental revenue, and bond proceeds. This major fund experienced an increase of \$300,000 in 2020.

The *gifts and grants fund* is used to account for financial resources related to intergovernmental and departmental grants, various contributions and donations, and investment income. This fund experienced a decrease of \$2.1 million, which is due to the \$2.0 million purchase of a parcel of land, and the timing of state and federal grant expenditures and when revenues are received.

The *receipts reserved fund* is used to account for financial resources reserved for specific purposes including ambulance, Balers field, beach, and shellfish receipts. This fund experienced a decrease of \$255,000.

The *highway fund* is used to account for financial resources required for the maintenance and construction of the Town's roads. The highway fund revenues equaled the expenditures.

The *major capital projects fund* is used to account for the acquisition or construction of capital facilities and other capital assets of the governmental funds. This fund experienced a decrease of \$626,000, which is due to the timing difference between capital expenditures and the financing of those capital costs.

General Fund Budgetary Highlights

The initial budget and the encumbrances carried forward from the previous year (original budget) totaled \$23.1 million. There were no net changes between the original and final budget.

General fund revenues came in \$202,000 less than budgeted while general fund expenditures came in \$770,000 less than budgeted.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$40.9 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, machinery and equipment, vehicles, drainage and water systems, infrastructure, and software. The Town's current year acquisitions totaled \$3.6 million.

Long-term debt. At the end of the current year, the Town had total bonded debt outstanding of \$15.4 million.

Standard and Poor has established the Town of Wellfleet's credit rating at "AAA," which is Standard and Poor's highest credit rating. This rating is the result of the prudent fiscal management policies the Town has and continues to pursue.

Please refer to the Notes 4, 6 and 7 and for further discussion of capital asset and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, Town Hall, 300 Main Street, Wellfleet, Massachusetts 02667.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 14,635,163	\$ 1,084,992	\$ 15,720,155
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	749,139	-	749,139
Tax liens.....	241,900	-	241,900
Community preservation fund surtax.....	24,352	-	24,352
Motor vehicle and other excise taxes.....	82,984	-	82,984
User charges.....	-	8,390	8,390
Departmental and other.....	271,511	29,970	301,481
Intergovernmental.....	1,298,073	-	1,298,073
Loans.....	105,617	352,230	457,847
Total current assets.....	17,408,739	1,475,582	18,884,321
NONCURRENT:			
Capital assets, nondepreciable.....	9,158,255	-	9,158,255
Capital assets, net of accumulated depreciation.....	22,143,574	9,614,507	31,758,081
Total noncurrent assets.....	31,301,829	9,614,507	40,916,336
TOTAL ASSETS.....	48,710,568	11,090,089	59,800,657
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	2,219,451	45,295	2,264,746
Deferred outflows related to other postemployment benefits.....	539,977	5,400	545,377
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	2,759,428	50,695	2,810,123
LIABILITIES			
CURRENT:			
Warrants payable.....	834,238	25,718	859,956
Accrued payroll.....	583,339	11,217	594,556
Other liabilities.....	97,179	4,920	102,099
Accrued interest.....	124,984	31,488	156,472
Compensated absences.....	544,000	24,000	568,000
Notes payable.....	2,461,208	-	2,461,208
Bonds payable.....	1,264,008	160,734	1,424,742
Total current liabilities.....	5,908,956	258,077	6,167,033
NONCURRENT:			
Compensated absences.....	160,000	8,000	168,000
Net pension liability.....	13,894,542	283,562	14,178,104
Net other postemployment benefits.....	8,660,360	86,604	8,746,964
Bonds payable.....	11,338,744	2,836,536	13,975,280
Total noncurrent liabilities.....	34,073,646	3,014,702	37,088,348
TOTAL LIABILITIES.....	39,982,602	3,272,779	43,255,381
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	1,597,469	32,601	1,630,070
Deferred inflows related to other postemployment benefits.....	260,139	2,801	262,940
TOTAL DEFERRED INFLOWS OF RESOURCES.....	1,877,608	35,402	1,913,010
NET POSITION			
Net investment in capital assets.....	16,237,869	6,817,237	23,055,106
Restricted for:			
Loans.....	105,617	352,230	457,847
Permanent funds:			
Expendable.....	890,339	-	890,339
Nonexpendable.....	275,120	-	275,120
Community preservation.....	2,160,613	-	2,160,613
Unrestricted.....	(10,059,772)	663,136	(9,396,636)
TOTAL NET POSITION.....	\$ 9,609,786	\$ 7,832,603	\$ 17,442,389

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 3,467,833	\$ 367,405	\$ 280,340	\$ 538,568	\$ (2,281,520)
Public safety.....	6,492,418	149,704	331,887	-	(6,010,827)
Education.....	7,892,257	34,980	820,518	-	(7,036,759)
Public works.....	3,014,772	19,388	653,585	257,556	(2,084,243)
Health and human services.....	1,252,580	74,987	112,570	-	(1,065,023)
Culture and recreation.....	1,866,337	900,930	57,684	-	(907,723)
COVID-19.....	221,104	-	221,104	-	-
Interest.....	410,832	-	-	-	(410,832)
Total Governmental Activities.....	24,618,133	1,547,394	2,477,688	796,124	(19,796,927)
<i>Business-Type Activities:</i>					
Water.....	477,016	238,568	-	-	(238,448)
Marina.....	823,498	571,615	3,852	-	(248,031)
Total Business-Type Activities.....	1,300,514	810,183	3,852	-	(486,479)
Total Primary Government.....	\$ 25,918,647	\$ 2,357,577	\$ 2,481,540	\$ 796,124	\$ (20,283,406)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (19,796,927)	\$ (486,479)	\$ (20,283,406)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	17,489,068	-	17,489,068
Tax and other liens.....	200,266	-	200,266
Motor vehicle, other excise, hotel/motel and meals taxes....	960,004	-	960,004
Penalties and interest on taxes.....	91,926	-	91,926
Grants and contributions not restricted to specific programs.....	57,064	-	57,064
Unrestricted investment income.....	236,281	3,008	239,289
Transfers, net.....	(284,861)	284,861	-
Total general revenues and transfers.....	18,749,748	287,869	19,037,617
Change in net position.....	(1,047,179)	(198,610)	(1,245,789)
<i>Net position:</i>			
Beginning of year (as restated).....	10,656,965	8,031,213	18,688,178
End of year.....	\$ 9,609,786	\$ 7,832,603	\$ 17,442,389

See notes to basic financial statements.

(Concluded)

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2020

	General	Community Preservation Fund	Gifts and Grants	Receipts Reserved	Highway	Major Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents.....	\$ 5,513,106	\$ 2,155,372	\$ 529,122	\$ 2,862,595	\$ -	\$ 1,234,829	\$ 2,340,139	\$ 14,635,163
Receivables, net of uncollectibles:								
Real estate and personal property taxes.....	749,139	-	-	-	-	-	-	749,139
Tax liens.....	235,839	6,061	-	-	-	-	-	241,900
Community preservation fund surtax.....	-	24,352	-	-	-	-	-	24,352
Motor vehicle and other excise taxes.....	82,984	-	-	-	-	-	-	82,984
Departmental and other.....	-	-	-	72,654	-	-	198,857	271,511
Intergovernmental.....	-	-	-	-	1,149,911	-	148,162	1,298,073
Loans.....	-	-	-	-	-	-	105,617	105,617
TOTAL ASSETS.....	\$ 8,581,068	\$ 2,185,785	\$ 529,122	\$ 2,935,249	\$ 1,149,911	\$ 1,234,829	\$ 2,792,775	\$ 17,408,739
LIABILITIES								
Warrants payable.....	\$ 608,553	\$ 24,818	\$ 7,206	\$ 100	\$ -	\$ 175,426	\$ 18,135	\$ 834,238
Accrued payroll.....	581,221	354	654	-	-	-	1,110	583,339
Other liabilities.....	52,783	-	4,697	39,699	-	-	-	97,179
Notes payable.....	-	-	1,000,000	-	-	1,461,208	-	2,461,208
TOTAL LIABILITIES.....	1,242,557	25,172	1,012,557	39,799	-	1,636,634	19,245	3,975,964
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue.....	715,030	30,413	-	72,655	1,149,911	-	304,474	2,272,483
FUND BALANCES								
Nonspendable.....	-	-	-	-	-	-	275,120	275,120
Restricted.....	-	2,130,200	-	2,822,795	-	-	2,193,936	7,146,931
Committed.....	1,467,605	-	-	-	-	-	-	1,467,605
Assigned.....	28,732	-	-	-	-	-	-	28,732
Unassigned.....	3,129,144	-	(483,435)	-	-	(401,805)	-	2,243,904
TOTAL FUND BALANCES.....	4,823,481	2,130,200	(483,435)	2,822,795	-	(401,805)	2,469,056	11,160,292
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 6,581,068	\$ 2,185,785	\$ 529,122	\$ 2,935,249	\$ 1,149,911	\$ 1,234,829	\$ 2,792,775	\$ 17,408,739

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2020

Total governmental fund balances.....		\$ 11,160,292
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		31,301,829
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		2,272,483
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		881,820
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(124,984)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(12,602,752)	
Net pension liability.....	(13,894,542)	
Net other postemployment benefits.....	(8,660,360)	
Compensated absences.....	<u>(724,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(35,881,654)</u>
Net position of governmental activities.....		<u>\$ 9,609,786</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	General	Community Preservation Fund	Gifts and Grants	Receipts Reserved	Highway	Major Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:								
Real estate and personal property taxes, net of tax refunds.....	\$ 17,984,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,984,944
Tax Liens.....	61,129	-	-	-	-	-	-	61,129
Motor vehicle and other excise taxes.....	521,688	-	-	-	-	-	-	521,688
Hotel/motel and meals tax.....	686,121	-	-	-	-	-	-	686,121
Penalties and interest on taxes.....	91,926	-	-	-	-	-	-	91,926
Intergovernmental.....	317,046	198,130	132,859	-	445,102	-	60,011	1,153,148
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	221,104	221,104
Intergovernmental - teachers retirement.....	551,236	-	-	-	-	-	-	551,236
Departmental and other.....	575,069	-	270	1,872,922	-	-	44,567	2,492,828
Community preservation tax.....	-	532,313	-	-	-	-	-	532,313
Contributions and donations.....	-	-	15,912	-	-	-	61,374	77,286
Investment income.....	18,193	36,161	3,435	272	-	-	16,188	74,249
Miscellaneous.....	-	-	37,514	-	-	-	58,062	93,576
TOTAL REVENUES.....	20,787,352	766,604	189,990	1,873,194	445,102	-	459,306	24,521,548
EXPENDITURES:								
Current:								
General government.....	1,773,023	313,948	2,024,855	3,275	-	70,951	340,987	4,527,019
Public safety.....	3,900,022	-	99,963	-	-	60,418	68,451	4,128,854
Education.....	6,509,789	-	45,201	-	-	-	75,401	6,630,391
Public works.....	2,055,707	-	9,429	3,535	445,102	625,482	25,337	3,164,592
Health and human services.....	787,781	-	108,946	-	-	-	1,846	898,573
Culture and recreation.....	1,380,542	-	10,765	-	-	-	35,925	1,427,232
COVID-19.....	-	-	-	-	-	-	221,104	221,104
Pension benefits.....	1,238,696	-	-	-	-	-	-	1,238,696
Pension benefits - teachers retirement.....	551,236	-	-	-	-	-	-	551,236
Property and liability insurance.....	311,909	-	-	-	-	-	-	311,909
Employee benefits.....	1,876,682	-	-	-	-	-	-	1,876,682
State and county charges.....	314,770	-	-	-	-	-	-	314,770
Debt service:								
Principal.....	1,285,817	50,000	-	-	-	-	-	1,338,817
Interest.....	382,473	2,900	-	-	-	-	-	385,373
TOTAL EXPENDITURES.....	22,371,447	366,848	2,299,159	6,810	445,102	756,851	769,031	27,015,248
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,584,095)	399,756	(2,109,169)	1,866,384	-	(756,851)	(309,725)	(2,493,700)
OTHER FINANCING SOURCES (USES):								
Transfers in.....	2,084,006	-	-	-	-	131,015	100,000	2,315,021
Transfers out.....	(307,861)	(100,000)	-	(2,121,515)	-	-	(70,506)	(2,599,882)
TOTAL OTHER FINANCING SOURCES (USES).....	1,776,145	(100,000)	-	(2,121,515)	-	131,015	29,494	(284,861)
NET CHANGE IN FUND BALANCES.....	192,050	299,756	(2,109,169)	(255,131)	-	(625,836)	(280,231)	(2,778,561)
FUND BALANCES AT BEGINNING OF YEAR.....	4,431,431	1,830,444	1,625,734	3,077,926	-	224,031	2,749,287	13,938,853
FUND BALANCES AT END OF YEAR.....	\$ 4,623,481	\$ 2,130,200	\$ (483,435)	\$ 2,822,795	\$ -	\$ (401,805)	\$ 2,469,056	\$ 11,160,292

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds.....	\$	(2,778,561)
<p>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.</p>		
Capital outlay.....		3,552,727
Depreciation expense.....		<u>(1,521,305)</u>
Net effect of reporting capital assets.....		2,031,422
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(665,733)
<p>The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Debt service principal payments.....		1,338,817
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		(35,000)
Net change in accrued interest on long-term debt.....		(25,459)
Net change in deferred outflow/(inflow) of resources related to pensions.....		(2,192,624)
Net change in net pension liability.....		1,744,581
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...		(510,061)
Net change in net other postemployment benefits liability.....		<u>45,439</u>
Net effect of recording long-term liabilities.....		<u>(973,124)</u>
Change in net position of governmental activities.....	\$	<u>(1,047,179)</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION**

JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Marina	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 361,394	\$ 723,598	\$ 1,084,992
Receivables, net of allowance for uncollectibles:			
User charges.....	8,390	-	8,390
Departmental and other.....	-	29,970	29,970
Loans.....	352,230	-	352,230
Total current assets.....	722,014	753,568	1,475,582
NONCURRENT:			
Capital assets, net of accumulated depreciation.....	5,992,276	3,622,231	9,614,507
TOTAL ASSETS.....	6,714,290	4,375,799	11,090,089
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	-	45,295	45,295
Deferred outflows related to other postemployment benefits.....	-	5,400	5,400
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	-	50,695	50,695
LIABILITIES			
CURRENT:			
Warrants payable.....	54	25,664	25,718
Accrued payroll.....	655	10,562	11,217
Accrued interest.....	24,907	6,581	31,488
Other Liabilities.....	-	4,920	4,920
Compensated absences.....	-	24,000	24,000
Bonds payable.....	55,734	105,000	160,734
Total current liabilities.....	81,350	176,727	258,077
NONCURRENT:			
Compensated absences.....	-	8,000	8,000
Net pension liability.....	-	283,562	283,562
Net other postemployment benefits.....	-	86,604	86,604
Bonds payable.....	2,051,536	585,000	2,636,536
Total noncurrent liabilities.....	2,051,536	963,166	3,014,702
TOTAL LIABILITIES.....	2,132,886	1,139,893	3,272,779
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	-	32,601	32,601
Deferred inflows related to other postemployment benefits.....	-	2,801	2,801
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	35,402	35,402
NET POSITION			
Net investment in capital assets.....	3,885,006	2,932,231	6,817,237
Restricted for Loans.....	352,230	-	352,230
Unrestricted.....	344,168	318,968	663,136
TOTAL NET POSITION.....	\$ 4,581,404	\$ 3,251,199	\$ 7,832,603

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Marina	Total
OPERATING REVENUES:			
Charges for services.....	\$ 238,568	\$ 571,615	\$ 810,183
OPERATING EXPENSES:			
Cost of services and administration.....	136,268	406,839	543,107
Salaries and wages.....	20,328	213,946	234,274
Depreciation.....	266,454	182,145	448,599
TOTAL OPERATING EXPENSES.....	423,050	802,930	1,225,980
OPERATING INCOME (LOSS).....	(184,482)	(231,315)	(415,797)
NONOPERATING REVENUES (EXPENSES):			
Investment income.....	1,484	1,524	3,008
Interest expense.....	(53,966)	(20,568)	(74,534)
Intergovernmental.....	-	3,852	3,852
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(52,482)	(15,192)	(67,674)
INCOME (LOSS) BEFORE TRANSFERS.....	(236,964)	(246,507)	(483,471)
TRANSFERS:			
Transfers in.....	267,861	17,000	284,861
CHANGE IN NET POSITION.....	30,897	(229,507)	(198,610)
NET POSITION AT BEGINNING OF YEAR (as restated).....	4,550,507	3,480,706	8,031,213
NET POSITION AT END OF YEAR.....	\$ 4,581,404	\$ 3,251,199	\$ 7,832,603

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Marina	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users.....	\$ 210,659	\$ 571,615	\$ 782,274
Payments to vendors.....	(136,214)	(235,497)	(371,711)
Payments to employees.....	(20,259)	(226,477)	(246,736)
NET CASH FROM OPERATING ACTIVITIES.....	54,186	109,641	163,827
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in.....	267,861	17,000	284,861
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments on bonds and notes.....	(55,036)	(105,000)	(160,036)
Intergovernmental revenue.....	-	3,852	3,852
Interest expense.....	(54,701)	(21,750)	(76,451)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(109,737)	(122,898)	(232,635)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income.....	1,484	1,524	3,008
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	213,794	5,267	219,061
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	147,600	718,331	865,931
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 361,394	\$ 723,598	\$ 1,084,992
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:			
Operating income (loss).....	\$ (184,482)	\$ (231,315)	\$ (415,797)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	266,454	182,145	448,599
Deferred (outflows)/inflows related to pensions.....	-	15,737	15,737
Deferred (outflows)/inflows related to other postemployment benefits.....	-	5,100	5,100
Changes in assets and liabilities:			
User charges.....	2,591	-	2,591
Loans.....	(30,500)	-	(30,500)
Warrants payable.....	54	25,548	25,602
Accrued payroll.....	69	3,369	3,438
Other liabilities.....	-	4,920	4,920
Compensated absences.....	-	(21,000)	(21,000)
Net pension liability.....	-	125,591	125,591
Other postemployment benefits.....	-	(454)	(454)
Total adjustments.....	238,668	340,956	579,624
NET CASH FROM OPERATING ACTIVITIES.....	\$ 54,186	\$ 109,641	\$ 163,827

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

	Other Postemployment Benefit Trust Fund	Agency
ASSETS		
Cash and cash equivalents.....	\$ 36,084	\$ 460,152
Investments:		
U.S. treasuries.....	141,143	-
Government sponsored enterprises.....	133,751	-
Corporate bonds.....	250,196	-
Equity securities.....	714,126	-
Equity mutual funds.....	602,735	-
Fixed income mutual funds.....	292,189	-
TOTAL ASSETS	2,170,224	460,152
LIABILITIES		
Liabilities due depositors.....	-	460,152
NET POSITION		
Restricted for other postemployment benefits.....	\$ 2,170,224	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2020

		Other Postemployment Benefit Trust Fund
<u>ADDITIONS:</u>		
Contributions:		
Employer contributions.....	\$	200,000
Employer contributions for other postemployment benefit payments....		518,063
		<hr/>
Total contributions.....		718,063
		<hr/>
Net investment income:		
Net change in fair value of investments.....		60,526
Investment income.....		48,447
Less: investment expense.....		(9,455)
		<hr/>
Net investment income.....		99,518
		<hr/>
TOTAL ADDITIONS.....		817,581
		<hr/>
<u>DEDUCTIONS:</u>		
Other postemployment benefit payments.....		518,063
		<hr/>
NET INCREASE (DECREASE) IN NET POSITION.....		299,518
		<hr/>
NET POSITION AT BEGINNING OF YEAR.....		1,870,706
		<hr/>
NET POSITION AT END OF YEAR.....	\$	2,170,224
		<hr/> <hr/>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Selectboard.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. It has been determined that the Town has no component units that require inclusion in these basic financial statements.

B. Joint Ventures

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

The Town participates in two joint ventures with other municipalities, the Nauset Regional School District and the Cape Cod Regional Technical High School. These joint ventures are designed to pool resources and share the costs, risks and rewards of providing educational services. The 2020 assessment to the Town by the District was \$3.2 million for the Nauset Regional School District and \$415,000 for the Cape Cod Regional Technical High School.

The Town is indirectly liable for the Districts' debt and other expenditures and is assessed annually for its share of operating and capital costs.

C. Government-Wide and Fund Financial Statements*Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds 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. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows or resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

D. 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. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *Community Preservation fund* is used to account for financial resources to purchase land for open space conservation land under the Community Preservation Act.

The *gifts and grants fund* is used to account for financial resources related to intergovernmental and departmental grants, various contributions and donations, and related investment income.

The *receipts reserved fund* is used to account for financial resources reserved for a specific purpose including ambulance, Bakers field, beach, and shellfish receipts.

The *highway fund* is used to account for activities reimbursed through the State's Chapter 90 highway improvement program.

The *major capital projects fund* is used to account for the acquisition or construction of capital facilities and other capital assets of the governmental funds.

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

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The *water enterprise fund* is used to account for financial resources required for the construction and operation of the Town's water system.

The *marina enterprise fund* is used to account for the Town's marina activities.

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

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* accumulates resources to provide funding for future OPEB (other postemployment benefits) liabilities.

The *agency fund* is used to account for assets held in a purely custodial capacity.

E. Cash and Investments

Government-Wide and Fund Financial Statements

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

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes are due on November 1st and May 1st 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 year of the levy.

Real estate tax liens are processed by the fourth quarter of every year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle and Other Excise

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

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Community Preservation

Community Preservation surcharges are billed with the real estate and personal property tax levy and are 3% of the total real estate tax bill. These surcharges are due on November 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. The surcharges are recorded as receivables in the year of the levy.

Community Preservation surcharge liens are processed by the fourth quarter of every year on delinquent properties and are recorded as receivables in the year they are processed.

The Community Preservation receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Departmental and Other

Departmental and other receivables consist primarily of parking tickets and ambulance charges receivable and are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

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

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Loans

The Town administers septic loans to qualifying residents in relation to septic system repairs. Upon issuance, a receivable is recorded for the principal amount of the loan.

The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

G. Inventories

Government-Wide and Fund Financial Statements

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

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles, drainage and water systems, infrastructure (e.g., roads, water mains, sewer mains, and similar items), and software, are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements.

Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	5 - 50
Buildings and facilities.....	5 - 50
Building improvements	5 - 50
Machinery and equipment.....	3 - 20
Vehicles	5
Drainage and water systems.....	20 - 40
Infrastructure	10 - 50
Software	3

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports deferred outflows related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town reports deferred outflows related to pensions and other postemployment benefits in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

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

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

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

L. Net position and Fund Equity*Government-Wide Financial Statements (Net position)*

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

Net position has been "restricted for" the following:

"Loans" represents the Town's septic loan program's outstanding loans receivable balance.

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

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

"Community preservation" represents amounts restricted for the purpose of ongoing community preservation activities.

"Gifts and grants" represents restrictions placed on assets from outside parties.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as **restricted – net position** and **unrestricted – net position** in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider **restricted – net position** to have been depleted before **unrestricted – net position** is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

"Nonspendable" fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

"Restricted" fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town meeting is the highest level of decision making authority for the government that can, by adoption of an ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. The Selectboard has by resolution authorized the Town Accountant to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Barnstable County Retirement Association (BCRA) and additions to/deductions from the Association’s fiduciary net position have been determined on the same basis as they are reported by the BCRA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

O. Investment Income

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

P. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

Q. Fund Deficits

Several individual fund deficits exist at June 30, 2020, within the major capital projects fund and the gifts and grants funds. These deficits will be funded through grants and other available funds.

R. Use of Estimates*Government-Wide and Fund Financial Statements*

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

S. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

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

T. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. **For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.**

NOTE 2 – CASH AND INVESTMENTS

Statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool. In addition, there are various restrictions limiting the amount and length of deposits and investments.

It is the Town's policy to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the Town. The Town follows the policies established under Massachusetts General Laws. The Commonwealth's statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool).

The Town maintains a cash and investment pool that is available for use by all funds. **Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".** The deposits and investments of the Trust Funds are held separately from those of other Town funds.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in event of a bank failure, the government's deposits may not be returned to it. **The Town's deposit and investment policy allows for unlimited investments in MMDT, U.S. Treasuries and Agencies that will be held to maturity with maturities up to one year from the date of purchase, and bank accounts and Certificates of Deposit with maturities up to one year which are fully collateralized or fully insured. At year-end, the carrying amount of deposits totaled \$16,180,307 and the bank balance totaled \$16,236,569. Of the bank balance, \$1,000,000 was covered by Federal Depository Insurance, \$14,561,352 was covered by the Depositors Insurance Fund, and \$675,217 was uninsured and uncollateralized.**

As of June 30, 2020, the Town had the following investments and maturities:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury notes.....	\$ 141,143	\$ -	\$ 83,920	\$ 57,223
Government sponsored enterprises....	133,751	-	106,843	26,908
Corporate bonds.....	250,196	30,198	194,117	25,881
Total debt securities.....	525,090	\$ 30,198	\$ 384,880	\$ 110,012
Other investments:				
Equity securities.....	714,126			
Equity mutual funds.....	602,735			
Fixed income.....	292,189			
Money market mutual funds.....	36,084			
Total investments.....	\$ 2,170,224			

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town has custodial credit risk exposure of \$525,090 because the U.S. treasury notes, government sponsored enterprise securities and corporate bonds are uninsured, unregistered and held by the counterparty.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. Quality ratings for the debt securities are as follows:

Quality Rating	Government Sponsored Enterprises		Corporate Bonds	
	AA+.....	\$ 133,751	\$ -	
AA.....	-		26,367	
AA-.....	-		57,892	
A+.....	-		25,877	
A.....	-		31,119	
A-.....	-		26,532	
BBB+.....	-		56,528	
BBB.....	-		25,881	
Total.....	\$ 133,751	\$ 250,196		

Concentration of Credit Risk

The Town places no limit on the amount the government may invest in any one issuer. As of June 30, 2020, the Town's investment in equity investments did not exceed 5% of the total investment for any one issuer.

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The following table presents financial assets at June 30, 2020, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Debt securities:				
U.S. treasury notes.....	\$ 141,143	\$ 141,143	\$ -	\$ -
Government sponsored enterprises.....	133,751	133,751	-	-
Corporate bonds.....	250,196	-	250,196	-
Total debt securities.....	525,090	274,894	250,196	-
Other investments:				
Equity securities.....	714,126	714,126	-	-
Equity mutual funds.....	602,735	602,735	-	-
Fixed income.....	292,189	292,189	-	-
Money market mutual funds.....	36,084	36,084	-	-
Total other investments.....	1,645,134	1,645,134	-	-
Total investments measured at fair value.....	\$ 2,170,224	\$ 1,920,028	\$ 250,196	\$ -

U.S. treasury notes, government sponsored enterprises, equity securities, equity mutual funds, fixed income, and money market mutual funds, classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 3 – RECEIVABLES

At June 30, 2020, receivables for the individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 749,139	\$ -	\$ 749,139
Tax liens.....	241,900	-	241,900
Community preservation fund surtax.....	24,352	-	24,352
Motor vehicle and other excise taxes.....	82,984	-	82,984
Departmental and other.....	271,511	-	271,511
Intergovernmental.....	1,298,073	-	1,298,073
Loans.....	105,617	-	105,617
Total.....	\$ 2,773,576	\$ -	\$ 2,773,576

At June 30, 2020, receivables for the water and marina enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	\$ 8,390	\$ -	\$ 8,390
Water loans.....	352,230	-	352,230
Marina departmental and other.....	29,970	-	29,970
Total.....	\$ 390,590	\$ -	\$ 390,590

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows:

	General Fund	Land Acquisition	Highway	Town Revolving	Other Governmental Funds	Total
<u>Receivables:</u>						
Real estate and personal property taxes.....	\$ 396,141	\$ -	\$ -	\$ -	\$ -	\$ 396,208
Tax liens.....	235,839	6,061	-	-	-	241,900
Community preservation fund surtax.....	-	24,352	-	-	-	24,352
Motor vehicle and other excise taxes.....	83,050	-	-	-	-	82,984
Departmental and other.....	-	-	-	72,655	198,857	271,511
Intergovernmental.....	-	-	1,149,911	-	-	1,149,911
Loans.....	-	-	-	-	105,617	105,617
Total.....	\$ 715,030	\$ 30,413	\$ 1,149,911	\$ 72,655	\$ 304,474	\$ 2,272,483

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 7,158,255	\$ 2,000,000	\$ -	\$ 9,158,255
Construction in progress.....	5,404,337	-	(5,404,337)	-
Total capital assets not being depreciated....	12,562,592	2,000,000	(5,404,337)	9,158,255
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,021,942	77,145	-	1,099,087
Buildings.....	19,218,736	-	-	19,218,736
Buildings and improvements.....	1,056,537	5,580,195	-	6,636,732
Machinery and equipment.....	5,352,680	557,756	(370,868)	5,539,568
Vehicles.....	1,481,646	309,193	(28,986)	1,761,853
Drainage and water systems.....	836,153	-	-	836,153
Infrastructure.....	5,009,914	432,775	-	5,442,689
Software.....	84,620	-	-	84,620
Total capital assets being depreciated.....	34,062,228	6,957,064	(399,854)	40,619,438
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(430,075)	(52,771)	-	(482,846)
Buildings.....	(8,528,142)	(457,008)	-	(8,985,150)
Buildings and improvements.....	(439,860)	(198,770)	-	(638,630)
Machinery and equipment.....	(3,735,492)	(450,858)	370,868	(3,815,482)
Vehicles.....	(908,090)	(205,767)	28,986	(1,084,871)
Drainage and water systems.....	(153,837)	(17,618)	-	(171,455)
Infrastructure.....	(3,115,112)	(131,316)	-	(3,246,428)
Software.....	(43,805)	(7,197)	-	(51,002)
Total accumulated depreciation.....	(17,354,413)	(1,521,305)	399,854	(18,475,864)
Total capital assets being depreciated, net.....	16,707,815	5,435,759	-	22,143,574
Total governmental activities capital assets, net.....	\$ 29,270,407	\$ 7,435,759	\$ (5,404,337)	\$ 31,301,829
	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
<u>Capital assets being depreciated:</u>				
Infrastructure.....	\$ 8,592,875	\$ -	\$ -	\$ 8,592,875
<u>Less accumulated depreciation for:</u>				
Infrastructure.....	(2,334,145)	(266,454)	-	(2,600,599)
Total water activities capital assets, net.....	\$ 6,258,730	\$ (266,454)	\$ -	\$ 5,992,276

	Beginning Balance	Increases	Decreases	Ending Balance
Marina Enterprise Activities:				
<u>Capital assets being depreciated:</u>				
Land improvements.....	\$ 6,679,095	\$ -	\$ -	\$ 6,679,095
Buildings.....	114,201	-	-	114,201
Machinery and equipment.....	105,657	-	-	105,657
Total capital assets being depreciated.....	6,898,953	-	-	6,898,953
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,912,350)	(174,962)	-	(3,087,312)
Buildings.....	(87,759)	(4,305)	-	(92,064)
Machinery and equipment.....	(94,468)	(2,878)	-	(97,346)
Total accumulated depreciation.....	(3,094,577)	(182,145)	-	(3,276,722)
Total marina activities capital assets, net.....	\$ 3,804,376	\$ (182,145)	\$ -	\$ 3,622,231

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

Governmental Activities:	
General government.....	\$ 121,039
Public safety.....	686,217
Education.....	145,980
Public works.....	447,882
Health and human services.....	52,770
Culture and recreation.....	67,417
Total depreciation expense - governmental activities.....	\$ 1,521,305
Business-Type Activities:	
Water.....	\$ 266,454
Marina.....	182,145
Total depreciation expense - business-type activities.....	\$ 448,599

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2020, are summarized as follows:

Transfers Out:	Transfers In:					Total
	General fund	Capital Projects	Nonmajor governmental funds	Water Enterprise fund	Marina Enterprise fund	
General fund.....	\$ -	\$ 40,000	\$ -	\$ 267,861	\$ -	\$ 307,861 (1)
Community Preservation fund.....	-	-	100,000	-	-	100,000 (2)
Receipts reserved funds.....	2,013,500	91,015	-	-	17,000	2,121,515 (3)
Nonmajor governmental funds.....	70,506	-	-	-	-	70,506 (4)
Total.....	\$ 2,084,006	\$ 131,015	\$ 100,000	\$ 267,861	\$ 17,000	\$ 2,599,882

- 1) Represents budgeted transfers from the general fund to the water enterprise fund and capital projects fund.
- 2) Represents a transfer from the Community Preservation fund to the expendable trust funds.
- 3) Represents budgeted transfers from receipts reserved funds for the general fund operating budget and transfers from the revolving funds to the major capital project fund.
- 4) Represents transfers from nonmajor governmental funds for the general fund operating budget.

NOTE 6 – SHORT-TERM FINANCING

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

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

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

Details related to the short-term debt activity for the year ended June 30, 2020, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
Governmental Funds:							
BAN	Municipal Purpose....	2.30%	05/29/20	\$ 40,000	\$ -	\$ (40,000)	\$ -
BAN	Municipal Purpose....	1.63%	09/18/20	-	1,220,000	-	1,220,000
BAN	Municipal Purpose....	1.64%	09/18/20	-	1,241,208	-	1,241,208
Total Governmental Funds.....				\$ 40,000	\$ 2,461,208	\$ (40,000)	\$ 2,461,208

On the scheduled due date of September 18, 2020, the Town renewed the \$2,461,208 BANS at an interest rate of 0.58% due on September 17, 2021.

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit". Details related to the outstanding indebtedness at June 30, 2020, and the debt service requirements are reported on the following page.

Bonds and Notes Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
General Obligation Bonds:				
Refunding Debt of 2014.....	2028	\$ 6,500,000	2.00-3.00	\$ 4,085,000
General Obligation bonds.....	2031	2,489,756	1.73	1,515,000
General Obligation bonds.....	2042	7,476,000	2.05-4.00	<u>6,560,000</u>
Subtotal General Obligation Bonds.....				<u>12,160,000</u>
Direct Borrowings and Placements:				
MCWT Municipal Water System.....	2024	881,090	0.00	225,000
MCWT Pool Program.....	2026	200,000	4.58	60,000
MCWT - Series 18 - CW-10-11.....	2035	200,000	2.00	<u>157,752</u>
Subtotal Direct Borrowings and placements.....				<u>442,752</u>
Total Bonds Payable, net.....				<u>\$ 12,602,752</u>

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

Year	General Obligation Bonds			Direct Borrowings and Placements			Total
	Principal	Interest	Total	Principal	Interest	Total	
2021.....\$	1,190,000	\$ 343,766	\$ 1,533,766	\$ 74,008	\$ 11,314	\$ 85,322	\$ 1,619,088
2022.....	1,105,000	307,818	1,412,818	74,204	8,555	82,759	1,495,577
2023.....	1,045,000	273,968	1,318,968	74,404	5,605	80,009	1,398,977
2024.....	985,000	241,968	1,226,968	79,609	2,602	82,211	1,309,179
2025.....	975,000	210,943	1,185,943	19,817	2,410	22,227	1,208,170
2026.....	910,000	183,968	1,093,968	20,031	2,214	22,245	1,116,213
2027.....	770,000	162,191	932,191	10,249	2,014	12,263	944,454
2028.....	695,000	143,643	838,643	10,472	1,808	12,280	850,923
2029.....	420,000	130,968	550,968	10,699	1,600	12,299	563,267
2030.....	410,000	121,848	531,848	10,932	1,386	12,318	544,166
2031.....	410,000	112,530	522,530	11,169	1,166	12,335	534,865
2032.....	295,000	101,038	396,038	11,412	944	12,356	408,394
2033.....	295,000	92,188	387,188	11,660	714	12,374	399,562
2034.....	295,000	83,338	378,338	11,914	482	12,396	390,734
2035.....	295,000	74,488	369,488	12,172	244	12,416	381,904
2036.....	295,000	65,638	360,638	-	-	-	360,638
2037.....	295,000	56,787	351,787	-	-	-	351,787
2038.....	295,000	47,936	342,936	-	-	-	342,936
2039.....	295,000	38,350	333,350	-	-	-	333,350
2040.....	295,000	28,762	323,762	-	-	-	323,762
2041.....	295,000	19,174	314,174	-	-	-	314,174
2042.....	295,000	9,588	304,588	-	-	-	304,588
Total.....	\$ 12,160,000	\$ 2,850,898	\$ 15,010,898	\$ 442,752	\$ 43,058	\$ 485,810	\$ 15,496,708

Bonds and Notes Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
Refunding Debt of 2014.....	2027	\$ 940,000	2.00-3.00	\$ 690,000
Water Well, Storage & Mains (USDA).....	2049	1,500,000	2.38	1,235,480
Water Expansion - Loan 2 (USDA).....	2054	1,000,000	2.75	871,790
Total Bonds Payable, net.....				\$ 2,797,270

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021.....\$	160,734 \$	72,430 \$	233,164
2022.....	156,448	67,936	224,384
2023.....	157,180	63,499	220,679
2024.....	157,929	59,045	216,974
2025.....	153,696	54,649	208,345
2026.....	154,481	50,308	204,789
2027.....	155,284	45,949	201,233
2028.....	61,107	42,997	104,104
2029.....	61,950	41,450	103,400
2030.....	62,812	39,883	102,695
2031.....	63,695	38,295	101,990
2032.....	64,598	36,685	101,283
2033.....	65,524	35,056	100,580
2034.....	66,471	33,404	99,875
2035.....	67,441	31,729	99,170
2036.....	68,433	30,032	98,465
2037.....	69,449	28,311	97,760
2038.....	70,490	26,566	97,056
2039.....	71,555	24,795	96,350
2040.....	72,645	23,000	95,645
2041.....	73,762	21,179	94,941
2042.....	74,905	19,331	94,236
2043.....	76,075	17,456	93,531
2044.....	77,272	15,554	92,826
2045.....	78,499	13,623	92,122
2046.....	79,754	11,662	91,416
2047.....	81,039	9,672	90,711
2048.....	82,355	7,652	90,007
2049.....	83,515	5,600	89,115
2050.....	25,642	3,525	29,167
2051.....	25,642	2,820	28,462
2052.....	25,642	2,114	27,756
2053.....	25,642	1,409	27,051
2054.....	25,604	704	26,308
Total.....	\$ 2,797,270	\$ 978,320	\$ 3,775,590

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2020, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Paving South Wellfleet Lot.....	\$ 6,948
Elementary School Roof.....	338,909
HVAC Town Hall Furnace.....	75,000
Harbor Dredging.....	7,562,000
Police Station Construction.....	540,000
Land Acquisition.....	1,000,000
Total.....	\$ 9,522,857

Changes in Long-term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
General obligation bonds.....	\$ 13,430,000	\$ -	\$ (1,270,000)	\$ -	\$ -	\$ 12,160,000	\$ 1,190,000
Direct borrowings and placements.....	511,569	-	(68,817)	-	-	442,752	74,008
Total bonds payable.....	13,941,569	-	(1,338,817)	-	-	12,602,752	1,264,008
Compensated absences.....	689,000	-	-	724,000	(689,000)	724,000	544,000
Net pension liability.....	15,639,123	-	-	55,745	(1,800,326)	13,894,542	-
Net other postemployment benefits...	8,705,799	-	-	1,175,575	(1,221,014)	8,660,360	-
Total governmental activity long-term liabilities (as restated)....	\$ 38,975,491	\$ -	\$ (1,338,817)	\$ 1,955,320	\$ (3,710,340)	\$ 35,881,654	\$ 1,808,008
Business-Type Activities:							
General obligation bonds.....	\$ 2,957,306	\$ -	\$ (160,036)	\$ -	\$ -	\$ 2,797,270	\$ 160,734
Compensated absences.....	53,000	-	-	32,000	(53,000)	32,000	24,000
Net pension liability.....	157,971	-	-	162,332	(36,741)	283,562	-
Net other postemployment benefits...	87,058	-	-	11,756	(12,210)	86,604	-
Total business-type activity long-term liabilities (as restated)....	\$ 3,255,335	\$ -	\$ (160,036)	\$ 206,088	\$ (101,951)	\$ 3,199,436	\$ 184,734

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balance according to constraints imposed on the use of those resources.

There are two major types of fund balance, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portion of endowment funds are nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- **Assigned:** fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- **Unassigned:** fund balance of the general fund that is not constrained for any particular purpose and the deficit fund balances for other funds that would otherwise be restricted, committed or assigned.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Additions to the fund may be made by a majority vote of the legislative body. At year end the balance of the General Stabilization Funds is \$962,000 and is reported as unassigned fund balance within the General fund.

The Town has classified its fund balances with the following hierarchy:

	General	Community Preservation	Gifts and Grants	Receipts Reserved	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	\$ -	275,120	\$ 275,120
Restricted for:							
Community preservation.....	-	2,130,200	-	-	-	-	2,130,200
School lunch.....	-	-	-	-	-	65,047	65,047
Other special revenue.....	-	-	-	-	-	569,686 ⁽¹⁾	569,686
Receipts reserved funds.....	-	-	-	2,822,795	-	-	2,822,795
Municipal buildings.....	-	-	-	-	-	626,464	626,464
Town stormwater/wastewater remediation.....	-	-	-	-	-	42,400	42,400
Expendable trust funds.....	-	-	-	-	-	890,339	890,339
Committed to:							
Articles and continuing appropriations:							
General government.....	336,345	-	-	-	-	-	336,345
Public safety.....	329,562	-	-	-	-	-	329,562
Public works.....	777,114	-	-	-	-	-	777,114
Culture and recreation.....	24,584	-	-	-	-	-	24,584
Assigned to:							
Encumbrances:							
Education.....	26,732	-	-	-	-	-	26,732
Unassigned.....	3,129,144	-	(483,435)	-	(401,805)	-	2,243,904
Total Fund Balances.....	\$ 4,623,481	\$ 2,130,200	\$ (483,435)	\$ 2,822,795	\$ (401,805)	\$ 2,469,056	\$ 11,160,292

NOTE 9 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in a premium-based health care plan for its active employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town also participates in a premium-based workers' compensation insurance plan for its employees, except for police officers and firefighters for which the Town is self-insured. The Town's incurred but not reported claims for workers' compensation are not material at June 30, 2020, and therefore are not reported.

NOTE 10 – PENSION PLAN

Plan Descriptions

The Town is a member of the Barnstable County Retirement Association (the "Association"), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 50 member units. The Association is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The Association issues a publicly available financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). That report may be obtained by contacting the Association located at 750 Attucks Lane, Hyannis, Massachusetts, 02601.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$551,236 is reported in the general fund as intergovernmental revenue and employee benefits and other fixed charges in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$4,545,627 as of the measurement date.

Benefits Provided

Both the Association and System provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. They provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the Association a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution and its actual contribution for the year ended December 31, 2019, was \$1,242,517 and \$1,247,696, respectively, which was 21.36% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2020, the Town reported a liability of \$14,178,104 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportion was 1.887%, which decreased from its proportion measured at December 31, 2018, of 1.999%.

Pension Expense

For the year ended June 30, 2020, the Town recognized a pension expense of \$1,837,067. At June 30, 2020, the Town reported deferred outflows of resources related to pensions of \$2,264,746 and deferred inflows of resources related to pensions of \$1,630,070.

The balances of deferred outflows and inflows at June 30, 2020, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (119,509)	\$ (119,509)
Difference between projected and actual earnings, net.....	-	(847,304)	(847,304)
Changes in assumptions.....	1,648,302	-	1,648,302
Changes in proportion and proportionate share of contributions...	<u>616,444</u>	<u>(663,257)</u>	<u>(46,813)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 2,264,746</u>	<u>\$ (1,630,070)</u>	<u>\$ 634,676</u>

The deferred outflows/(inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021.....	\$ 218,539
2022.....	231,820
2023.....	414,014
2024.....	(248,846)
2025.....	<u>19,149</u>
Total.....	<u>\$ 634,676</u>

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2019:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Projected salary increases.....	3.25%
Investment rate of return.....	7.15% (previously, 7.375%)

Cost of living adjustments.....	3% of the first \$18,000 of retirement income
Mortality rates.....	Pre-Retirement: The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017 Health Retiree: The RP-2014 Blue Collar Health Annuitant Mortality Table projected generationally with Scale MP-2017 Disabled Retiree: The RP-2014 Blue Collar Health Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of January 1, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	21.00%	6.15%
International developed markets equity..	13.00%	6.78%
International emerging markets equity...	5.00%	8.65%
Core fixed income.....	15.00%	1.11%
High-yield fixed income.....	8.00%	3.51%
Real estate.....	10.00%	4.33%
Commodities.....	4.00%	4.13%
Hedge fund, GTAA, Risk parity.....	11.00%	3.19%
Private equity.....	13.00%	9.99%
 Total.....	 100.00%	

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those

assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The Town's proportionate share of the net pension liability.....	\$ 18,644,929	\$ 14,178,104	\$ 10,425,457

Changes in Assumptions

The net investment return assumption was lowered from 7.375% to 7.15%, and the administrative expense assumption of the Association was changed from \$1,500,000 to \$1,850,000.

Changes in Plan Provisions

None.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Wellfleet administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – The contribution requirements of plan members and the Town are established and may be amended by the Town. The “required” contribution is based on a pay-as-you-go financing requirement. The Town contributes 75% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25% of their premium costs. For 2020, the Town’s contribution to the plan totaled \$718,063.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town’s to establish a postemployment benefit trust fund and to enable the Town to begin pre-funding its OPEB liabilities. The Trust is managed by a 5 member Board of Trustees who are authorized to manage the Trust in accordance with the Trust Agreement.

During 2020, the Town pre-funded future OPEB liabilities by contributing \$200,000 the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2020, the balance of this fund totaled \$2,170,224.

Employees Covered by Benefit Terms – The following table represents the Plan’s membership at June 30, 2018:

Active members.....	98
Inactive members currently receiving benefits.....	<u>97</u>
Total.....	<u>195</u>

Components of OPEB Liability – The following table represents the components of the Plan’s OPEB liability as of June 30, 2020:

Total OPEB liability.....	\$ 10,917,188
Less: OPEB plan’s fiduciary net position.....	<u>(2,170,224)</u>
Net OPEB liability.....	<u>\$ 8,746,964</u>

The OPEB plan’s fiduciary net position
as a percentage of the total OPEB liability..... 19.88%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2020, to be in accordance with GASB Statement #74:

Valuation date.....	June 30, 2018
Actuarial cost method.....	Entry Age Normal- Level Percentage of Payroll
Inflation.....	3.25%
Salary increases.....	Service-related increases for Group 1 (excluding teachers) and Group 2 employees: 6.0% decreasing over 11 years to an ultimate level of 4.0%. Service-related increased for Group 4 employees: 7.0% decreasing over 8 years to an ultimate level of 4.5%. Service related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%
Investment rate of return.....	7.00%
Mortality rates.....	Preretirement mortality rates: Healthy Non-Teachers: RP-2014 Employee Mortality Table projected generationally with Scale MP-2017. Healthy Teachers: RP-2014 White Collar Employee Mortality Table projected generationally with Scale MP-2016 Postretirement mortality rates: Healthy Non-Teachers: RP-2014 Healthy Annuitant Mortality Table projected generationally with Scale MP-2017. Healthy Teachers: RP-2014 White Collar Annuitant Mortality Table projected generationally with Scale MO-2016. Disabled Non-Teachers: RP-2014 Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017. Disabled Teachers: RP-2014 Healthy Annuitant Table set forward four years and projected generationally with Scale BB2D from 2014

Health care trend rates..... CCMHG: Under 65: 0% for 1 year, then 7.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year. Over 65: 7.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year. GIC: Medical/Prescription Drug: 8.0% decreasing by 0.5% for 5 years, then by 0.25% for 2 years to an ultimate level of 5.0% per year. EGWP: 5.0%. Part B: 4.5%.

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation as of June 30, 2018, and projected arithmetic real rates of return for each major asset class, after deduction inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	21.00%	6.15%
International developed markets equity..	13.00%	6.78%
International emerging markets equity...	5.00%	8.65%
Core fixed income.....	15.00%	1.11%
High-yield fixed income.....	8.00%	3.51%
Real estate.....	10.00%	4.33%
Commodities.....	4.00%	4.13%
Hedge fund, GTAA, Risk parity.....	11.00%	3.19%
Private equity.....	13.00%	9.99%
Total.....	100.00%	

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the net other postemployment benefit liability, calculated using the discount rate of 7.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability..... \$	10,156,924	8,746,964	7,578,783

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability..... \$	7,324,293	8,746,964	10,501,249

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2020, and June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019..... \$	10,663,563	1,870,706	8,792,857
Changes for the year:			
Service cost.....	371,073	-	371,073
Interest.....	754,292	-	754,292
Contributions - employer.....	-	718,063	(718,063)
Net investment income.....	-	99,518	(99,518)
Changes of assumptions.....	(353,677)	-	(353,677)
Benefit payments.....	(518,063)	(518,063)	-
Net change.....	253,625	299,518	(45,893)
Balances at June 30, 2020..... \$	10,917,188	2,170,224	8,746,964

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,187,331. At June 30, 2020, the Town reported \$545,377 of deferred outflows of resources and \$282,940 of deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience..... \$	89,275	-	89,275
Difference between projected and actual earnings, net.....	30,779	-	30,779
Changes in assumptions.....	425,323	(282,940)	142,383
Total deferred outflows/(inflows) of resources..... \$	545,377	(282,940)	262,437

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement date year ended June 30:

2021.....	\$	199,914
2022.....		195,205
2023.....		(69,633)
2024.....		(63,049)
Total.....	\$	262,437

Changes of Assumptions

This valuation includes the repeal of the excise tax on high cost health plans, which was effective December 20, 2019.

Changes in Plan Provisions

None.

NOTE 12 – COMMITMENTS

The Town has entered into or is planning to enter into contracts relating to various capital projects totaling approximately \$9.5 million.

NOTE 13 – CONTINGENCIES

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

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

NOTE 14 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. **These included modifying the state’s Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses.** The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations decreasing, the Town's portion of certain revenue. The Town has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 15 – RESTATEMENT OF NET POSTION PREVIOUSLY REPORTED

Beginning net position of the governmental activities, business-type activities, and the marina enterprise fund have been restated as management as determined that it would be preferable to use the respective year end measurement dates for GASB Statement #75 to coincide with similar information reported for GASB Statement #74. Accordingly, the beginning net position was updated to bring the measurement date from June 30, 2018 to June 30, 2019. The cumulative effect of the revision is as follows:

	06/30/2019 Previously Reported Balances	Restatement for the update of the OPEB measurement date	06/30/2019 Restated Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 11,155,946	\$ (498,981)	\$ 10,656,965
Business-type activities.....	8,036,203	(4,990)	8,031,213
Total.....	\$ 19,192,149	\$ (503,971)	\$ 18,688,178
Business-type Activities - Enterprise Funds			
Marina enterprise fund.....	\$ 3,485,696	\$ (4,990)	\$ 3,480,706

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 14, 2021, which is the date the financial statements were available to be issued.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2020, the following GASB pronouncement was implemented:

- GASB Statement #95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2021.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, in which certain paragraphs are required to be implemented in 2021 and 2022.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

General Fund Budgetary Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 18,235,911	\$ 18,235,911	\$ 17,777,944	\$ -	\$ (457,967)
Tax liens.....	-	-	61,129	-	61,129
Motor vehicle and other excise taxes.....	536,361	536,361	521,688	-	(14,673)
Hotel/motel and meals tax.....	361,000	361,000	666,121	-	305,121
Penalties and interest on taxes.....	78,000	78,000	91,926	-	13,926
Intergovernmental.....	319,991	319,991	317,046	-	(2,945)
Departmental and other.....	683,160	683,160	575,069	-	(108,091)
Investment income.....	77,188	77,188	78,552	-	1,364
TOTAL REVENUES.....	20,291,611	20,291,611	20,089,475	-	(202,136)
EXPENDITURES:					
Current:					
General government.....	1,804,825	1,804,825	1,751,629	-	53,196
Public safety.....	4,015,272	4,015,272	3,893,409	-	121,863
Education.....	6,308,627	6,308,627	6,200,573	26,732	81,322
Public works.....	2,133,528	2,133,528	1,979,205	-	154,323
Health and human services.....	800,597	800,597	787,781	-	12,816
Culture and recreation.....	1,334,701	1,334,701	1,310,681	-	24,020
Pension benefits.....	1,247,696	1,247,696	1,247,696	-	-
Property and liability insurance.....	312,000	312,000	311,909	-	91
Employee benefits.....	1,915,577	1,915,577	1,909,682	-	5,895
State and county charges.....	459,040	459,040	314,770	-	144,270
Debt service:					
Principal.....	1,435,881	1,435,881	1,288,817	-	147,064
Interest.....	407,704	407,704	382,473	-	25,231
TOTAL EXPENDITURES.....	22,175,448	22,175,448	21,378,625	26,732	770,091
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,883,837)	(1,883,837)	(1,289,150)	(26,732)	567,955
OTHER FINANCING SOURCES (USES):					
Use of prior year reserves.....	400,126	400,126	-	-	(400,126)
Use of free cash.....	445,342	445,342	-	-	(445,342)
Transfers in.....	1,996,000	1,996,000	2,046,506	-	50,506
Transfers out.....	(957,631)	(957,631)	(957,631)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	1,883,837	1,883,837	1,088,875	-	(794,962)
NET CHANGE IN FUND BALANCE.....	-	-	(200,275)	(26,732)	(227,007)
BUDGETARY FUND BALANCE, Beginning of year.....	3,495,738	3,495,738	3,495,738	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 3,495,738	\$ 3,495,738	\$ 3,295,463	\$ (26,732)	\$ (227,007)

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
BARNSTABLE COUNTY RETIREMENT SYSTEM**

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2019.....	1.887%	\$ 14,178,104	\$ 5,728,056	247.52%	62.34%
December 31, 2018.....	1.999%	15,797,094	5,861,119	269.52%	57.63%
December 31, 2017.....	1.923%	13,084,397	5,403,056	242.17%	61.86%
December 31, 2016.....	1.855%	13,034,923	5,177,718	251.75%	57.28%
December 31, 2015.....	1.852%	11,493,202	4,991,054	230.28%	58.10%
December 31, 2014.....	1.853%	10,463,426	4,861,336	215.24%	60.43%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
BARNSTABLE COUNTY RETIREMENT SYSTEM**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2020.....	\$ 1,242,517	\$ (1,247,696)	\$ (5,179)	\$ 5,842,617	21.36%
June 30, 2019.....	1,256,352	(1,256,352)	-	5,978,341	21.02%
June 30, 2018.....	1,150,399	(1,150,399)	-	5,511,117	20.87%
June 30, 2017.....	1,051,633	(1,051,633)	-	5,281,272	19.91%
June 30, 2016.....	985,738	(985,738)	-	5,090,875	19.36%
June 30, 2015.....	965,243	(965,243)	-	4,958,563	19.47%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2020.....	\$ 4,545,627	\$ 551,236	53.95%
2019.....	5,012,790	507,974	54.84%
2018.....	5,176,268	540,262	54.25%
2017.....	4,969,100	506,881	52.73%
2016.....	4,695,423	380,841	55.38%
2015.....	3,855,336	227,342	61.64%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Town's Net OPEB Liability and Related Ratios presents multi-year trend information on the Plan's net other postemployment benefit liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service Cost.....	\$ 218,902	\$ 226,564	\$ 257,337	\$ 371,073
Interest.....	560,869	587,730	613,614	754,292
Differences between expected and actual experience....	-	223,186	372,322	-
Changes of assumptions.....	-	1,063,306	(100,222)	(353,677)
Benefit payments.....	<u>(394,966)</u>	<u>(412,739)</u>	<u>(539,994)</u>	<u>(518,063)</u>
Net change in total OPEB liability.....	384,805	1,688,047	603,057	253,625
Total OPEB liability - beginning.....	7,987,654	8,372,459	10,060,506	10,663,563
Total OPEB liability - ending (a).....	\$ 8,372,459	\$ 10,060,506	\$ 10,663,563	\$ 10,917,188
Plan fiduciary net position				
Employer contributions.....	\$ 644,966	\$ 662,739	\$ 789,994	\$ 718,063
Net investment income.....	46,503	53,149	144,971	99,518
Benefit payments.....	<u>(394,966)</u>	<u>(412,739)</u>	<u>(539,994)</u>	<u>(518,063)</u>
Net change in plan fiduciary net position.....	296,503	303,149	394,971	299,518
Plan fiduciary net position - beginning of year.....	876,083	1,172,586	1,475,735	1,870,706
Plan fiduciary net position - end of year (b).....	\$ 1,172,586	\$ 1,475,735	\$ 1,870,706	\$ 2,170,224
Net OPEB liability - ending (a)-(b).....	\$ 7,199,873	\$ 8,584,771	\$ 8,792,857	\$ 8,746,964
 Plan fiduciary net position as a percentage of the total OPEB liability.....	 14.01%	 14.67%	 17.54%	 19.88%
Covered-employee payroll.....	\$ 5,177,718	Not Available	Not Available	Not Available
 Net OPEB liability as a percentage of covered-employee payroll.....	 139.05%	 Not Available	 Not Available	 Not Available

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2020.....	\$ 892,506	\$ (718,063)	\$ 174,443	Not Available	Not Available
June 30, 2019.....	864,413	(789,994)	74,419	Not Available	Not Available
June 30, 2018.....	651,702	(662,739)	(11,037)	Not Available	Not Available
June 30, 2017.....	629,664	(644,966)	(15,302)	5,177,718	12.46%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2020.....	5.27%
June 30, 2019.....	7.75%
June 30, 2018.....	3.97%
June 30, 2017.....	4.21%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Town Meeting approval via a supplemental appropriation.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget. Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of Town Meeting.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2020 approved budget authorized \$23.1 million in appropriations and other amounts to be raised and \$400,000 in encumbrances and appropriations carried over from previous years. There was no change during the year from original budget.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2020, is presented below:

Net change in fund balance - budgetary basis.....	\$	(200,275)
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		(20,359)
Activity of the general fund articles fund recorded in the general fund for GAAP.....		221,941
<u>Basis of accounting differences:</u>		
Net change in recording 60 day receipts.....		207,000
Net change in recording accrued payroll.....		(16,257)
Recognition of revenue for on-behalf payments.....		551,236
Recognition of expenditures for on-behalf payments.....		(551,236)
Net change in fund balance - GAAP basis.....	\$	<u>192,050</u>

NOTE B – PENSION PLAN

Schedule of the Town’s Proportionate Share of the Net Pension Liability

The Schedule of the Town’s Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Town’s Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member’s retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system’s funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the “total appropriation”. The pension fund appropriation is allocated to the Town based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth’s 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan’s fiduciary net position as a percentage of the total liability.

Changes in Assumptions

The net investment return assumption was lowered from 7.375% to 7.15%, and the administrative expense assumption of the Association was changed from \$1,500,000 to \$1,850,000.

Changes in Plan Provisions

None

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town of Wellfleet administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

The Schedule of Changes in the Town’s Net OPEB Liability and Related Ratios

The Schedule of Changes in the Town’s Net OPEB Liability and Related Ratios details the Plan’s net other postemployment benefit liability (asset) and the covered-employee payroll. It also demonstrates the Plans net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of the covered payroll. Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine the contribution rates are as follows:

Valuation date.....	June 30, 2018
Actuarial cost method.....	Entry Age Normal- Level Percentage of Payroll
Inflation.....	3.25%
Salary increases.....	Service-related increases for Group 1 (excluding teachers) and Group 2 employees: 6.0% decreasing over 11 years to an ultimate level of 4.0%. Service-related increased for Group 4 employees: 7.0% decreasing over 8 years to an ultimate level of 4.5%. Service related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%
Investment rate of return.....	7.00%
Mortality rates.....	Preretirement mortality rates: Healthy Non-Teachers: RP-2014 Employee Mortality Table projected generationally with Scale MP-2017. Healthy Teachers: RP-2014 White Collar Employee Mortality Table projected generationally with Scale MP-2016 Postretirement mortality rates: Healthy Non-Teachers: RP-2014 Healthy Annuitant Mortality Table projected generationally with Scale MP-2017. Healthy Teachers: RP-2014 White Collar Annuitant Mortality Table projected generationally with Scale MO-2016. Disabled Non-Teachers: RP-2014 Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017. Disabled Teachers: RP-2014 Healthy Annuitant Table set forward four years and projected generationally with Scale BB2D from 2014
Health care trend rates.....	CCMHG: Under 65: 0% for 1 year, then 7.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year. Over 65: 7.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year. GIC: Medical/Prescription Drug: 8.0% decreasing by 0.5% for 5 years, then by 0.25% for 2 years to an ultimate level of 5.0% per year. EGWP: 5.0%. Part B: 4.5%.

Schedule of Investment Return

The Schedule of Investment Return includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Changes in Assumptions

This valuation includes the repeal of the excise tax on high cost health plans, which was effective December 20, 2019.

Changes in Plan Provisions

None.

***Report on Internal Control over
Financial Reporting and on Compliance***



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

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

Independent Auditor's Report

To the Honorable Selectboard
Town of Wellfleet, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wellfleet, Massachusetts, (the "Town") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described below to be material weaknesses.

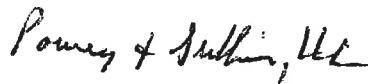
- An inadequate design of internal control over the Town's cash reconciliation process. In 2020, the Town did not have sufficient internal controls in place to ensure that all activity was recorded within the general ledger. Inconsistencies and errors in recording the Town's cash transactions were not detected and corrected in a timely manner.

Compliance and Other Matters

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

Purpose of this Report

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



April 14, 2021



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

VII

SELECTBOARD REPORTS:

Reported by:	Topic:
Miranda-Wilson	Discussion of Doodle Poll for Round the Discussed Round Table



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

VIII

TOWN ADMINISTRATORS REPORT

- **Interim Town Administrator will go over a letter send from Beth Albert, Barnstable County Administrator ~ regarding American Rescue Plan – Fiscal Recovery Fund**



BARNSTABLE COUNTY COMMISSIONERS

SUPERIOR COURTHOUSE
3195 MAIN STREET
P.O. BOX 427
BARNSTABLE, MASSACHUSETTS 02630
PHONE: (508) 375-6648
FAX: (508) 362-4136

HOME RULED CHARTERED
IN 1989

RONALD BERGSTROM
Chatham

MARK R. FOREST
Yarmouth

SHEILA R. LYONS
Wellfleet

May 13, 2021

To: Board Chairs, Councilors and Town Managers

From: Beth Albert, Barnstable County Administrator

Subject: American Rescue Plan – Fiscal Recovery Fund

As part of the American Rescue Plan (ARP) Act of 2021 signed into law by President Biden on March 11, 2021, Barnstable County is slated to receive approximately \$41 million in ARP funds. The U.S. Treasury Department released the Interim Final Rule and guidance on May 10, 2021.

Eligible uses of the Fiscal Recovery Funds include supporting the public health response, addressing the negative economic impact of the public health emergency on small businesses and non-profits, including impacted industries such as tourism, travel, and hospitality, serving the hardest hit communities and families, investing in water and sewer infrastructure, and investing in broadband infrastructure.

Since the end of March 2021 an internal work group has been meeting to begin to develop a planning framework that will maximize the impact of this one-time funding. The work group has been tasked by the County Commissioners to identify programs and plans that make the best use of ARP funds and align with the eligible uses identified in the legislation. The framework being developed by the County will identify opportunities for investment in regional priorities – wastewater, water quality, and broadband infrastructure. Strategic planning to leverage ARP aid is a critical component of the planning framework and we will be looking to partner with others to leverage other sources of state and federal funding to achieve results and lasting benefits to the residents of Barnstable County.

At this time, we are reviewing the guidance released by the Treasury. Over the next few weeks, we will begin to develop criteria and a process for reviewing potential regional projects.

The County has a strong record of convening groups and marshalling resources to achieve regional goals – the good news is that the justifiable uses of APR funds align very well and are targeted to address regional issues that impact Cape Cod – water quality, wastewater, and broadband. The County is committed to working collaboratively to invest in regional solutions that will benefit Cape Cod beyond 2024.

Sincerely,



Elizabeth Albert
Barnstable County Administrator



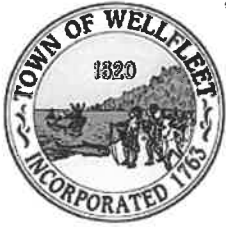
SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

IX

TOPICS FOR FUTURE AGENDAS

Requested by:	Topic:	Requested to be on:



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

X

MINUTES

REQUESTED BY:	Executive Assistant
DESIRED ACTION:	Approval of Minutes for May 12, 2021
PROPOSED MOTION:	I move to approve the Minutes of May 12, 2021 as printed in Draft form
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____

**Wellfleet Selectboard
Virtual Meeting
Wednesday May 12, 2021; 6PM
Meeting Minutes**

Members Present: Michael DeVasto, Chair; Janet Reinhart, Ryan Curley, Helen Miranda Wilson

Members Absent: Justina Carlson

Others Present: Charlie Sumner, Interim Town Administrator; Chief Rich Pauley, Fire Chief; Chief Michael Hurley, Police Chief; Harry Terkanian, Warrant assistant; Rebekah Eldridge, Executive Assistant; John Wolf, Resident; Heather Doyle, Cape Cod Ocena Community; Walter Baron, Old Wharf Dory Company; Michael Ceraldi, Ceraldi Restaurant; Ben Zehnder, Attorney for Nature's Promise; Suzanne Grout-Thomas, Beach Director; Jennifer Wertkin, Library Director; Robin Robinson, Chair of the Library Board of Trustees; Nancy Civetta, Shellfish Constable

Chair DeVasto called the meeting to order at 6:01pm

I. *Announcements, Open Session and Public Comments*

Note: Public comments must be brief. The Board will not deliberate or vote on any matter raised solely during Announcements & Public Comments.

- Chair DeVasto welcomed the interim Town Administrator Charles Sumner and also thanks Chief Pauley for standing in as acting Town Administrator.
- Board Member Wilson stated there is a meeting at the end of May to discuss the "Right to Farm".
- Chief Pauley informed the Board that he had a good meeting with Sumner and Terkanian and thanked Terkanian for all his hard work.

II. *COVID-19 Updates and Recommendations*

- Board Member Wilson asked that the Board think about when they would discuss town activities.

III. *Use of Town Property*

A. Cape Cod Ocean Community/Heather Doyle - Newcomb Hollow Parking Lot (5 Total Days)

- Doyle gave an update on what she is planning to do for the five dates. She explained that they inform the public about safety products being offered, she explained they don't sell products just offer explanations.
- Board Member Curley questioned the use of drones. Doyle explained that she put it in there to show what they have done in the past.
- Thomas questioned the dates. Doyle stated the dates June 26th, rain date of the 27th, July 24th rain date of the 25th, August 21st, rain date August 22nd, September 18th, rain date of 19th.
- Silverman explained that the dates of June 26th and 27th are town meeting dates and asked that she pick a different weekend.

- **Board Member Reinhart moved, Board Member Curley seconded; and it was voted to approve the request from Cape Cod Ocean Community use of town property with the dates proposed June 18, 2021 with the rain date of June 19, 2021; July 17, 2021 with the rain date of July 18, 2021; August 21, 2021 with the rain date of August 22, 2021; September 18, 2021 with the rain date of September 19, 2021.**

Roll Call Vote: 4-0

B. Old Wharf Dory Co./Walter Baron - Mayo Beach; 9/25/21 (11am – 4 pm)

- Baron explained to the Board that because of the pandemic he wasn't able to have this last summer but would like to have it again this year. He called it the Wellfleet Rolling Rendezvous. The Board had no issues.
- **Board Member Reinhart moved; Chair DeVasto seconded; and it was voted to approve the use of Mayo Beach for September 25, 2021 from 11am to 4pm for the Old Wharf Dory Co for the rolling rendezvous.**

Roll Call Vote: 4-0

C. Luise Geueke - Mayo Beach; 5/7/22 (1pm – 2:45 pm)

- Geueke was not on the meeting so the board moved this to a future meeting.
- **No action was taken.**

D. Ceraldi Restaurant/Michael Ceraldi - Parking Lot and grass area of 15 Kendrick Ave to have outdoor dining like last summer.

- Ceraldi presented to the Board explaining his plan for outdoor seating as he had done last summer. Board Member Curley expressed his concern regarding the large space. Ceraldi explained the fire department had laid this design out for safety. The Board discussed this further, explaining the need for the barriers not having the traffic interfere with pedestrians. Chief Pauley asked the Board to approve the application and allow the staff to figure out the logistics and changes if needed.
- **Board Member Reinhart moved; Board Member Wilson seconded; and it was voted to approve the use of 15 Kendrick Ave. parking lot and grass area for outdoor dining like the summer of 2020.**

Roll Call Vote: 3-1

E. Susie Nielsen/Megan Hinton - Art installations at various locations 7/17/21 – 9/15/21

- This was moved to a later date as the applicant tabled this for a future meeting.
- **No Action was taken.**

IV. *Board/Committee Appointments and Updates*

A. Elisabeth Salén - Local Housing Partnership

- Chair DeVasto explained that he spoke with Salén the previous day and explained she is working, and he stated that he would be inclined to approve her application. Board Member Wilson expressed that she would have appreciated her being here.
- **Board Member Reinhart moved; Board Member Wilson seconded; and it was voted to approve Elisabeth Salén to the Local Housing Authority for a term of 1 year.**
Roll Call Vote: 4-0

V. ***Business***

A. Extension of Community Host Agreement – Nature’s Alternative/Ben Zehnder

- Chair DeVasto explained that he had spoken to town counsel and they have advised the Board to continue this to a future meeting, so they are able to review the documents. Zehnder spoke to the Board about the agreement and asked that they try to move this along quickly so that they business can open. Chair DeVasto explained that the meetings of the Selectboard next week are for all budgets and warrants but May 25, 2021 they can be on the agenda.
- **Board Member Wilson moved; Board Member Reinhart seconded; and it was voted to continue the discussion of the extension of the community host agreement to Tuesday May 25, 2021.**
Roll Call Vote: 4-0

B. Extension of Emergency Order pertaining to Maguire Landing and Beach Fire Permits – Suzanne Grout Thomas

- Thomas explained to the Board that she would like Maguire Landing to continue to be a resident beach this year until a more permanent decision can be made. She also asked the Board to lift the fire permit ban for the summer, explaining that the National Seashore would be offering fire permits as well as the town of Truro. Chair DeVasto stated he had no issues with this.
- **Board Member Curley moved; Board Member seconded; and it was voted to approve the extension of the emergency order limiting Maguire Landing to residents and nonresident taxpayers and to lift the ban of fire permits to allow them for the summer of 2021.**
Roll Call Vote: 4-0

C. Discussion of Town Meeting

- Reconfirm Annual Town Meeting Date – Town
- Reconfirm Annual Town Meeting Rain Dates
- Reconfirm Annual Town Election
- **Board Member Reinhart moved; Board Member seconded; and it was voted to reconfirm Wellfleet’s Annual Town meeting be held on Saturday June 26, 2021 at 10am with the rain dates of June 27th, 28th, & 29th and the Annual Town Election be held on Wednesday June 30, 2021 at the Council on Aging from 12pm to 7pm.**

- D. Annual Town Meeting- To approve 100-person quorum – Dan Silverman/Town Moderator
- Chair DeVasto explained that this is so that there needs to be a minimum of 100 people at town meeting. HE stated that doesn't mean that more than 100 people can't be there, town meeting is open to all residents of Wellfleet.
 - **Board Member Reinhart moved; Board Member Wilson seconded; and it was voted to approve the 100-person quorum for the Annual Town Meeting held on June 26, 2021.**
 - The Board discussed allowing anyone in the ballfield including nonresidents. Silverman explained to the Board that this is determined by the Town Moderator.
- E. To discuss and possibly approve the June 26, 2021 Town Meeting Warrant
- Chair DeVasto addressed the Board with the letter that they received from Terkanian earlier in the day. Terkanian gave an update on town finances and what he has been working on. Explaining that free cash can't be accessed at this time. HE explained that there are a series of accounts that show changes between 7 accounts that add up to \$400,000 and wasn't sure what the process was in coming up with this budget. He gave an example of the town administration budget has gone up a significant amount and he wasn't understanding why. He continued with the articles total with override and debt exclusion to 8 million dollars and stated that there are some articles that don't need to be done this year and he explained he wasn't sure that the residents of Wellfleet are going to approve this large amount of money. He stated that the overall problem needs to be addressed in order to get the warrant together and ready to go to the printer.
 - Chair DeVasto continued the discussion stating that they originally placed them all into overrides and debt exclusions. He stated with the wastewater articles there was only one article that needed to be apart of the warrant for this year and that was the 95 Lawrence Road Article. He stated that just because they are authorized borrowing doesn't mean there will be a cost to taxpayers there are grants that could be received, but not knowing free cash he stated these could be moved to the 2022 town warrant.
 - Board Member Curley wanted to break down the discussion into topics. He stressed it would need to be item by item. Chair DeVasto stated he wanted to get a sense from the Board where they were fiscally.
 - They began with the stabilization fund, Board Member Curley asked Terkanian that they are requesting to increase the rental tax from 4 to 6% he asked what the timeline would be for that. Terkanian gave some strategies on how to make this work and stated using the stabilization fund for one time would be okay but it can't be continued to be done every year.
 - Board Member Reinhart stated that she agreed having the items addressed separately and was in favor of cutting the costs. Board

Member Wilson stated that a lot of the articles aren't "oven ready" although she is in support of the articles, she doesn't think they need to be on this year's warrant. She continued stating that she believes the 95 Lawrence Road article remain on the warrant.

- Terkanian went over reoccurring items verses one-time items. He gave examples of police cruisers, fire cars, shellfish trucks, and DPW equipment. He continued discussing the wastewater articles and explained that he spoke with Hillary Lemos the health agent for Wellfleet and stated that she explained without a wastewater permit was needed in order to figure out what was needed for a wastewater plant, also DEP has stated that the town needs the capital part of the Lawrence Rd project needs to be done now but other items can wait. He continued with having a capital project in this year's warrant asking the residents for money that the town wont use for a few years. He gave more examples of things that can postpone and things that are so small that they can be put into budgets.
- Board Member Wilson stated she didn't want to cut into the stabilization fund and ask the townspeople to pay higher taxes.
- Chair DeVasto asked the Board to discuss and possibly remove the wastewater warrant articles.
- **Board Member Wilson moved; Board Member Reinhart seconded; and it was voted to remove articles numbered 12, 13, 14, 15, 16, 17, 18 & 20 (wastewater articles) keeping Article 19 on the 2022 Annual Town meeting warrant regarding 95 Lawrence Road.**

Roll Call Vote: 4-0

- Board Member Curley asked if the Transfer station and guard shack be removed. Chief Pauley expressed that he and Sumner were getting together to see where items could be moved and what funds could be spent and will have a better idea at Monday night's meeting.
- Warrant articles continued to be discussed and Terkanian requested that this year they remove the request for the new computer system for administration.
- Board Member Curley asked to hear from administration; Sumner stated that if the Board was willing to use some of the stabilization fund, they could come up with a plan and take a look at the funding requests.
- Civetta spoke to the Board asking that they take this to the Shellfish Advisory Board to get their thoughts and recommendations. So they are going against each other. She also suggested it go before the Board of Health just to get their feedback as well. Chair DeVasto asked if it could just be placed.
- **Board Member Reinhart moved; Chair DeVasto seconded; and it was voted to place the Right to Farm Article on the Annual 2020 Town Meeting Warrant**

Roll Call Vote: 3-1 (Wilson voted No)

- The Board decided to wait to place and recommend the Transfer tax until Board Member Carlson was available to vote.

- They continued on to the Animal Bylaw. It was discussed at great length; the wording was discussed along with the fee schedule.
- **Chair DeVasto moved; Board Member Wilson seconded; and it was voted to place the Animal Control Bylaw on the 2021 Annual Town Warrant**

Roll Call Vote: 3-1 (Curley Abstained)

- **Board Member Wilson moved; Board Member Reinhart seconded; and it was voted to recommend the Animal Control Bylaw on the 2021 Annual Town Warrant**

Roll Call Vote: 3-1 (Curley voted No)

- The Board continued to move down the articles, moving to the Police Union Contract, there was no discussion.
- **Board Member Reinhart moved; Board Member Wilson seconded; and it was voted to place the Police Union Changes and one-year extension onto the Annual 2021 Town Meeting Warrant**

Roll Call Vote: 4-0

- They Moved on to the Cable Access Fund and discussed if it was worded correctly. Terkanian explained that this creates a specific fund that operates as it always has, and he pointed out his changes which had to do with transferring money which he explained is already in the General Budget.
- **Board Member Curley moved; Board Member Wilson seconded; and it was voted to place public education and governmental PEG access and Cable related fund Article into the 2021 Annual Town Meeting Warrant**

Roll Call Vote: 4-0

- **Board Member Curley moved; Board Member Wilson seconded; and it was voted to recommend public education and governmental PEG access Cable related fund Article**

Roll Call Vote: 4-0

- **Board Member Curley moved; Board Member Reinhart seconded; and it was voted to place the article to amend the local excise tax on short term rentals**

Roll Call Vote: 4-0

- **Board Member Curley moved; Board Member Reinhart seconded; and it was voted to place the article to amend the local excise tax on short term rentals**

Roll Call Vote: 4-0

- **Chair DeVasto moved; Board Member Curley seconded; and it was voted to recommend the article to amend the local excise tax to 6% on short term rentals.**

Roll Call Vote: 3-1 (Wilson voted No)

- **Board Member Curley moved; Board member Reinhart seconded; and it was voted to place and recommend an article on the underground fuel tanks at the marina.**

Roll Call Vote: 4-0

- **Board Member Reinhart moved; Board Member Wilson seconded; and it was voted to place and recommend the Wellfleet Affordable Housing Trust Bylaw into the 2021 Annual Town Warrant.**

Roll Call Vote: 4-0

- They discussed schedule B and Chief Pauley explained that this is still in the works and should be ready in the next day.
- They continued with the marina enterprise budget which they had already approved the budget and the water budget they discussed was still up in the air and would have a better idea in a day or two.

F. To discuss and possibly approve the Fiscal Year 2022 Budgets

- Chief Pauley explained to the Board that he had asked Jennifer Wertkin to be on the meeting to explain the needs of her budget. She stressed that she would like this budget approved as soon as possible because she needs staff at the library. She explained the difference in her budget was because of the staff. They discussed the budget further and figuring out the numbers so Wertkin could have the same number of staff members. Board Member Wilson stated she couldn't vote on a budget that she hasn't seen. Chief Pauley explained that the town has been so busy with budgets and warrant articles that this isn't normally how he would do a budget but is requesting that they approve this budget so they can move forward with the budgets and get the Board a clean copy.
- They continued with other warrant articles. Chair DeVasto stated he wanted to place the right to farm articles and didn't want to add in Board Member Wilson's amendments. Wilson responded to Chair DeVasto. They discussed this article at great length. Terkanian suggested the change of a few words and they agreed to his changes.
- **Board Member Curley moved; Board Member Reinhart seconded; and it was voted to approve the Fiscal Year 2022 Library Budget 610 for the total dollar amount of \$531,865.59.**

Roll Call Vote: 4-1 (Wilson abstained)

VI. *Selectboard Reports*

- A. Wilson reported she went to a webinar regarding civil conduct. She expressed to the board that it is recorded, and she expressed how amazing this presentation was. She will send the Board a link to watch it.

VII. *Town Administrator's Report*

- A. Sumner informed the Board that he has spoken with Lisa Souve and she will be starting the following Monday to help with the finances. He also informed the Board that he is also meeting with another finance person next Wednesday to see if she will be willing to come also help with finances.
- B. Chief Pauley stated he had a good day with Charlie meeting with staff and getting some issues resolved. He continued with how appreciative he was to the Board for their support.

VIII. *Topics for Future Discussion*

- A. Board Member Wilson MOU IV for the Herring River Project she explained that she and Board Member Reinhart are on it. She stated that the language allows them to appoint anyone of their choosing to the council. She explained they needed to think of someone who can carry them through. The Board agreed they would look.
- B. Board Member Wilson asked if the Town Accountant job had been posted yet. Sumner stated that he would recommend the Board wait to post it the job until the finances are corrected to make the job more appealing.

IX. *Correspondence and Vacancy Reports*

- A. Board Member Curley stated that Lance Miller has resigned from the Bike & Walkways Committee and expressed his gratitude.

X. *Minutes*

- **Chair DeVasto moved; Board Member Reinhart seconded; and it was voted to approve the minutes as listed below and printed Draft.**
- April 13, 2021
- April 20, 2021
- April 27, 2021 -
- April 29, 2021

XI. *Adjournment*

- **Board Member Reinhart moved; Board Member Wilson seconded; and it was voted to adjourn.**

Roll Call Vote: 4-0

Meeting adjourned 9:01PM



SELECTBOARD

AGENDA ACTION REQUEST
Meeting Date: May 25, 2021

XI

ADJOURNMENT

REQUESTED BY:	Selectboard Chair Michael DeVasto
DESIRED ACTION:	To Adjourn
PROPOSED MOTION:	I move to Adjourn
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s):
VOTED:	Yea _____ Nay _____ Abstain _____