

SELECT BOARD

Meeting Agenda

6:00 p.m. May 23, 2023

NEEDHAM TOWN HALL

Select Board Chambers & Zoom



Pursuant to Chapter 2 of the Acts of 2023, meetings of public bodies may be conducted virtually provided that adequate access is provided to the public.

To listen and view this virtual meeting on a phone, computer, laptop, or tablet, download the “Zoom Cloud Meeting” app in any app store or at www.zoom.us. At the above date and time, click on “Join a Meeting” and enter the meeting or click the link below to join the webinar:

Link:

<https://us02web.zoom.us/j/84380252011?pwd=NEZqUWtZZ3FvS1dRcHNyWUQwc1hVUT09>

Webinar ID: 843 8025 2011

Passcode: 166302

One tap mobile: [+16469313860](tel:+16469313860).,84380252011#

	6:00	Public Comment Period Citizens are encouraged to inform the Office of the Town Manager in advance via email (OTM@needhamma.gov), telephone (781) 455-7500 extension 204, or in person by the end of the business day prior to the meeting of their intent to participate in the public comment period. The Chair will first recognize those who have communicated in advance their desire to speak for up to three minutes. If time allows, others wishing to speak will be recognized in an order determined by the Chair for up to three minutes. The Board’s policy on public participation in meetings can be found here .
1.	6:00	Recognition of Former Trustees of the Needham Free Public Library Thomas Harkins and Carol Thomas
2.	6:00	Public Hearing: Eversource Grant of Location: Webster Street and Lindbergh Avenue • Joanne Callender, Eversource Representative • Jason Kaminsky, Eversource Representative • Richard Schifone, Eversource Representative
3.	6:00	Public Hearing: Eversource Grant of Location: Fisher Street • Joanne Callender, Eversource Representative
4.	6:10	Public Hearing: Change of Alcohol License Category & Change of Hours – Volante Farms, Inc d/b/a Volante Farms • David Volante, Manager

5.	6:45	Approve Sale of Bond Anticipation Notes - David Davison, Assistant Town Manager/Finance - Veronica Harvey, Town Treasurer/Collector
6.	6:55	Director of Public Works - Public Works Week Proclamation - Sign Notice of Traffic Regulation – A Street - Sign Notice of Traffic Regulation – Central Avenue - Sign Notice of Traffic Regulation – Dedham Avenue
7.	7:20	Sewer Rate Relief David Davison, Assistant Town Manager/Director of Finance
8.	7:30	FY2022 Financial Audit - Marcum LLP (Independent Auditors) - David Davison, Assistant Town Manager/Director of Finance
9.	8:30	Housing Needham (HONE) Advisory Group Katie King, Assistant Town Manager/Director of Operations
10.	8:45	Board Discussion Committee Reports
11.	8:50	Executive Session - Exception 2: To Conduct Strategy Sessions in Preparation for Negotiations with Nonunion Personnel

APPOINTMENTS

1.	Catherine Dowd	Alternate Representative, Metropolitan Area Planning Council Term Exp: 6/30/2024
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CONSENT AGENDA *Supporting Documents Attached

1.*	Approve open session minutes of May 1, 2023, May 3, 2023, and May 8, 2023; and executive session minutes of April 25, 2023 and May 9, 2023.					
2.	Accept the following donations made to The Needham Free Public Library: <i>Be the Magic</i> , by Diane Pienta (estimated value \$22), gifted by the author; from Carol Thomas, <i>The Wounded World</i> , by Chad L. Williams (estimated value \$30); and from Faith Crisley, <i>Horse</i> , by Geraldine Brooks (estimated value \$22).					
3.	Approve a 2023 Weekday and Sunday Entertainment license for the Rotary Club of Needham who will be hosting a carnival July 20 – July 23, 2023, pending approval from the following departments: Police, Fire, Public Works.					
4.	Approve a One Day Special Wine & Malt Beverages License for Monique Goodrow-Trach of Needham Pool & Racquet Club to hold its New Member Reception event on Friday, June 2, 2023 from 6:00 p.m. to 9:00 p.m. The event will be held at Needham Pool & Racquet, 1545 Central Avenue, Needham.					
5.	Accept the following donation made to the Needham Community Revitalization Trust Fund: \$100 from The Charles River Center.					
6.	Approve a new Sale of Second Hand Articles License for West Bridgewater Coin & Jewelry Buyers LLC.					
7.	Grant permission for the following residents to hold block parties:					
	Name	Address	Party Location	Date	Time	Rain Date
	Ella Lasic	46 Rolling Lane	Rolling Lane	6/12/23	3:30pm-8pm	6/19/23



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Public Hearing: Eversource Grant of Location: Webster Street and Lindbergh Avenue
Presenter(s)	Joanne Callender, Eversource Representative Jason Kaminsky, Eversource Representative Richard Schifone, Eversource Representative

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
Eversource Energy requests permission to install approximately 80 feet of conduit in Webster Street and approximately 665 feet of conduit in Lindbergh Avenue. The reason for this work is to upgrade electric facilities in the area. The Department of Public Works has approved this petition, based on Eversource Energy's commitment to adhere to the Town's regulation that all conduit installed must be 3" schedule 40 minimum; and, that when buried, that conduit must be placed at 24" below grade to the top of the conduit.	
2.	VOTE REQUIRED BY SELECT BOARD
<i>Suggested Motion:</i> Move, pursuant to the petition submitted by NStar Electric Company d/b/a Eversource Energy, to order and adopt a Grant of Location with conditions to the petitioner for the installation of electric distribution lines and related facilities under and within those public ways known as Lindbergh Avenue and Webster Street, and to certify that the same was adopted after due notice and a public hearing as required by Chapter 166, Section 22 of the Massachusetts General Laws.	
3.	BACK UP INFORMATION ATTACHED
a. DPW Review Sheet b. Letter of Application c. Petition d. Order e. Petition Plan f. Notice Sent to Abutters g. List of Abutters	

**TOWN OF NEEDHAM
PUBLIC WORKS DEPARTMENT**

NEEDHAM, MA 02492 Telephone: (781) 455-7550

www.needhamma.gov/dpw

TO: Kristin Scoble, Select Board Office

FROM: DPW Office

DATE:

RE:

For Select Board Meeting of

Abutters list & labels at Assessors Office.

Please email confirmation date & time of hearing

GRANT OF LOCATION PETITION REVIEW

DATE OF FIELD REVIEW: 4-19-23

REVIEWER: R.W.W.

SITE LOCATION: LINDBERGH AVENUE

UTILITY REQUESTING: EVERSOURCE

Conduit Work Area Description

A Sidewalk/Grass Strip Crossing Only

Peer Review _____

☒ B Work Within Paved Road Perpendicular Crossing

Peer Review tar 4/28/23

C Work Within a Plaza Area/Landscaped Island/Parallel Along Roadway

Peer Review _____ Div. Head Review _____

D Other

Peer Review _____ Div. Head Review _____

☒ Petition Plan Consistent with Field Review

☐ Old Pole Removed N/A

☒ Diameter of Conduit 2-5"

☐ Cables Transferred to New Pole

☒ Depth of Conduit 4'

☐ New Riser on Pole

☐ Utility Conflicts YES

☐ Visible Trench Patch across Road/Sidewalk

☐ Crossing Perpendicular to Road

☐ Abutters List Complete

☒ Public Road

☒ Photos Included

☐ Double Pole N/A

Department Head _____

COMMENTS:

CONDUIT RUN FROM EMH AT WEBSTER ST. TO POLE #11 LINDBERGH AVE.
(30)
MANY UTILITY CONFLICTS. NO WORK HAS BEEN PERFORMED
AS OF YET.

The application is complete pending a public hearing. tar 5/4/23

April 17, 2023

Select Board
Town Hall
1471 Highland Avenue
Needham, MA 02192

RE: Lindbergh Avenue
Needham, MA
W.O.# 10796749

Dear Members of the Board:

The enclosed petition and plan are being presented by the NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY for the purpose of obtaining two Grant of Locations to install approximately 80± feet of conduit in Webster Street and to install approximately 665± feet of conduit in Lindbergh Avenue.

The reason for this work is to upgrade the electric facilities in the area.

If you have any further questions, contact Joanne Callender at (781) 314-5054. Your prompt attention to this matter would be greatly appreciated.

Very truly yours,

Richard M. Schifone

Richard M. Schifone
Rights and Permits, Supervisor

RMS/sky
Attachments

**PETITION OF NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY
FOR LOCATION FOR CONDUITS AND MANHOLES**

To the **Select Board** of the Town of **NEEDHAM** Massachusetts:

Respectfully represents **NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY** a company incorporated for the transmission of electricity for lighting, heating or power, that it desires to construct a line for such transmission under the public way or ways hereinafter specified.

WHEREFORE, your petitioner prays that, after due notice and hearing as provided by law, the Board may by Order grant to your petitioner permission to construct, and a location for, such a line of conduits and manholes with the necessary wires and cables therein, said conduits and manholes to be located, substantially as shown on the plan made by **T. Thibault, dated March 21, 2023,** and filed herewith, under the following public way or ways of said Town:

Webster Street -

Northerly from MH#29806, approximately 70± feet south of Lindbergh Avenue, install approximately 80± feet of conduit, thence turning easterly

Lindbergh Avnue -

Easterly from Webster Street, install approximately 665± feet of conduit, install one (1) manhole MH#31861

W.O.# 10796749

**NSTAR ELECTRIC COMPANY
dba EVERSOURCE ENERGY**

By: *Richard M. Schifone*

Richard M. Schifone
Rights & Permits, Supervisor

Dated this 17 day of April 2023

Town of **NEEDHAM** Massachusetts

Received and filed _____ 2023

GRANT OF LOCATION

It is hereby ordered, by the Select Board of the Town of Needham, pursuant to the petition of NStar Electric Company d/b/a Eversource Energy (“Eversource”) for a grant of location for electric distribution lines to be installed under and within Webster Street and Lindberg Avenue (the “Project”), and pursuant to the Select Board’s authority under Chapter 166, Sections 21 and 22 of the Massachusetts General Laws, that:

1. Eversource is hereby granted those rights and authorities necessary to install lines for the distribution of electric power, including the right and authority to open the public way, in those locations and only those specific locations under and within Webster Street and Lindbergh Avenue as are approved by the Department of Public Works pursuant to the conditions included with this Grant of Location;
2. Said grant shall include all rights and authorities necessary to install said electric lines and all related fixtures, facilities, structures, conduits, equipment, or other appurtenances, if the same are necessary to protect or operate said electric lines or to accomplish the objectives of the Project; and
3. Eversource shall comply fully and completely with all conditions included with this Grant of Location, the Select Board having duly determined and found, based on evidence submitted to it and included in its record of public hearings for this Grant of Location, that full and complete compliance is necessary for the public’s use of the Town’s ways not to be incommoded, and for navigation not to be endangered or interrupted.

This Grant of Location is ordered only for those locations on, under, or otherwise within the layout of public ways within the Town of Needham. To the extent the Project requires the installation of electric lines and all related fixtures, facilities, structures, conduits, equipment, or other appurtenances, outside of said layouts, including within privately owned land, this Grant of Location shall not apply and Eversource must obtain all necessary rights and ownership interests from those individuals or entities with legal possession or control over such land.

It hereby further certified that this order was adopted after due notice and a public hearing as required by Chapter 166, Section 22 of the Massachusetts General Laws.

Dated: May __, 2023,

By the Town of Needham Select Board:

Marianne B. Cooley
Chair

Kevin Keane
Vice Chair

Heidi Frail
Clerk

Marcus A. Nelson
Member

Cathy Dowd
Member

GRANT OF LOCATION CONDITIONS

Condition 1: Eversource¹ shall comply with all applicable Town of Needham bylaws, rules, and regulations.

Condition 2: Eversource shall comply with the “Dig Safe Law,” Chapter 82, Sections 40 through and including 40E of the Massachusetts General Laws and the Department of Public Utilities regulations issued thereunder.

Condition 3: Eversource shall comply with the “Excavation and Trench Safety Law,” Chapter 82A of the Massachusetts General Laws.

Condition 4: Eversource shall comply with all orders or decisions issued by the Town or any Town official pursuant to any bylaw, rule, or regulation, any Massachusetts statute or regulation, or any other legal authority authorizing said Town official to issue an order, including an order to Eversource directing a halt to Project work.

Condition 5: Eversource shall not commence work on the Project unless and until authorized to do so by a duly authorized representative of the Town’s Department of Public Works.

Condition 6: Eversource has submitted plans with its petition for the Project, prepared by T. Thibault, dated March 21, 2023 (the “Plan”), with said Plan drawn to a scale of one-inch equals forty feet. Eversource shall prepare and provide to the Department of Public Works such additional plans or drawings as may be required by the Department showing the proposed installation locations for any and all electric lines and all related fixtures, facilities, structures, conduits, equipment, or other appurtenances. The Department may, in its discretion, require the alteration or relocation of any proposed installation location on the Plan to a different location under or within Webster Street or Lindbergh Avenue. Eversource is prohibited from installing any electric lines or any related fixtures, facilities, structures, conduits, equipment, or other appurtenances in any location without first obtaining the written approval of a duly authorized representative of the Department for installation or use in that location.

Condition 7: No later than the 90th day following energization of the Project’s electrical lines, Eversource shall submit to the Department of Public Works as-built to-scale construction plans in the form and with the detail requested by a duly authorized representative of the Town’s Department of Public Works.

¹ In these Conditions, “Eversource” shall mean and include Eversource and its contractors, subcontractors, or any other person or entity working on its behalf or at its direction.

Condition 8: Eversource shall conduct a “pre-construction video sweep” from the public way along the Project route to document pre-construction conditions. Eversource shall provide the Department of Public Works reasonable advance notice of the sweep and shall allow one or more Town officials to observe the sweep. Eversource shall provide a copy of the video to the Department of Public Works, and it shall be a public record as defined by G.L. c.4 §7, cl.26, except as otherwise provided by law.

Condition 9: Eversource shall restore all public ways impacted by the Project to their pre-construction condition, including public and private utilities that may be impacted during the excavation or horizontal directional drilling work.

Condition 10: Eversource shall comply with the following work hours: 7:00 am - 3:30 pm. Deviations from said work hours shall only occur if approved by a duly authorized representative of the Department of Public Works.

Condition 11: Eversource shall not use any Town property as laydown, storage, or staging areas without first obtaining the written approval of a duly authorized representative of the Town’s Department of Public Works for use of that location. The Town encourages Eversource to obtain express written permission from the owners of any private property to be used as laydown, storage, or staging areas.

Condition 12: Eversource shall mitigate the impacts of Project-related lighting on abutters, residents, and other persons and entities by lowering lighting levels and aiming lighting away from houses and other surrounding structures, toward the ground, to the extent that doing the same is feasible and consistent with workplace safety.

Condition 13: If a utility service connection to a residence, business, or other structure cannot be maintained in operation during Project construction activities, Eversource shall provide reasonable notice to all persons or entities affected by such outage. In the event an outage is planned or reasonably foreseeable more than seven (7) days in advance, reasonable notice shall mean that Eversource makes all reasonable efforts to provide actual notice to all affected persons or entities at least seven (7) days in advance of the outage. In the event an outage is not planned or is not reasonably foreseeable more than seven (7) days in advance, reasonable notice shall mean that Eversource makes all reasonable efforts to provide actual notice to all affected persons or entities as soon as possible. Upon providing reasonable notice, Eversource shall make all reasonable accommodations to minimize disruption to the affected persons and entities.

Condition 14: Eversource shall designate a Project liaison, who shall be available at any time Project-related construction is occurring, at a designated, direct dial telephone number to all Town officials and entities. Said Project liaison

shall be knowledgeable concerning the Project and shall have sufficient authority to direct Project-related activities as may be necessary or appropriate to address emergencies or unforeseen circumstances.

Condition 15: Eversource shall make reasonable efforts to maintain and ensure pedestrian access along the entire Project route during Project-related construction. Access shall include access as appropriate and required for persons with disabilities.

Condition 16: Eversource shall guarantee the continuing health of any newly planted replacement tree in connection with the Project and those subject to root cutting related to the Project, for a period of two (2) years from the date of planting. Should impacted trees die or become substantially impaired during this two-year period, as determined by Town, Eversource shall replace any impacted tree. This requirement shall be limited to a one-time replacement.

Condition 17: Eversource shall coordinate with the Department of Public Works and/or Police Chief to develop plans, procedures, and requirements for traffic management, barriers, trench plates, and other safety measures during construction. The plans, procedures, and requirements required by this condition shall be approved by the Department of Public Works and/or Police Chief in writing prior to the start of Project-related construction.

Condition 18: Eversource shall coordinate with the Department of Public Works to develop plans, procedures, and requirements for noise reduction during construction. The plans, procedures, and requirements required by this condition shall be approved by the Department of Public Works in writing prior to the start of Project-related construction.

Condition 19: Eversource shall coordinate with the Department of Public Works to develop plans, procedures, and requirements for dust management during construction. The plans, procedures, and requirements required by this condition shall be approved by the Department of Public Works in writing prior to the start of Project-related construction.

Condition 20: Eversource shall coordinate with the Department of Public Works to develop plans, procedures, and requirements for storm water management during construction. The plans, procedures, and requirements required by this condition shall be approved by the Department of Public Works in writing prior to the start of Project-related construction.

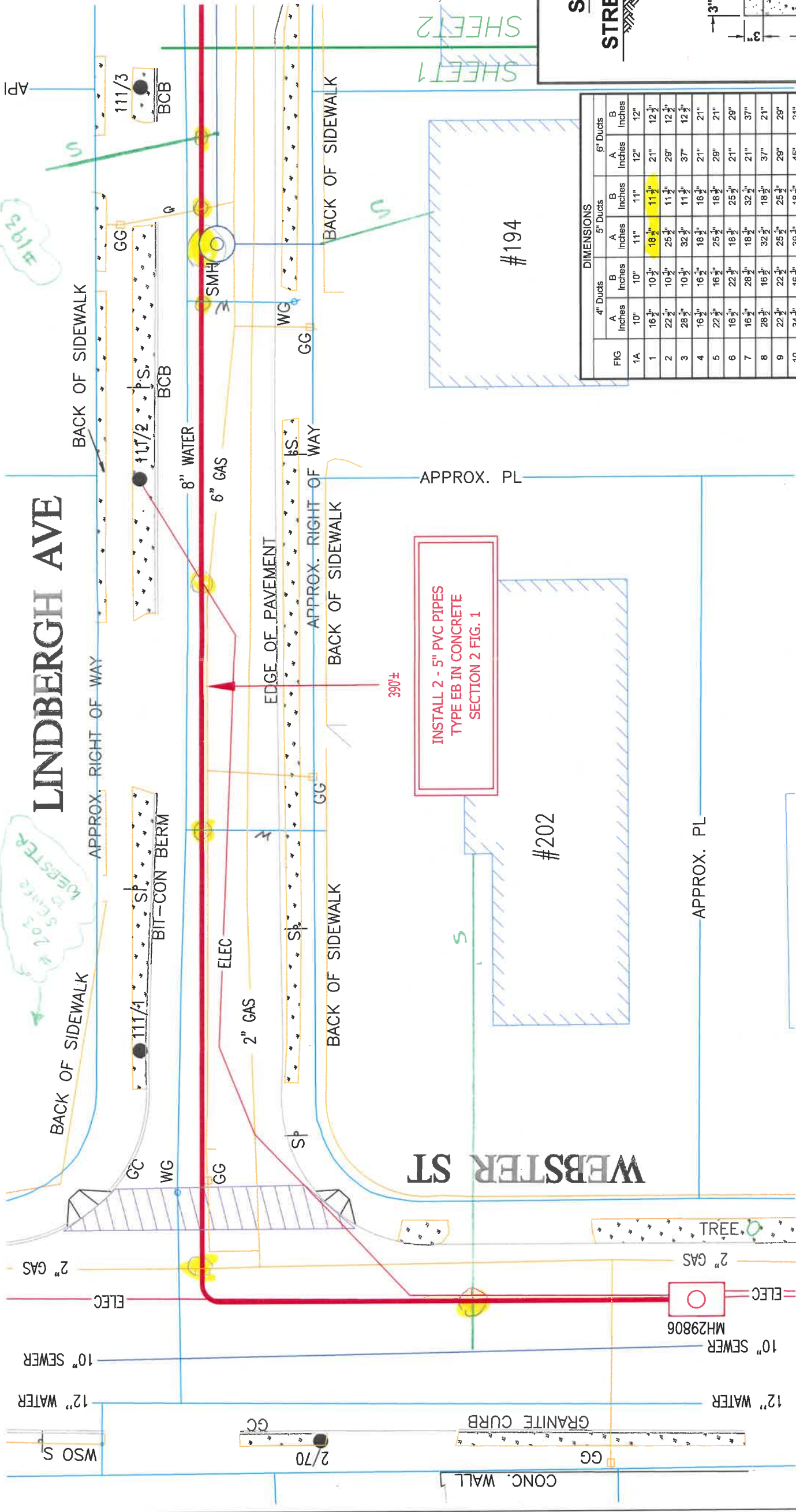
Condition 21: Eversource shall make a closed-circuit interior video recording of all existing Town sewer and drain structures and components along the Project route prior to commencing any construction activities. Eversource shall clean all existing Town sewer and drain structures and components prior to making the video

recording. Eversource shall provide the Director of Public Works copies of the video recording, which shall be a public record as defined by G.L. c.4 §7, cl.26, except as otherwise provided by law.

Condition 22: Eversource shall have a detailed procedure for handling claims of damage to persons, vehicles or property of residents, visitors, business owners, or the Town itself as the result of Project construction activities. This procedure shall be provided to the Select Board in writing prior to the start of Project-related construction.

Condition 23: Eversource shall provide unfettered access to all Town officials for the purpose of overseeing the Project and/or inspecting all activities related to the Project.

LINDBERGH AVE



INSTALL 2 - 5" PVC PIPES
TYPE EB IN CONCRETE
SECTION 2 FIG. 1

SHEET 1
SHEET 2

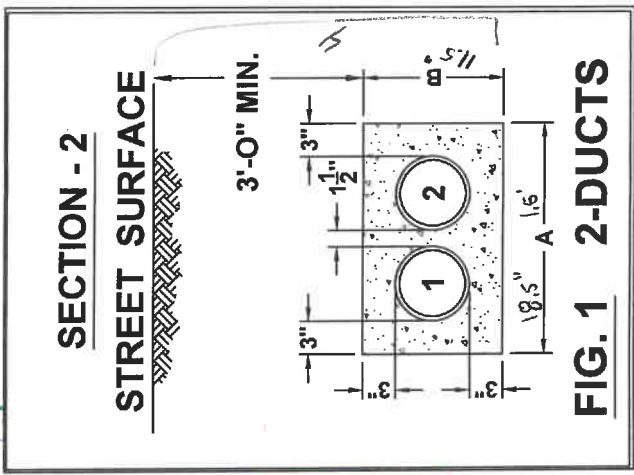
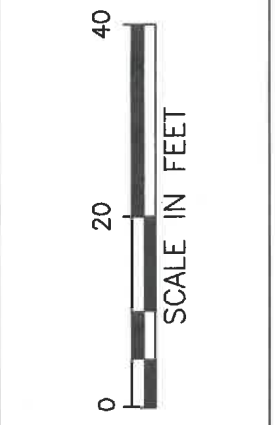


FIG	4" Ducts		5" Ducts		6" Ducts	
	A Inches	B Inches	A Inches	B Inches	A Inches	B Inches
1A	10"	10"	11"	11"	12"	12"
1	16 1/2"	10 1/2"	18 1/2"	11 1/2"	21"	12 3/4"
2	22 1/2"	10 1/2"	25 1/2"	11 1/2"	29"	12 3/4"
3	28 1/2"	10 1/2"	32 1/2"	11 1/2"	37"	12 3/4"
4	16 1/2"	16 1/2"	18 1/2"	18 1/2"	21"	21"
5	22 1/2"	16 1/2"	25 1/2"	18 1/2"	29"	21"
6	16 1/2"	22 1/2"	18 1/2"	25 1/2"	21"	29"
7	16 1/2"	28 1/2"	18 1/2"	32 1/2"	21"	37"
8	28 1/2"	16 1/2"	32 1/2"	18 1/2"	37"	21"
9	22 1/2"	22 1/2"	25 1/2"	25 1/2"	29"	29"
10	34 1/2"	16 1/2"	39 1/2"	18 1/2"	45"	21"
11	16 1/2"	34 1/2"	18 1/2"	39 1/2"	21"	45"
12	22 1/2"	26 1/2"	25 1/2"	32 1/2"	29"	37"
13	28 1/2"	22 1/2"	32 1/2"	25 1/2"	37"	29"
14	40 1/2"	16 1/2"	46 1/2"	18 1/2"	53 1/2"	21"
15	16 1/2"	40 1/2"	18 1/2"	46 1/2"	21"	53 1/2"
16	16 1/2"	46 1/2"	18 1/2"	53 1/2"	21"	61"

NOTES:
THE LOCATION OF UNDERGROUND STRUCTURES ARE FROM PLANS AND RECORDS AND ARE APPROXIMATE ONLY. IN ADDITION, SURFACE FEATURES OF UTILITIES AND SERVICES LOCATED BY FIELD SURVEY ARE TIED-IN TO THEIR NEAREST MAIN SERVICE LINE IF NO RECORDS WERE AVAILABLE TO CONFIRM IT'S UNDERGROUND EXISTENCE.
ANY UNDERGROUND STRUCTURES NOT EVIDENT WERE REQUESTED, YET UNAVAILABLE AT THIS PRESENT TIME.

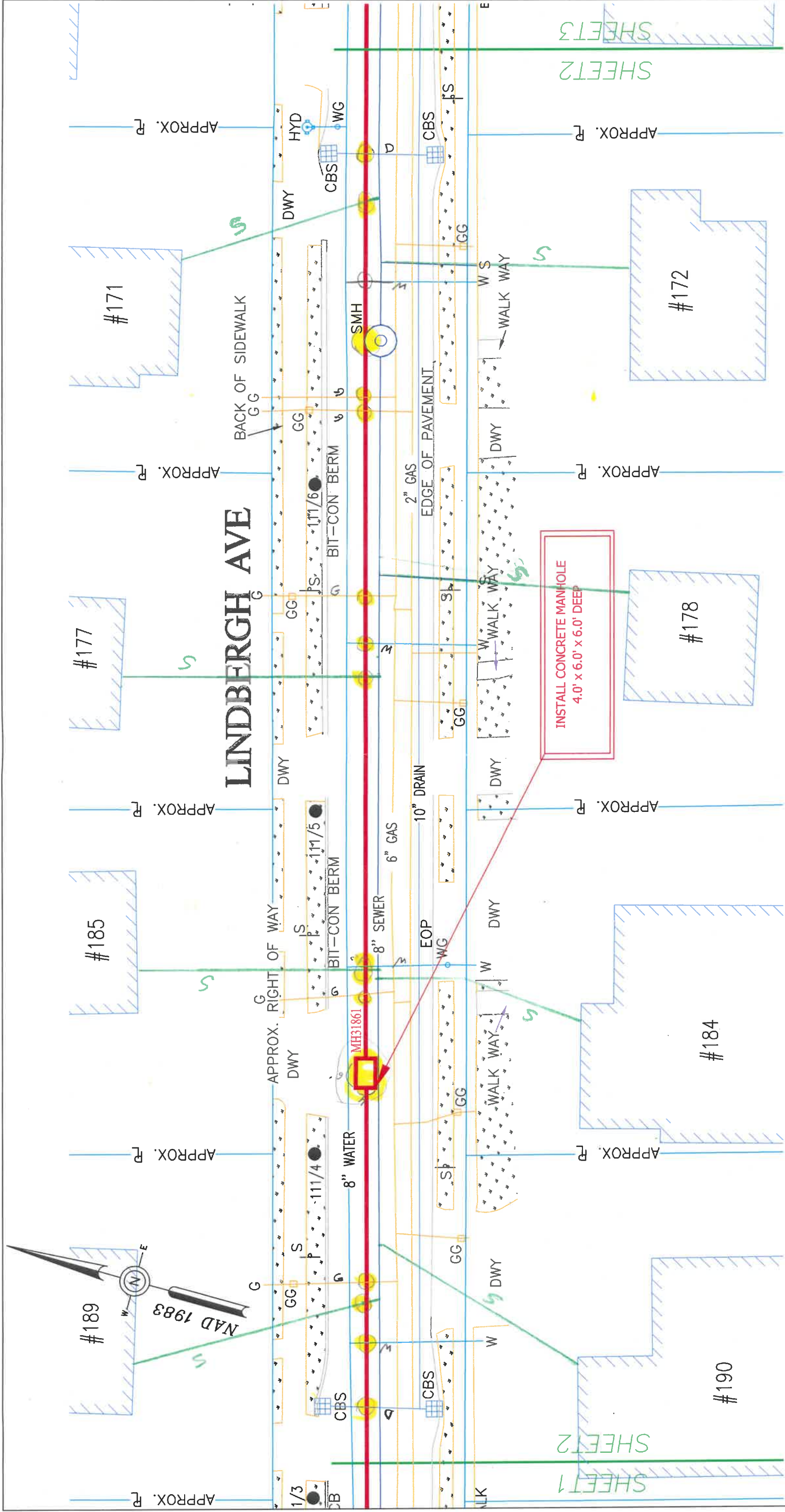


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MASS. LAW
REQUIRES 72 HOURS ADVANCE NOTICE TO UTILITY COMPANIES BEFORE DIGGING BY ANYONE. CALL DIG-SAFE 1-888-344-7233

C# 65-23	Ward #	Work Order #	Surveyed by:	Research by:	Plotted by:	Proposed Structures:	Approved:	Scale
		10796749	GC/BP	GR	JC	JC	T THIBAUT	1"=20'
NSTAR EVERSOURCE ELECTRIC 1165 MASSACHUSETTS AVE. DORCHESTER, MASS. 02125							Plan of LINDBERGH AVE NEEDHAM	
Showing PROPOSED CONDUIT AND MH LOCATION							Date 3/21/23	
SHEET 1 of 3							P#	

2D (4.4M) 12 53 11 5

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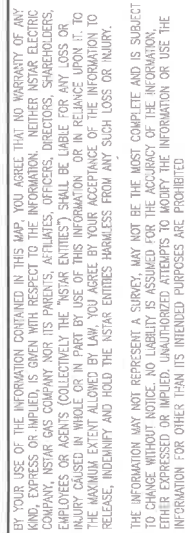
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ANY UNDERGROUND STRUCTURES NOT EVIDENT WERE REQUESTED, YET UNAVAILABLE AT THIS PRESENT TIME.

C# 65-23	Ward # -	Work Order # 10796749	Surveyed by: GC/BP	Research by: GR	Plotted by: JC	Proposed Structures: JC	Approved: T THIBAUT	Scale 1"=20'	Date 3/21/23
P# 2 of 3									
NSTAR EVERSOURCE ELECTRIC d/b/a 1165 MASSACHUSETTS AVE. DORCHESTER, MASS. 02125									
Plan of LINDBERGH AVE									
NEEDHAM									
Showing PROPOSED CONDUIT AND MH LOCATION									



MASS. LAW
REQUIRES 72 HOURS ADVANCE NOTICE TO UTILITY COMPANIES BEFORE DIGGING BY ANYONE. CALL DIG-SAFE 1-888-344-7233



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d/b/a 1165 MASSACHUSETTS AVE. DORCHESTER MASS 02125

EDDHAM
ST. JOHN'S LUTHERAN CHURCH

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Page	1 of 3	Date	3/21/23
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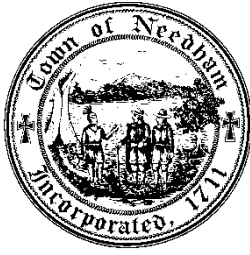
MASS. LAW.

REQUIRES 72 HOURS ADVANCE NOTICE TO UTILITY COMPANIES BEFORE DIGGING BY ANYONE. CALL DIG-SAFE 1-888-344-7233



NO PARKING
TWO HOUR
LIMIT
7:00 AM - 7:00 PM
MON - FRI

NO SCHOOL
PICK UP
OR
DROP OFF



NOTICE

To the Record

You are hereby notified that a public hearing will be held **at 6:00 p.m. on May 23, 2023 via Zoom and in person at Town Hall, 1471 Highland Avenue, Needham, MA 02492** upon petition of Eversource Energy dated **April 17, 2023** to install approximately 80 feet of conduit in Webster Street and approximately 665 feet of conduit in Lindbergh Avenue. The reason for this work is to upgrade electric facilities in the area.

A public hearing is required, and abutters are notified.

If you have any questions regarding this petition, please contact Joanne Callender, Eversource Energy representative at (781) 314-5054.

Marianne Cooley
Kevin Keane
Heidi Frail
Marcus Nelson
Catherine Dowd

SELECT BOARD

You are invited to a Zoom webinar;
<https://us02web.zoom.us/j/84380252011?pwd=NEZqUWtZZ3FvS1dRcHNyWUQwc1hVUT09>
Passcode: 166302
Webinar ID: 843 8025 2011

Dated: May 5, 2023

**LINDBERGH AVENUE
WEBSTER ST TO MANNING ST GOL**

PARCEL ID	OWNER NAME 1	OWNER NAME 2	MAILING ADDRESS	CITY	ST	ZIP
199/055.0-0070-0000.0	BARTH, SUZANNE R		178 LINDBERGH AVE	NEEDHAM	MA	02494-
199/055.0-0093-0000.0	SALZMAN, DAVID W. &	SALZMAN, MARENE F	202 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0069-0000.0	OZA, ACHAL &	OZA, SVETA	184 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0073-0000.0	KAJUNSKI, DANIEL T		179 MANNING ST	NEEDHAM	MA	02494-
199/226.0-0006-0000.0	MOAZAM, MUHAMMAD &	AFZAL, BUSHRA	573 WEBSTER ST	NEEDHAM	MA	02494-
199/226.0-0008-0000.0	THOMPSON, CHRISTOPHER &	ZOHN, MARJORIE E.	591 WEBSTER ST	NEEDHAM	MA	02494-
199/226.0-0009-0000.0	SILVA, MARIYA &	SILVA, AZACIPH	595 WEBSTER ST	NEEDHAM HTS	MA	02494-
199/055.0-0019-0000.0	KENT, WILLIAM C. &	KENT, ELIZABETH G	8 JAMES AVE	NEEDHAM HTS	MA	02494-
199/055.0-0060-0000.0	KELLY, SAMANTHA &	KELLY, MICHAEL	163 MANNING ST	NEEDHAM HTS	MA	02494-
199/055.0-0072-0000.0	JOHNSTON, DEREK S. &	JOHNSTON, SAMANTHA R	166 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0039-0000.0	GROOPMAN, STEVEN	GROSSMAN, MELANIE	147 LINDBERGH	NEEDHAM	MA	02494-
199/055.0-0064-0000.0	DEROIAN, STEVEN L. &	DEROIAN, PATRICIA J	185 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/226.0-0007-0000.0	TAN, HOK TJIE &	CHOU, YU MEI	583 WEBSTER ST	NEEDHAM	MA	02494-
199/055.0-0020-0000.0	KIERSTEAD, TIMOTHY M. &	KIERSTEAD, JANA P	148 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0062-0000.0	GAGE, LAURENCE J. &	GAGE, NICOLE E	171 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0094-0000.0	FISSLER, CHRISTINA J		203 LINDBERGH AVE	NEEDHAM	MA	02494-
199/055.0-0092-0000.0	BEARD, MICHAEL L. &	BEARD, BARBARA BECKMAN	594 WEBSTER ST	NEEDHAM HTS	MA	02494-
199/055.0-0061-0000.0	BRADY, JAMES P. &	BRADY, SUSAN M	165 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0067-0000.0	COWHIG, MICHAEL T. JR. &	COWHIG, ERIN S	194 LINDBERGH AVE	NEEDHAM	MA	02492-
199/055.0-0071-0000.0	HALL, GLEN R. II &	HALL, LORI F	172 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0063-0000.0	OZA, ACHAL &	OZA, SVETA	184 LINDBERGH AVE	NEEDHAM	MA	02494-
199/055.0-0065-0000.0	PALMER, MICHAEL J. &	PALMER, LAUREL B	189 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0066-0000.0	VELEY, KARA C		193 LINDBERGH AVE	NEEDHAM HTS	MA	02494-
199/055.0-0068-0000.0	THORNTON, KATHERINE D. &	LIPNICK, JONATHAN S.	190 LINDBERGH AVE	NEEDHAM	MA	02494-
199/055.0-0095-0000.0	BATTISTA, MICHAEL		574 WEBSTER ST	NEEDHAM	MA	02494-



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Public Hearing: Eversource Grant of Location: Fisher Street
Presenter(s)	Joanne Callender, Eversource Representative

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
Eversource Energy requests permission to install approximately 15 feet of conduit in Fisher Street. The reason for this work is to provide electric service to 12 Russell Road. The Department of Public Works has approved this petition, based on Eversource Energy's commitment to adhere to the Town's regulation that all conduit installed must be 3" schedule 40 minimum; and, that when buried, that conduit must be placed at 24" below grade to the top of the conduit.	
2.	VOTE REQUIRED BY SELECT BOARD
<i>Suggested Motion:</i> That the Select Board approve and sign a petition from Eversource Energy to install approximately 15 feet of conduit in Fisher Street.	
3.	BACK UP INFORMATION ATTACHED
a. DPW Review Sheet b. Letter of Application c. Petition d. Order e. Petition Plan f. Notice Sent to Abutters g. List of Abutters	

TOWN OF NEEDHAM
PUBLIC WORKS DEPARTMENT

NEEDHAM, MA 02492 Telephone: (781) 455-7550

www.needhamma.gov/dpw

TO: Kristin Scoble, Select Board Office

FROM: DPW Office

DATE:

RE:

For Select Board Meeting of

Abutters list & labels at Assessors Office.

Please email confirmation date & time of hearing

GRANT OF LOCATION PETITION REVIEW

DATE OF FIELD REVIEW: 5-4-23

REVIEWER:

Rawal.

SITE LOCATION: #12 RUSSELL RD.

UTILITY REQUESTING:

EVERSOURCE

Conduit Work Area Description

☒ A Sidewalk/Grass Strip Crossing Only

Peer Review tar 5/4/23

B Work Within Paved Road Perpendicular Crossing

Peer Review _____

C Work Within a Plaza Area/Landscaped Island/Parallel Along Roadway

Peer Review _____ Div. Head Review _____

D Other

Peer Review _____ Div. Head Review _____

☒ Petition Plan Consistent with Field Review

☐ Old Pole Removed N/A

☒ Diameter of Conduit 3"

☒ Cables Transferred to New Pole NO

☒ Depth of Conduit

☒ New Riser on Pole NO

☒ Utility Conflicts

☒ Visible Trench Patch across Road/Sidewalk NO

☒ Crossing Perpendicular to Road

☐ Abutters List Complete

☒ Public Road

☒ Photos Included

☐ Double Pole N/A

Department Head _____

COMMENTS:

THIS LOOKS GOOD, NO TRENCHING, NO RISER ON POLE AS OF YET.

The application is complete pending a public hearing- tar 5/4/23



180 Calvary Street
Waltham, Ma 02453

May 2, 2023

Select Board
Town Hall
1471 Highland Avenue
Needham, MA 02192

RE: Fisher Street
Needham, MA
W.O.# 12184151

Dear Members of the Board:

The enclosed petition and plan are being presented by the NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY for the purpose of obtaining a Grant of Location to install approximately 15± feet of conduit in Fisher Street.

The reason for this work is to provide underground service to #12 Russell Road.

If you have any further questions, contact Joanne Callender at (781) 314-5054.
Your prompt attention to this matter would be greatly appreciated.

Very truly yours,

Richard M. Schifone

Richard M. Schifone
Rights and Permits, Supervisor

RMS/sky
Attachments

ORDER FOR LOCATION FOR CONDUITS AND MANHOLES
Town of NEEDHAM

WHEREAS, **NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY** has petitioned for permission to construct a line for the transmission of electricity for lighting, heating or power under the public way or ways of the Town thereafter specified, and notice has been given and a hearing held on said petition as provided by law.

It is ORDERED that **NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY** be and hereby is granted permission to construct and a location for, such a line of conduits and manholes with the necessary wires and cables therein under the following public way or ways of said Town:

Fisher Street - **Northeasterly from pole 17/11, approximately 80± feet west of Russell Road, install approximately 15± feet of conduit**

W.O.# 12184151

All construction work under this Order shall be in accordance with the following conditions:

1. Conduits and manholes shall be located as shown on the plan made by T. Thibault, Dated April 10, 2023 on the file with said petition.
2. Said company shall comply with the requirements of existing by-laws and such as may hereafter be adopted governing the construction and maintenance of conduits and manholes.
3. All work shall be done to the satisfaction of the Select Board or such officer or officers as it may appoint to supervise the work.

1	_____	Select Board the Town of NEEDHAM
2	_____	
3	_____	
4	_____	
5	_____	

CERTIFICATE

We hereby certify that the foregoing Order was adopted after due notice and a public hearing as prescribed by Section 22 of Chapter 166 of the General Laws (Ter. Ed.), and any additions thereto or amendments thereof, to wit:-after written notice of the time and place of the hearing mailed at least seven days prior to the date of the hearing by the Selectmen to all owners of real estate abutting upon that part of the way or ways upon, along or across which the line is to be constructed under said Order, as determined by the last preceding assessment for taxation, and a public hearing held on the _____ day of _____ 2023 at _____ in said Town.

1 _____

2 _____

3 _____

4 _____

5 _____

Select Board
the Town of
NEEDHAM

CERTIFICATE

I hereby certify that the foregoing are true copies of the Order of the **Select Board** of the Town of **NEEDHAM**, Massachusetts, duly adopted on the _____ day of _____, 2023 and recorded with the records of location Orders of said Town, Book _____, Page _____ and of the certificate of notice of hearing thereon required by Section 22 of Chapter 166 of the General Laws (Ter.Ed.) and any additions thereto or amendments thereof, as the same appear of record.

Attest: _____
Clerk of the Town of **NEEDHAM**, Massachusetts

**PETITION OF NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY
FOR LOCATION FOR CONDUITS AND MANHOLES**

To the **Select Board** of the Town of **NEEDHAM** Massachusetts:

Respectfully represents **NSTAR ELECTRIC COMPANY dba EVERSOURCE ENERGY** a company incorporated for the transmission of electricity for lighting, heating or power, that it desires to construct a line for such transmission under the public way or ways hereinafter specified.

WHEREFORE, your petitioner prays that, after due notice and hearing as provided by law, the Board may by Order grant to your petitioner permission to construct, and a location for, such a line of conduits and manholes with the necessary wires and cables therein, said conduits and manholes to be located, substantially as shown on the plan made by **T. Thibault, dated April 10, 2023,** and filed herewith, under the following public way or ways of said Town:

Fisher Street - **Northeasterly from pole 17/11, approximately 80± feet west of Russell Road, install approximately 15± feet of conduit**

W.O.# 12184151

**NSTAR ELECTRIC COMPANY
dba EVERSOURCE ENERGY**

By: *Richard M. Schifone*
Richard M. Schifone
Rights & Permits, Supervisor

Dated this 2nd day of May 2023

Town of **NEEDHAM** Massachusetts

Received and filed _____ 2023

#12

FISHER ST

APPROX. PT.
OF PICKUP

APPROX. RIGHT OF WAY

17/11

EDGE OF PAVEMENT

EDGE OF PAVEMENT

APPROX. RIGHT OF WAY

APPROX. RIGHT OF WAY

EDGE OF PAVEMENT

GRASS

ELECTRICIAN TO INSTALL
1-3" PVC CONDUIT
SECTION 1 FIG. 1

15'±

SECTION - 1

STREET SURFACE

APPROX. DEPTH
2'±

SECTION OF PROPOSED LINE
1-IRON PIPE OR
1-PVC CONDUIT (SCH.40)
OR 1-FIBRE DUCT

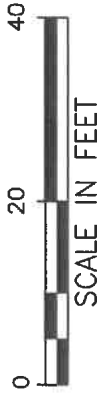
FIGURE - 1

BY YOUR USE OF THE INFORMATION CONTAINED IN THIS MAP, YOU AGREE THAT NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, IS GIVEN WITH RESPECT TO THE INFORMATION. NEITHER NSTAR ELECTRIC COMPANY, NSTAR GAS COMPANY NOR ITS PARENTS, AFFILIATES, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR AGENTS (COLLECTIVELY THE "NSTAR ENTITIES") SHALL BE LIABLE FOR ANY LOSS OF INFORMATION OR DATA, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE, BUSINESS OR TO THE MAXIMUM EXTENT ALLOWED BY LAW, YOU AGREE BY YOUR ACCEPTANCE OF THE INFORMATION TO RELEASE, INDEMNIFY AND HOLD THE NSTAR ENTITIES HARMLESS FROM ANY SUCH LOSS OR INJURY.

THE INFORMATION MAY NOT REPRESENT A SURVEY, MAY NOT BE THE MOST COMPLETE AND IS SUBJECT TO CHANGE WITHOUT NOTICE. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION, EITHER EXPRESSED OR IMPLIED. UNAUTHORIZED ATTEMPTS TO MODIFY THE INFORMATION OR USE THE INFORMATION FOR OTHER THAN ITS INTENDED PURPOSES ARE PROHIBITED.

MASS. LAW

REQUIRES 72 HOURS ADVANCE NOTICE TO UTILITY COMPANIES
BEFORE DIGGING BY ANYONE. CALL DIG-SAFE 1-888-344-7233



SCALE IN FEET

C#

Ward #

Work Order # 12184151

Surveyed by: N/A

Research by: BP

Plotted by: GC

Proposed Structures: GC

Approved: T THIBAUT

P#

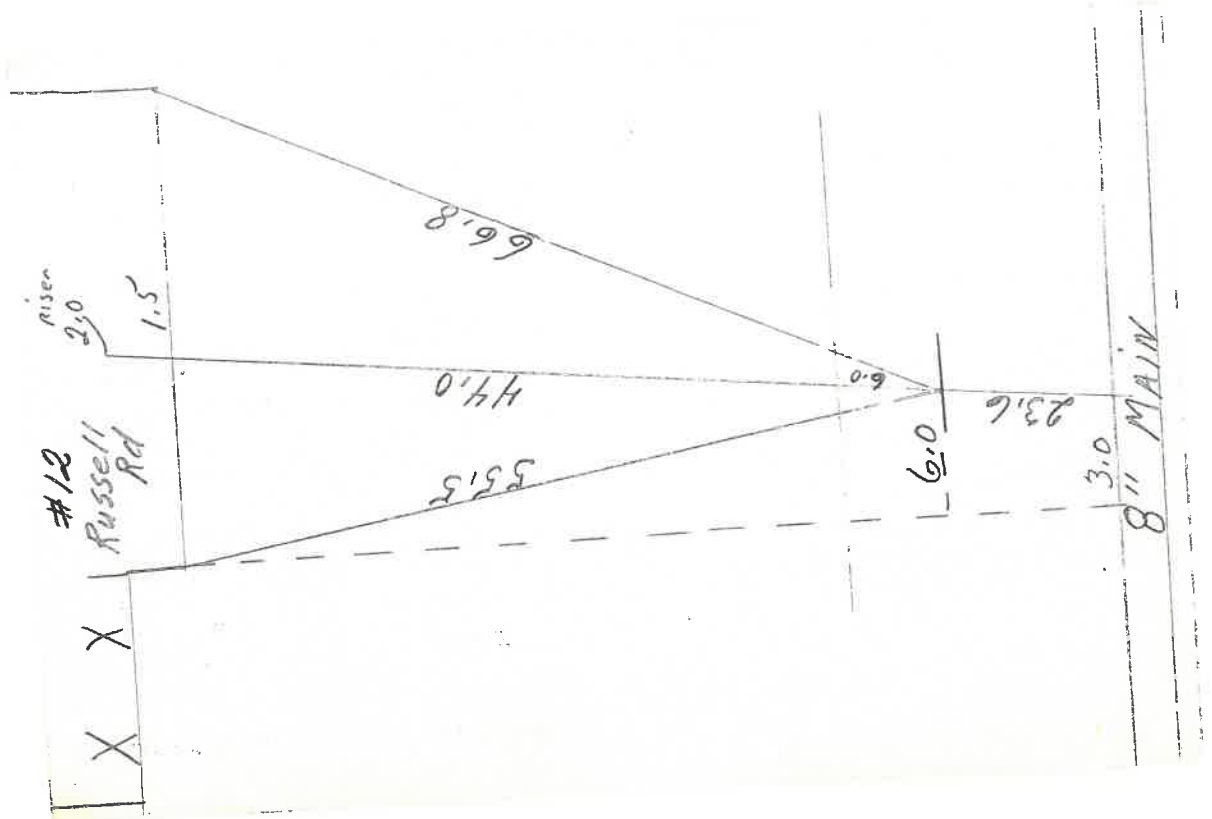
NSTAR EVERSOURCE
Electric & Gas
1185 MASSACHUSETTS AVE. DORCHESTER, MASS. 02125

Plan of RUSSELL RD, NEEDHAM

Showing CUSTOMER TO INSTALL CONDUIT LOCATION

Scale 1"=20' Date APRIL 10, 2023

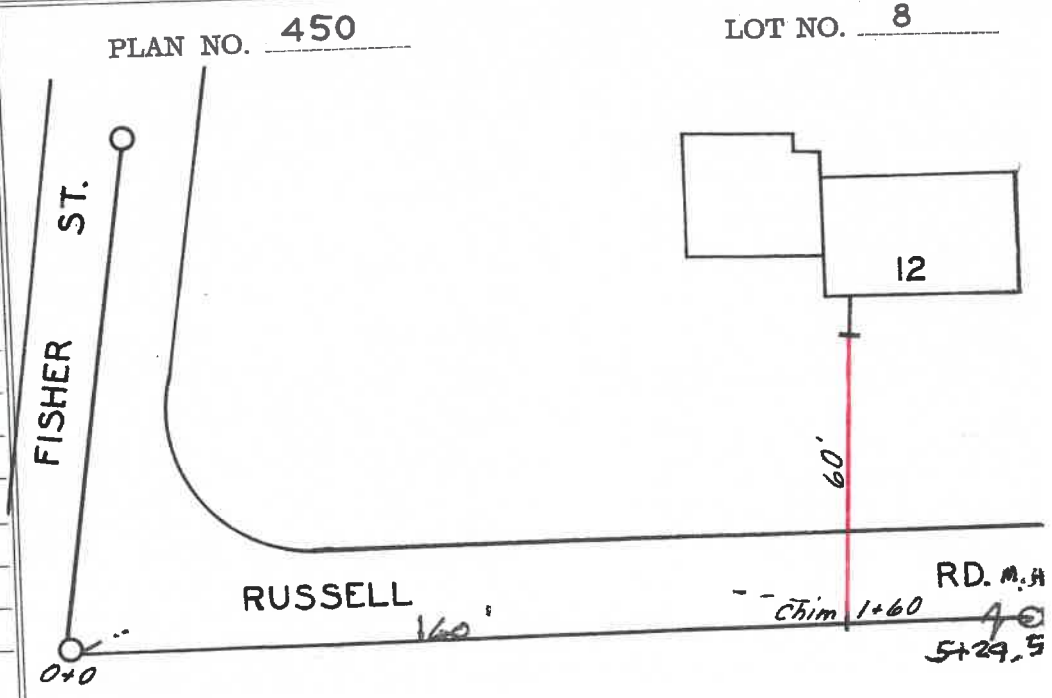
SHEET 1 of 1



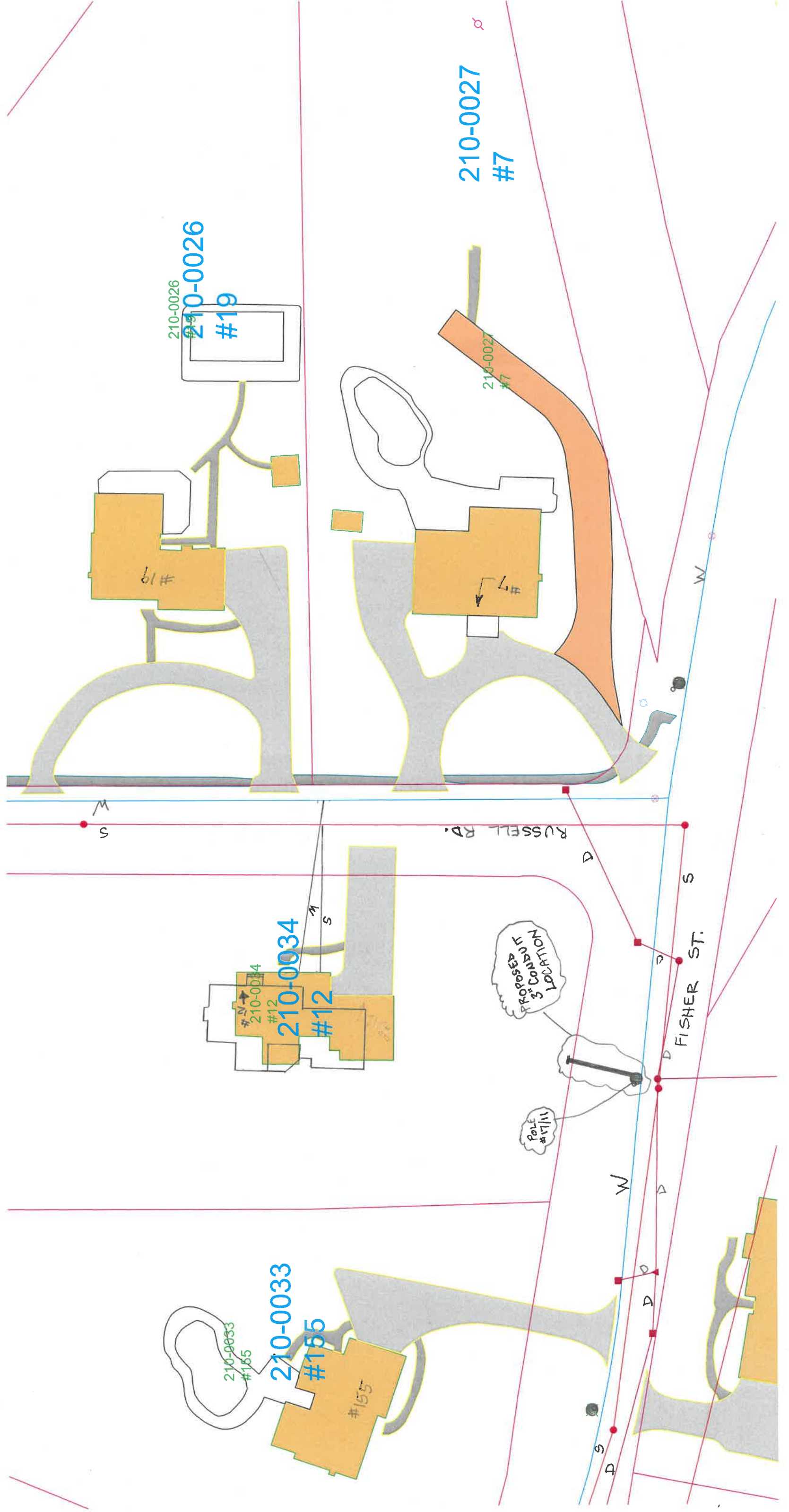
TOWN OF NEEDHAM SEWER DEPARTMENT
HOUSE CONNECTION

APP. NO. 6593 NO. 12 Russell Rd ST. OWNER Jensen-Bielaki Trust
ESTIMATE _____ COST \$ 62.31 DATE October 22, 1964

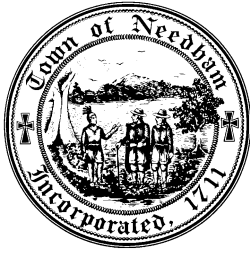
Length to St. Line	<u>20</u>
St. Line to Bldg.	<u>40</u>
Total Length	<u>60'</u>
Depth at Main	<u>6'</u>
" " St. Line	<u>6'</u>
" " Bldg.	<u>6'</u>
Ave. Depth	
Kind of Soil	<u>Gravel</u>
Ledge	
Depth of Gr. Water	
Work Started	
" Finished	
Plumbing Conn.	
<u>order to 383</u>	



1"=40'
N







NOTICE

To the Record

You are hereby notified that a public hearing will be held **at 6:00 p.m. on May 23, 2023 via Zoom and in person at Town Hall, 1471 Highland Avenue, Needham, MA 02492** upon petition of Eversource Energy dated **May 2, 2023** to install approximately 15 feet of conduit in Fisher Street. The reason for this work is to provide electric service to 12 Russell Road.

A public hearing is required, and abutters are notified.

If you have any questions regarding this petition, please contact Joanne Callender, Eversource Energy representative at (781) 314-5054.

Marianne Cooley
Kevin Keane
Heidi Frail
Marcus Nelson
Catherine Dowd

SELECT BOARD

You are invited to a Zoom webinar;
<https://us02web.zoom.us/j/84380252011?pwd=NEZqUWtZZ3FvS1dRcHNyWUQwc1hVUT09>
Passcode: 166302
Webinar ID: 843 8025 2011

Dated: May 5, 2023

parcelid	own1	own2	careof	addr1	addr2	cityname	statecode	zip
199/210.0-0027-0000.0	BLOCK, JASON			54 VOYAGERS LN		ASHLAND	MA	01721-
199/210.0-0032-0000.0	SPIEGAL, DAVID TR. &	KELFER, MELANIE J. TR		142 FISHER ST		NEEDHAM	MA	02492-
199/210.0-0037-0000.0	SNEIDER, CARY A. & MIRIAM D. TRS	WALKER LANE 77 REALTY TRUST		77 WALKER LN		NEEDHAM	MA	02492-
199/214.0-0053-0000.0	WALKER HOME FOR CHILDREN			1968 CENTRAL AVE		NEEDHAM	MA	02492-
199/210.0-0015-0000.0	MASSACHUSETTS LAND CONSERVATION	TRUST, INC		572 ESSEX ST		BEVERLY	MA	01915-
199/210.0-0033-0000.0	CARROLL, GEORGE H. &	CARROLL, REBECCA H.		155 FISHER ST		NEEDHAM	MA	02492-
199/210.0-0035-0000.0	NEUMAN, DAVID C. TR.	DAVID C. NEUMAN REVOCABLE TRUST		34 RUSSELL RD		NEEDHAM	MA	02492-
199/210.0-0026-0000.0	BRODSKY, GILBERT +	BRODSKY, MARJORIE S		19 RUSSELL RD		NEEDHAM	MA	02492-
199/210.0-0038-0000.0	RIDILL, JOHN D. JR , TR &	RIDILL, DYANNE M., TR		167 FISHER ST		NEEDHAM	MA	02492-
199/210.0-0025-0000.0	ROCKWOOD, ROBERT C. TR. &	ROCKWOOD, KRISTEN H. TR.		35 RUSSELL RD		NEEDHAM	MA	02492-
199/210.0-0034-0000.0	RICE, PHILLIP L. JR			12 RUSSELL RD		NEEDHAM	MA	02492-

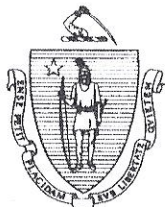


**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Public Hearing: Change of Alcohol License Category & Change of Hours – Volante Farms, Inc d/b/a Volante Farms
Presenter(s)	David Volante, Manager

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
Volante Farms, Inc d/b/a Volante Farms located at 292 Forest, currently holds a Wine and Malts Section 15 License. The applicant is seeking to change the category of their license to an All-Alcohol Section 15 License. The Town of Needham currently has one available All-Alcohol Section 15 License. The applicant is also seeking to amend their hours of operation from: • Weekdays 9:00 AM – 7:00 PM, Saturdays 9:00 AM – 6:00 PM, and Sundays: 12:00 PM – 5:00PM to; • Weekdays 8:00 AM – 7:30 PM and Weekends 8:00 AM to 6:30 PM A legal notice was advertised in the Hometown Weekly on May 11, 2023 and abutters were notified. All supporting documentation appears to be in order.	
2.	VOTE REQUIRED BY SELECT BOARD
<i>Suggested Motion:</i> That the Board vote to approve the Amendment for Change of Category and Change of Hours application received from Volante Farms, Inc d/b/a Volante Farms and vote to forward the Amendment application to the ABCC for review and final approval.	
3.	BACK UP INFORMATION ATTACHED
a. Amendment Application and Corporate Vote b. Legal Notice c. Abutter Listing	



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

RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION
MONETARY TRANSMITTAL FORM

RECEIVED
TOWN OF NEEDHAM
SELECT BOARD

2023 MAY -2 P 3: 06

APPLICATION FOR AMENDMENT-Change of License Classification

APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE LOCAL
LICENSING AUTHORITY.

ECRT CODE: RETA

Please make \$200.00 payment here: [ABCC PAYMENT WEBSITE](#)

PAYMENT MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL AND INCLUDE THE
PAYMENT RECEIPT

ABCC LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

00030-PK-0070

ENTITY/ LICENSEE NAME

Volante Farms Inc.

ADDRESS

292 Forest St

CITY/TOWN

Needham

STATE

MA

ZIP CODE

02492

For the following transactions (Check all that apply):

- | | | | |
|--|---|--|---|
| ☐ New License | ☐ Change of Location | ☐ Change of Class (i.e. Annual / Seasonal) | ☐ Change Corporate Structure (i.e. Corp / LLC) |
| ☐ Transfer of License | ☐ Alteration of Licensed Premises | ☐ Change of License Type (i.e. club / restaurant) | ☐ Pledge of Collateral (i.e. License/Stock) |
| ☐ Change of Manager | ☐ Change Corporate Name | ☒ Change of Category (i.e. All Alcohol/Wine, Malt) | ☐ Management/Operating Agreement |
| ☐ Change of Officers/
Directors/LLC Managers | ☐ Change of Ownership Interest
(LLC Members/ LLP Partners,
Trustees) | ☐ Issuance/Transfer of Stock/New Stockholder | ☒ Change of Hours |
| | ☐ Other | | ☐ Change of DBA |

THE LOCAL LICENSING AUTHORITY MUST SUBMIT THIS
APPLICATION ONCE APPROVED VIA THE ePLACE PORTAL

Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150-2358

Payment Confirmation

YOUR PAYMENT HAS PROCESSED AND THIS IS YOUR RECEIPT

Your account has been billed for the following transaction. You will receive a receipt via email and via text message.



Transaction Processed Successfully.

INVOICE #: a49d7e4c-535d-4413-be7e-d60fdc586351

Description	Applicant, License or Registration Number	Amount
FILING FEES-RETAIL	00030-PK-0770	\$200.00
		\$200.00

Total Convenience Fee: \$4.70

Date Paid: 5/2/2023 11:55:17 AM EDT

Total Amount Paid: \$204.70

Payment On Behalf Of

License Number or Business Name:
00030-PK-0770

Fee Type:
FILING FEES-RETAIL

Billing Information

First Name:
David

Last Name:
Volante

Address:
292 Forest St

City:
Needham

State:
MA

Zip Code:
02492-2013





Commonwealth of Massachusetts
Department of Revenue
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L0754866464
Notice Date: May 4, 2023
Case ID: 0-002-000-152



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



VOLANTE FARMS INC
292 FOREST ST
NEEDHAM MA 02492-1329

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, VOLANTE FARMS INC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.

What if I have questions?

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

Visit us online!

Visit mass.gov/dor to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief
Collections Bureau



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Maura Healey
GOVERNOR
Kim Driscoll
LT. GOVERNOR



423432512

Lauren E. Jones
SECRETARY
Katie Dishnica
ACTING DIRECTOR

VOLANTE FARMS INC
292 Forest Street
Needham, MA 02492-1319

EAN: 09278261
May 04, 2023

Certificate Id:70189

The Department of Unemployment Assistance certifies that as of 5/4/2023 ,VOLANTE FARMS INC is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

This certificate expires in 30 days from the date of issuance.

Katie Dishnica, Acting Director

Department of Unemployment Assistance



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

APPLICATION FOR AMENDMENT-Change of License Classification

☒ **Change of Category**

(e.g. All Alcohol, Wines and Malt)

- Payment Receipt
- Monetary Transmittal Form
- DOR Certificate of Good Standing
- DUA Certificate of Compliance
- Change of Category Application
- Vote of the Entity
- Abutter's Notification*
- Advertisement*

☐ **Change of Class**

(e.g. Seasonal /Annual)

- Payment Receipt
- Monetary Transmittal Form
- DOR Certificate of Good Standing
- DUA Certificate of Compliance
- Change of Classification Application
- Vote of the Entity
- Abutter's Notification*
- Advertisement*

☐ **Change of License Type**

(\$12 ONLY, e.g. general on premises, tavern, inn, restaurant)

- Payment Receipt
- Monetary Transmittal Form
- Change of License Type Application
- Vote of the Entity
- Advertisement*
- Payment Receipt

**If abutter notification and advertisement are required for transaction, please see the local licensing authority.*

1. BUSINESS ENTITY INFORMATION

Entity Name	Municipality	ABCC License Number
Volante Farms Inc.	Needham	00030-PK-0070

Please provide a narrative overview of the transaction(s) being applied for. Attach additional pages, if necessary.

Volante Farms is requesting a change of category from current Wine and Malt, to All Alcohol. We would like to procure and offer our customers a selection of high end and locally focused alcohol.

APPLICATION CONTACT

The application contact is the person who should be contacted with any questions regarding this application.

Name	Title	Email	Phone
David Volante	Owner		

2. LICENSE CLASSIFICATION INFORMATION

2a. Change of License Category

All Alcohol, Wine and Malt,
Wine Malt and Cordials

Last-Approved License Category

Wines and Malt Beverages

Requested New License Category

All Alcoholic Beverages

2b. Change of License Class

Seasonal or Annual

Last-Approved License Class

Requested New License Class

2c. Change of License Type*

E.g. Restaurant to Club

*Certain License Types

CANNOT change once issued*

Last-Approved License Type

Requested New License Type

APPLICANT'S STATEMENT

I, David Volante the: ☐ sole proprietor; ☐ partner; ☒ corporate principal; ☐ LLC/LLP manager
Authorized Signatory

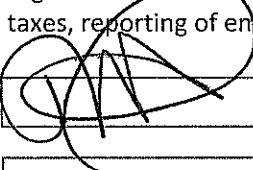
of Volante Farms Inc.
Name of the Entity/Corporation

hereby submit this application (hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statements and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises are in compliance with state and local laws and regulations;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the ownership as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.
- (10) I confirm that the applicant corporation and each individual listed in the ownership section of the application is in good standing with the Massachusetts Department of Revenue and has complied with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting of child support.

Signature:



Date: 5/2/2023

Title:

Owner

ENTITY VOTE

The Board of Directors or LLC Managers of

Volante Farms Inc.

Entity Name

duly voted to apply to the Licensing Authority of

Needham

City/Town

and the

Commonwealth of Massachusetts Alcoholic Beverages Control Commission on

5/2/23

Date of Meeting

For the following transactions (Check all that apply):

☐ Change of Class (i.e. Annual / Seasonal)

☐ Change of License Type (i.e. club / restaurant)

☒ Change of Category (i.e. All Alcohol/Wine, Malt)

☒ Other

"VOTED: To authorize

David Volante

Name of Person

to sign the application submitted and to execute on the Entity's behalf, any necessary papers and do all things required to have the application granted."

A true copy attest,



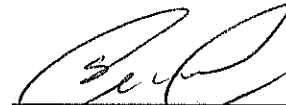
Corporate Officer /LLC Manager Signature

Teresa Boardman

(Print Name)

For Corporations ONLY

A true copy attest,



Corporation Clerk's Signature

Steve Volante

(Print Name)

LEGAL NOTICE



TOWN OF NEEDHAM

APPLICATION FOR CHANGE OF CATEGORY OF AN ALCOHOL LICENSE

Notice is hereby given pursuant to Massachusetts General Laws, Chapter 138 that Volante Farms Inc, d/b/a Volante Farms, David Volante Manager, has applied for a Change of Category of Alcohol License from a Section 15 Wine and Malts License to a Section 15 All Alcohol License.

IT IS ORDERED that a public hearing be held for said application on May 23, 2023 at 6:10 p.m. The Select Board invites all residents and interested parties to provide input at this meeting that will be held in person, Select Board Chambers, Town Hall, 1471 Highland Avenue and via Zoom.

You are invited to a Zoom webinar; <https://us02web.zoom.us/j/84380252011?pwd=NEZqUWtZZ3FvS1dRcHNyWUQwc1hVUT09> Passcode: 166302 Webinar ID: 843 8025 2011

This legal notice is also posted on the Massachusetts Newspaper Publishers Association's (MNPA) website at [http:// masspublicnotices.org/](http://masspublicnotices.org/)

Select Board

Licensing Board for the Town of Needham

**292 FOREST STREET
300 FEET**

PARCEL ID	OWNER NAME 1	OWNER NAME 2	MAILING ADDRESS	CITY	ST	ZIP
199/110.0-0010-0000.0	HUA, CHARLES X &	ZHANG, JIE	189 BROOKSIDE RD	NEEDHAM	MA	02492-
199/122.0-0036-0000.0	LEE, AUSTIN F S +	LEE, MARIANNE S	9 CARNEGIE PL	LEXINGTON	MA	02420-
199/122.0-0048-0000.0	CALITRI, EDWARD &	CALITRI, FLORENCE L	157 WEBSTER ST	NEEDHAM	MA	02494-
199/122.0-0054-0000.0	SHAIKH, RAJA TR. &	THOMAS, SMITHA TR.	140 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0065-0000.0	PADVAL, MAHESH &	PADVAL, RACHNA M	814 CENTRAL AVE	NEEDHAM	MA	02492-
199/122.0-0069-0000.0	RAMSHAW, DAVID L &	RAMSHAW, NICOLE J	842 CENTRAL AVE	NEEDHAM	MA	02492-
199/109.0-0007-0000.0	GREEN, DONALD M. &	GREEN, MARY L	741 CENTRAL AVE	NEEDHAM HTS	MA	02494-
199/109.0-0016-0000.0	VOLANTE, DAVID &	VOLANTE, KATIE	799 CENTRAL AVE	NEEDHAM	MA	02492-
199/110.0-0001-0000.0	VOLANTE, ALFRED &	VOLANTE, MELODIE ANN	292 FOREST ST	NEEDHAM	MA	02492-
199/110.0-0006-0000.0	COHEN, PETER A. &	CASADO, MARIA PAZ	233 BROOKSIDE RD	NEEDHAM	MA	02492-
199/110.0-0017-0000.0	GERWECK, LEO E		21 ROLLING LN	NEEDHAM	MA	02492-
199/110.0-0021-0000.0	BOARDMAN, TERESA VOLANTE &	BOARDMAN, STEPHEN	226 BROOKSIDE RD	NEEDHAM	MA	02492-
199/111.0-0019-0000.0	MCCABE, BERNARD T + KATHYRN F., TRS	34 ROLLING LANE REALTY TRUST	34 ROLLING LN	NEEDHAM	MA	02492-
199/122.0-0037-0000.0	SILVA DEVELOPMENT LLC		177 JARVIS CIR	NEEDHAM	MA	02494-
199/122.0-0047-0000.0	BRUSTOWICZ, ALEXANDER J, &	FLEISCHMAN, ESTEE E.	149 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0058-0000.0	SILVA DEVELOPMENT LLC		166 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0066-0000.0	UDDHAO, JAGDISH		822 CENTRAL AVE	NEEDHAM	MA	02492-
199/122.0-0067-0000.0	ENGEL, THEODORE F. II &	EVANGELISTA, LAURA A	828 CENTRAL AVE	NEEDHAM	MA	02492-
199/309.0-0025-0000.0	BABSON COLLEGE		865 CENTRAL AVE	NEEDHAM	MA	02492-
199/310.0-0011-0001.0	RUCH, DARREN &	RUCH, LAURA G.	184 BROOKSIDE RD	NEEDHAM	MA	02492-
199/110.0-0011-0000.0	BAREAU, VINCENT R. &	BAREAU, JANE L	217 BROOKSIDE RD	NEEDHAM	MA	02492-
199/110.0-0013-0000.0	SWENSON, ERIK &	SWENSON, KATIE	12 ROLLING LN	NEEDHAM	MA	02492-
199/110.0-0016-0000.0	KIM, CHRISTOPHER J. &	KIM, ERIN M.	18 ROLLING LN	NEEDHAM	MA	02492-
199/110.0-0023-0000.0	F & A FARMS, INC		292 FOREST ST	NEEDHAM	MA	02492-
199/122.0-0021-0000.0	HARGREAVES, TODD WILLIAM &	TAN, JIUNN YIUNN	18 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0059-0000.0	NOLAN, BRUCE P. TR. &	NOLAN, MAUREEN TR	172 JARVIS CIR	NEEDHAM	MA	02492-
199/310.0-0012-0000.0	LAMB, MICHAEL A. &	O'DONNELL, CAROLINE C	192 BROOKSIDE RD	NEEDHAM	MA	02492-
199/109.0-0010-0000.0	RHS LLP		292 FOREST ST	NEEDHAM	MA	02494-
199/109.0-0013-0000.0	DALVI, ADITEE		767 CENTRAL AVE	NEEDHAM	MA	02492-
199/109.0-0014-0000.0	WALLACE, CHARLES H		771 CENTRAL AVE	NEEDHAM	MA	02492-
199/110.0-0004-0000.0	MAGGS, CHARLES A. &	MAGGS, AMANDA K.R	2 ROLLING LN	NEEDHAM	MA	02492-
199/110.0-0014-0000.0	BROADBENT, BARBARA B		254 FOREST ST	NEEDHAM	MA	02492-
199/111.0-0020-0000.0	DENSMORE, TRACEY A.		35 ROLLING LANE	NEEDHAM	MA	02492-
199/122.0-0020-0000.0	GOLDMAN, JANE L.TR.	THE JANE L. GOLDMAN REVOCABLE TRUS	12 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0071-0000.0	TARRAGONA, NESTOR G &	BARBERA, VANESA	854 CENTRAL AVE	NEEDHAM	MA	02494-
199/109.0-0012-0000.0	BEGIN, ROBERT W , TR. &	BEGIN, MARY J., TR	749 CENTRAL AVE	NEEDHAM HTS	MA	02494-
199/110.0-0019-0000.0	HALL, RICHARD J. &	HALL, SUSAN E	24 ROLLING LN	NEEDHAM	MA	02492-
199/111.0-0024-0000.0	STEIER, GABRIELA &	NATHENSON, MICHAEL	185 BROOKSIDE RD	NEEDHAM	MA	02492-
199/122.0-0018-0000.0	DELUCA, BARBARA A. T		764 CENTRAL AVE	NEEDHAM	MA	02492-
199/122.0-0064-0000.0	KEARNEY, ROBIN D. &	KEARNEY, DAVID	808 CENTRAL AVE	NEEDHAM	MA	02492-
199/122.0-0068-0000.0	314 OAKLAND LLC		75 BROOKLINE ST	NEEDHAM	MA	02492-

Certified as list of parties in interest under Mass. General Laws and Needham Zoning By-Law, to the Best of our knowledge
for the Needham Board of Assessors.....

**292 FOREST STREET
300 FEET**

PARCEL ID	OWNER NAME 1	OWNER NAME 2	MAILING ADDRESS	CITY	ST	ZIP
199/122.0-0070-0000.0	WATTS, DIANA		848 CENTRAL AVE	NEEDHAM	MA	02492-
199/310.0-0011-0009.0	COLLINS, MICHAEL T. &	COLLINS, MEGHAN C	144 BROOKSIDE RD	NEEDHAM	MA	02492-
199/109.0-0004-0000.0	TOWN OF NEEDHAM		1471 HIGHLAND AVE	NEEDHAM	MA	02492-
199/109.0-0008-0000.0	RHS LLP		292 FOREST ST	NEEDHAM	MA	02492-
199/109.0-0009-0000.0	VOLANTE, STEVEN &	VOLANTE, ERIN	745 CENTRAL AVE	NEEDHAM	MA	02494-
199/110.0-0003-0000.0	LUND, TIMOTHY E. &	LUND, SHARON B	262 FOREST ST	NEEDHAM	MA	02492-
199/110.0-0007-0000.0	RAVINSKI, MARY H		225 BROOKSIDE RD	NEEDHAM	MA	02492-
199/110.0-0018-0000.0	OGRADY, MYLES R +	OGRADY, LORETTA	27 ROLLING LN	NEEDHAM	MA	02492-
199/122.0-0019-0000.0	BERNSTEIN, ORR Y. &	BERNSTEIN, ABBY B	4 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0072-0000.0	MISKIN, MARK D. &	CONSIDINE-MISKIN, BRENDA	860 CENTRAL AVE	NEEDHAM	MA	02492-
199/310.0-0011-0002.0	SANTUCCI, FREDERICK A +	SANTUCCI, JOYCE M	172 BROOKSIDE RD	NEEDHAM	MA	02492-
199/310.0-0011-0007.0	BORRELLI, PAUL D		105 CHESTNUT ST	NEEDHAM	MA	02492-
199/310.0-0011-0008.0	LAMB, MICHAEL A. &	O'DONNELL, CAROLINE C	192 BROOKSIDE RD	NEEDHAM	MA	02492-
199/110.0-0005-0000.0	KARELIS, ANDREW &	KARELIS, KIMBERLY	7 ROLLING LN	NEEDHAM	MA	02492-
199/110.0-0009-0000.0	TULLY, JOHN L. &	TULLY, KATHLEEN K	197 BROOKSIDE RD	NEEDHAM	MA	02492-
199/110.0-0012-0000.0	LARSON, CHARLE D & ASLAUG TURID TRS	LARSON FAMILY 2015 REVOCABLE TRUST	15 ROLLING LN	NEEDHAM	MA	02492-
199/110.0-0022-0000.0	VOLANTE, MELODIE &	VOLANTE, AL	204 BROOKSIDE RD	NEEDHAM	MA	02492-
199/111.0-0025-0000.0	ROSEN, JAMES &	ROSEN, BARBARA	179 BROOKSIDE RD	NEEDHAM	MA	02492-
199/122.0-0038-0000.0	POILLON, JEANETTE E		171 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0039-0000.0	JAISWAL, SHIKHA &	JAISWAL, SANJEEV	121 NARDONE RD	NEEDHAM	MA	02492-
199/122.0-0061-0000.0	EPSTEIN, MAURA KELLEY &	EPSTEIN, MARK P	15 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0063-0000.0	GAO, JINPEI &	CHEN, YANNING	125 ASH ST UNIT 1	WALTHAM	MA	02453-
199/109.0-0005-0000.0	MCCARTHY, GEORGE D., JR		721 CENTRAL AVE	NEEDHAM	MA	02492-
199/109.0-0011-0000.0	RHS LLP		292 FOREST ST	NEEDHAM	MA	02492-
199/109.0-0015-0000.0	F & A FARMS, INC		292 FOREST ST	NEEDHAM	MA	02492-
199/110.0-0008-0000.0	DANIELE, PAUL, TR	209 BROOKSIDE RD REALTY TRUST	4 CRANBERRY LN	DOVER	MA	02030-
199/110.0-0015-0000.0	SCHWARTZ, CARYN FRANKLIN TR. &	SCHWARTZ, MICHAEL TR	246 FOREST ST	NEEDHAM	MA	02492-
199/110.0-0020-0000.0	KACHKA, MINNA TR.	MINNA KACHKA TRUST	238 FOREST ST	NEEDHAM	MA	02492-
199/122.0-0053-0000.0	MANDELL, ADRIANNA E		134 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0055-0000.0	SOUTHARD, ANDREA G. & ORTIZ,LISA	FARROHI, STEPHANIE ANN	148 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0056-0000.0	BARBER, LUTHER L. TR &	DIAMOND-BARBER, MIRIAM S, TR	152 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0057-0000.0	NNAH, MABEL		31 SUSAN'S WAY	FRANKLIN	MA	02038-
199/122.0-0060-0000.0	COUGHLIN, MAUREEN A		178 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0062-0000.0	HOU, TIANWEN &	DING, QIAN	5 JARVIS CIR	NEEDHAM	MA	02492-
199/122.0-0073-0000.0	CHUNG, JOOHO &	JIN, XI	870 CENTRAL AVE	NEEDHAM	MA	02492-



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 05/23/2023

Agenda Item	Approve Sale of Bond Anticipation Notes
Presenter(s)	David Davison, Assistant Town Manager/Finance Veronica Harvey, Town Treasurer/Collector
1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
We will review the results of the two (2) bond anticipation note sales and discuss future borrowings with the Board.	
2.	VOTE REQUIRED BY SELECT BOARD
Suggested Motions: (please note there are six (6) motions to be acted upon by the Board) Motion A Move that the sale of \$2,940,000, 4.75% percent Series A General Obligation Bond Anticipation Notes and payable June 30, 2023 to Piper Sandler & Co. at par plus \$323.40 premium and accrued interest, if any, and \$3,060,000, 4.50% Series B General Obligation Bond Anticipation Notes (the “Notes”) of the Town dated May 26, 2023 to Piper Sandler & Co. at par plus \$8,721.00 premium and accrued interest, if any. Motion B Move that in connection with the marketing and sale of the Notes, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated May 10, 2023, and a final Official Statement dated May 16, 2023, each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted. Motion C Move that the Town Treasurer and the Select Board be, and hereby are, authorized to execute and deliver a significant events disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the Town, which undertaking shall be incorporated by reference in the Notes for the benefit of the holders of the Notes from time to time. Motion D Move that we authorize and direct the Town Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the Town Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the tax-exempt Notes and to comply with relevant securities laws.	



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

Motion E

Move that any certificates or documents relating to the Notes (collectively, the “Documents”), may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document; delivery of an executed counterpart of a signature page to a Document by electronic mail in a “.pdf” file or by other electronic transmission shall be as effective as delivery of a manually executed counterpart signature page to such Document; and electronic signatures on any of the Documents shall be deemed original signatures for the purposes of the Documents and all matters relating thereto, having the same legal effect as original signatures.

Motion F

Move that each member of the Select Board, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

	BACK UP INFORMATION ATTACHED
a.	Cover Memo Dated May 18, 2023 (3 pages)
b.	Signed Certificate of Award \$2,940,000
c.	Signed Certificate of Award \$3,060,000
g.	Official Statement (82 pages)

Memorandum

To: Select Board
From: David Davison, Assistant Town Manager/Director of Finance
CC: Kate Fitzpatrick, Town Manager; Veronica Harvey Treasurer/Collector;
Michelle Vaillancourt, Town Accountant
Date: May 18, 2023
Re: Bond Anticipation Note Sales

The Town held a sale for two bond anticipation notes (BANS) on Tuesday, May 16, 2023. The first BAN was \$2,940,000 and the second BAN was \$3,060,000. The borrowings are for projects previously approved by Town Meeting and the funds will pay related expenses. Some of the projects financed by the BANS are completed or will soon be. When the first BAN matures the Town will pay off the note with budgeted funds. This reduces the amount of long-term interest the Town would have had to pay if the amounts were bonded. The table below shows the projects being funded by the BANS.

Project	Required Funds	Portion Financed by June 30, 2023 BAN	Portion Financed by October 16, 2023 BAN
Public Works Storage Facility	\$35,000	\$35,000	
Emery Grover Renovation Design	\$990,000	\$990,000	
Emery Grover Renovation	\$1,290,000	\$1,290,000	
Emery Grover Renovation - CPA	\$420,000	\$0	\$420,000
Water Distribution System Improvements	\$2,700,000	\$260,000	\$2,440,000
Water Service Connections	\$500,000	\$300,000	\$200,000
RTS Property Improvements	\$65,000	\$65,000	
Totals	\$6,000,000	\$2,940,000	\$3,060,000

The Town received two bids on the \$2,940,000 BAN which will mature on June 30, 2023 and be paid in full on that date. The lowest bidder, Piper Sandler and Company offered a coupon rate of 4.75%, with a premium of \$323.40 which results in a net interest cost (NIC) of 4.6335% which is the basis for the award. The net interest cost on the BAN is the highest rate the Town has incurred in years. This is reflective of

both the short duration of the BAN and the fact that short-term interest rates are high in general. The short duration for this BAN is so that it may be paid off in FY2023, as planned.

Bidder	Amount	Rate	Interest	Premium	Net Interest	NIC
Piper Sandler & Company	\$2,940,000	4.750%	\$13,189.17	\$323.40	\$12,865.77	4.633500%
Oppenheimer & Company	\$2,940,000	6.250%	\$17,354.17	\$1.00	\$17,353.17	6.249600%

The second BAN (\$3,060,000) which matures on October 16, 2023, produced three bids. The lowest bidder again was Piper Sandler and Company who offered a coupon rate of 4.50%, with a premium of \$8,721.00 which results in a NIC of 3.7671%. Although the net cost is still comparatively high, the NIC is approximately 0.86% less than the shorter duration BAN.

Bidder	Amount	Rate	Interest	Premium	Net Interest	NIC
Piper Sandler & Company	\$3,060,000	4.500%	\$53,550.00	\$8,721.00	\$44,829.00	3.767100%
BNYMellon Capital Markets	\$3,060,000	4.250%	\$50,575.00	\$1,778.17	\$48,796.83	4.100600%
Oppenheimer & Company	\$3,060,000	5.000%	\$59,500.00	\$1,875.00	\$57,625.00	4.842400%

The table below shows the five-year history of the short-term interest rates the Town has paid on BANS. The interest rates on the two BANS are the highest over the five-year period, whether one is comparing coupon rates or NICs. The lowest rate paid by the Town was 0.50% which was on the 2020 BAN issued on December 18, 2020 and the 2021 BAN issued on April 15, 2021. The highest rate paid, before these two BANS, was 3.50% which was on the 2018 BAN that was issued on June 18, 2018.

Recent Bond Anticipation Note History

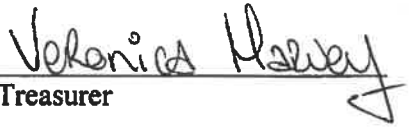
Description	Issue Date	Maturity	Amount	Rate	NIC
2018 BAN - 1	1-Nov-17	1-Aug-18	\$3,425,000	1.05%	1.13%
2018 BAN - 2	18-Jun-18	28-Jun-18	\$580,000	3.50%	3.50%
2018 BAN - 3	18-Jun-18	1-Aug-18	\$28,560,000	2.00%	1.39%
2018 BAN - 4	1-Aug-18	15-Jul-19	\$1,500,000	2.50%	1.87%
2019 BAN - 1	17-Jun-19	27-Jun-19	\$288,000	2.30%	2.30%
2019 BAN - 2	27-Jun-19	1-Oct-19	\$34,820,000	2.00%	1.49%
2020 BAN - 1	25-Jun-20	18-Dec-20	\$1,200,000	1.30%	0.68%
2020 BAN - 2	18-Dec-20	15-Apr-21	\$2,800,000	1.75%	0.50%
2021 BAN - 1	15-Apr-21	15-Jun-21	\$730,485	0.50%	0.50%
2022 BAN - 1	14-Apr-22	15-Jun-22	\$2,716,000	1.50%	1.38%
2023 BAN - 1	26-May-23	30-Jun-23	\$2,940,000	4.75%	4.63%
2023 BAN - 2	26-May-23	16-Oct-23	\$3,060,000	4.50%	3.77%

The Board will be asked to approve the sale of the BANS and to authorize various actions that have been or may need to be taken. The documents to be signed by the Board will be brought to the meeting. These include the Notes, the Certificate of Town Clerk, and Certification of the Vote by the Select Board (which is signed by the Clerk of the Select Board). Please do not hesitate to contact me if you have any questions prior to the meeting.

Certificate of Award

I the Treasurer of the Town of Needham, Massachusetts, hereby award the \$2,940,000 General Obligation Bond Anticipation Notes, Series A, dated May 26, 2023 (the "Notes") to the bidder or bidders submitting the bid or bids attached hereto in accordance with the terms set forth in the attached bid or bids and in the Notice of Sale dated May 10, 2023, relating to the Notes, subject to the approval of this award by the Select Board.

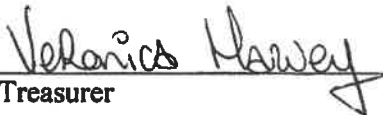
Date: May 16, 2023


Treasurer

Certificate of Award

I the Treasurer of the Town of Needham, Massachusetts, hereby award the \$3,060,000 General Obligation Bond Anticipation Notes, Series B, dated May 26, 2023 (the "Notes") to the bidder or bidders submitting the bid or bids attached hereto in accordance with the terms set forth in the attached bid or bids and in the Notice of Sale dated May 10, 2023, relating to the Notes, subject to the approval of this award by the Select Board.

Date: May 16, 2023


Treasurer

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MAY 10, 2023

To the best of the Town's knowledge and belief, interest on the Notes is excluded from gross income for Federal income tax purposes, and that interest on the notes is also exempt from Massachusetts personal income taxes. The Notes will not be designated as "qualified tax-exempt obligations" for Federal income tax purposes. It should be noted, however, that the Town has not engaged the services of bond counsel, or any other counsel to render a legal opinion with respect to the treatment for Federal or Massachusetts income tax purposes of interest on the Notes.

TOWN OF NEEDHAM, MASSACHUSETTS \$2,940,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES A and \$3,060,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES B

The Town of Needham, Massachusetts (the "Town"), will receive telephone bids at Hilltop Securities Inc. (617-619-4400) until 11:00 A.M. (Eastern Time) on Tuesday, May 16, 2023, for the purchase of the following described Notes of the Town:

- \$2,940,000 General Obligation Bond Anticipation Notes, Series A (new money) dated May 26, 2023 and payable on June 30, 2023. Interest on the Notes will be calculated on a 30 day-month/360 day-year basis (34/360). The Notes will not be subject to redemption prior to their stated maturity date and
- \$3,060,000 General Obligation Bond Anticipation Notes, Series B (new money) dated May 26, 2023 and payable on October 16, 2023. Interest on the Notes will be calculated on a 30 day-month/360 day-year basis (140/360). The Notes will not be subject to redemption prior to their stated maturity date.

The Notes are transferable only in their original form and may not be exchanged or transferred for new note certificates.

Bids for the Series A and Series B Notes must be submitted for all but not less than all of the Notes at a single rate of interest in a multiple of one-hundredth (1/100) of one percent (1%). No bid of less than par and accrued interest to the date of delivery will be considered for either series of Notes. The right is reserved to reject any or all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid. Each series of the Notes will be awarded on the basis of lowest net interest cost to the Town after deduction of premium, if any.

Each series of the Notes will be certified as to their genuineness and legality by the State Bureau of Accounts and will not be accompanied by a legal opinion. Each series of the Notes will be valid general obligations of the Town and, except to the extent they are paid from the bond proceeds in anticipation of which they are issued, or from any other available moneys, the principal of and interest on the Notes are payable from taxes which may be levied upon all taxable property in the Town without limitation as to rate or amount except as provided under Chapter 44, Section 20 of the General Laws. **The Purchaser will serve as Paying Agent on each series of the Notes.**

Any bidder who submits a winning bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by faxing or e-mailing a completed, signed bid form to Hilltop Securities Inc. by not later than 12:00 p.m. on the date of sale.

The Notes will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

If a bidder on the Series A or Series B Notes intends to reoffer the Notes to the public, such bidder agrees, by submitting a bid, to abide by the so-called "hold the price" rule under the United States Treasury Department's Issue Price Regulation that became effective June 7, 2017.

Additional information concerning the Town of Needham and the Notes is contained in the Preliminary Official Statement dated April 27, 2023, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes, and is not a part of this Notice of Sale. Copies of the Preliminary Official Statement may be obtained from Hilltop Securities Inc., 54 Canal Street, 3rd Floor, Boston, Massachusetts 02114, telephone number (617) 619-4400. The Preliminary Official Statement has been deemed final by the Town except for the omission of the reoffering prices, interest rates, and other terms of the Notes depending on such matters and the identity of the underwriter, but is subject to change without notice and to completion or amendment in a Final Official Statement. **Rule 15c2-12 promulgated by the Securities and Exchange Commission does not apply to this offering of securities.**

The Series A and B Notes will be delivered to the successful bidder on or about May 26, 2023, by the State Bureau of Accounts for credit to the Town in federal reserve funds.

TOWN OF NEEDHAM, MASSACHUSETTS
/s/ Veronica Harvey, Town Treasurer

May 10, 2023

OFFICIAL STATEMENT
TOWN OF NEEDHAM, MASSACHUSETTS
\$2,940,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES A
and
\$3,060,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES B

The purpose of this Official Statement is to furnish certain information regarding the Town of Needham, Massachusetts (hereafter referred to as the "Town") and the \$2,940,000 principal amount of the Town's General Obligation Bond Anticipation Notes, Series A (the "Series A Notes") and the \$3,060,000 principal amount of the Town's General Obligation Bond Anticipation Notes, Series B (the "Series B Notes" and together with the Series A Notes, the "Notes"). The information contained herein has been furnished by the Town, except information attributed to another source.

Description of the Notes

The Series A Notes will be dated May 26, 2023 and will mature on June 30, 2023 without option of prior redemption. The Series B Notes will be dated May 26, 2023 and will mature on October 16, 2023 without option of prior redemption. The Series A and Series B Notes will bear interest payable at maturity at the rate(s) determined in accordance with the Notice of Sale and Official Statement dated May 10, 2023.

The Notes are being offered for sale at public bidding on Tuesday, May 16, 2023, and a Notice of Sale dated May 10, 2023 has been furnished to prospective bidders. Reference is hereby made to the Notice of Sale for the terms and conditions of bidding.

The Notes will be general obligations of the Town for which its full faith and credit are pledged.

Authorization of the Notes and Use of Proceeds

The following sets forth the purpose, principal amount, amount originally authorized, statutory reference and date of approval for the current offering of Bond Anticipation Notes:

Series A Notes

Purpose	This Issue	Original Bond Authorization	Statutory Reference	Date of Approval
Public Works Storage Facility Design & Construction	\$ 35,000	\$ 3,503,000	Ch. 44, s. 7(1)	5/7/2018
Emery Grover Building Design	990,000	1,475,000	Ch. 44, s. 7(1)	10/5/2021
Emery Grover Building Addition and Renovation	1,290,000	14,150,000	Ch. 44, s. 7(1)	5/4/2022
Water Distribution Improvements	260,000	4,500,000	Ch. 44, s. 8(5)	5/6/2019
Water Service Connections	300,000	1,000,000	Ch. 44, s. 8(5)	5/1/2021
RTS Property Repairs	65,000	645,000	Ch. 44, s. 7(1)	5/7/2018
	<u>\$ 2,940,000</u>			

Series B Notes

Purpose	This Issue	Original Bond Authorization	Statutory Reference	Date of Approval
Emery Grover Building Addition and Renovation	\$ 420,000	\$ 14,150,000	44B	5/4/2022
Water Distribution Improvements	2,440,000	4,500,000	Ch. 44, s. 8(5)	5/6/2019
Water Service Connections	200,000	1,000,000	Ch. 44, s. 8(5)	5/1/2021
	<u>\$ 3,060,000</u>			

Financial Advisory Services of Hilltop Securities Inc.

Hilltop Securities Inc. serves as financial advisor to the Town of Needham, Massachusetts.

TOWN OF NEEDHAM, MASSACHUSETTS

General

The Town of Needham, Massachusetts is located in Norfolk County, 10 miles southwest of Boston. It is bordered on the west and northwest by the Town of Wellesley, on the north and northeast by the City of Newton, on the east by the West Roxbury section of the City of Boston, on the southeast by the Town of Dedham, and on the south by the Towns of Westwood and Dover. Needham has a population of approximately 32,091 (based on the 2020 Federal Census) and occupies a land area of 12.6 square miles. Established as a town in 1711, Needham is governed by a representative form of town meeting and by a five-member Select Board. School affairs are administered by a seven-member School Committee and a Superintendent of Schools.

PRINCIPAL TOWN OFFICIALS

Title	Name	Selection/Term	Term Expires
Select Board, Chair	Marianne B. Cooley	Elected	2026
Select Board, Vice Chair	Kevin J. Keane	Elected	2024
Select Board, Clerk	Heidi Frail	Elected	2025
Select Board	Marcus Nelson	Elected	2024
Select Board	Catherine R. Dowd	Elected	2026
Town Manager	Kate Fitzpatrick	Appointed	2025
Director of Finance	David Davison	Appointed	Indefinite
Treasurer/Collector	Veronica Harvey	Appointed	Indefinite
Town Accountant	Michelle Vaillancourt	Appointed	Indefinite
Town Clerk	Theodora K. Eaton	Elected	2025
Town Counsel	Miyares and Harrington	Appointed	Indefinite
Superintendent of Schools	Daniel E. Gutekanst	Appointed	2024

Corona Virus (COVID-19) Disclosure

COVID-19 is a respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic. The Governor has removed the remaining COVID-19 restrictions and the state of emergency in The Commonwealth expired on June 15, 2021.

Pursuant to M.G.L. Chapter 44, Section 31, the Town can set up a fund specifically related to COVID-19 expenses. This fund can be used to capture all unbudgeted costs related to the COVID-19 pandemic and deficit spending for these costs, including but not limited to, overtime, cleaning and medical supplies, and IT equipment would be allowed, with the approval of the Commonwealth's Department of Revenue. The Town hasn't created a special fund for COVID-19, but rather is working with existing resources to fund expenses. The Town is also seeking reimbursements for certain COVID-19 related expenses from the State and Federal governments.

The virus and the resulting actions by national, state and local governments is altering the behavior of businesses and people in a manner that will have negative impacts on global and local economies. There can be no assurances regarding the extent to which COVID-19 will impact the national and state economies and, accordingly, how it will adversely impact municipalities, including the Town. These negative impacts are likely to include reduced collections of property taxes and other revenues, including local meals and rooms tax revenue, motor vehicle excise taxes and other fees and charges collected by the Town. Additionally, state aid payments to the Town, which are dependent upon collections by the Commonwealth of income, sales, capital gains and other similar taxes, may be adversely impacted by reduced or delayed collections of those revenue streams. The Town adjusted its FY2021 revenue estimate prior to enacting the Town Budget. The Town reduced its state aid assumption for the year by 6%. Based on the Governor's revised FY2021 budget submission state aid is not expected to be reduced in FY2021. The Town reduced its local receipts estimate for FY2021 by 17%. The Town is continuing to monitor for possible revenue shortfalls and is reviewing expenditure requests to determine which could be deferred.

The COVID-19 Pandemic has affected residents, businesses, civic and private foundations, municipal and school operations, and the entire country. The Town implemented additional spending restrictions during the last quarter of

fiscal year 2020 in acknowledgement of the downturn in the economy due to COVID-19. The Town postponed or cancelled contracts, reduced hours of operations, and made other changes in response to the work restrictions that were imposed by the state to battle the spread of COVID-19. Some resources were diverted from intended projects to meet costs incurred by the Town to address COVID-19 concerns.

The Town received notice from the Commonwealth of Massachusetts that it is entitled to approximately \$2,755,065 through the federal Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and to date has drawn down \$2,755,064.06 and has incurred \$2,755,064.06 in CARES Act COVID expenses for the reporting period ending June 30, 2021. The CARES Act funds are restricted in their use; these funds can only be used for direct expenses related to COVID-19 and cannot be used as "revenue replacement" or other similar, unrestricted purposes. Under current federal law, CARES Act funds must be spent for approved costs through December 31, 2021.

Another action at the federal level was the American Rescue Plan Act of 2021 ("ARPA"). Among other provisions, ARPA provides \$350 billion to state and local governments to mitigate the fiscal disruptions created by the pandemic. Such funds may be used to replace revenues lost or reduced as a result of the pandemic and fund COVID-related costs, among other purposes. The Town anticipates receiving a total of \$9,199,185 of which \$5,913,849 will be from Norfolk County and \$3,285,337 will come from the state. The Town has received the \$3,285,336 from the state. The funds are being used for several public health initiatives, to assist small businesses and artists impacted by the COVID shutdown, technology improvements, and approximately \$7 million for water, sewer, and drains infrastructure.

The local economy continued to improve as the COVID related restrictions were eased. The Town's local receipts were up 11% over FY2021 and were comparable to pre-Covid activity, property tax collections remained strong. Most of the Town's governmental operations and were operating at capacity. All the schools were open for in person teaching. However, turnover and the filling of vacant positions has been a challenge and was a primary reason why all services were not accessible. Staffing is assumed to be a challenge for FY2023, but all Town/School services will have in-person options.

Municipal Services

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, collection, disposal, and recycling of solid waste, public education in grades kindergarten through twelve, water, sewers, streets and recreation. Technical education in grades 9 through 12 is provided by the Minuteman Regional Vocational Technical School District.

The Town has implemented a mandatory recycling program in accordance with Section 8H of Chapter 40 of the Massachusetts General Laws. Under this program, begun in fiscal 1991, the Town recycles newspaper, mixed paper, glass, corrugated cardboard, aluminum and steel cans, returnable bottles, clothing, used motor oil, plastic containers and yard waste. The Town's practice has been to introduce new items to the recycling program each year in order to reduce the flow of solid waste tonnage.

Gas and electric services are provided by established private utilities.

The Town's Public Works Department provides water supply, treatment and distribution and sewage collection, to substantially all commercial, industrial and residential users in the Town. In addition, certain water and sewer services are provided by the MWRA. See "INDEBTEDNESS - Overlapping Debt".

The principal services provided by Norfolk County are a jail and house of correction and registry of deeds. For additional information on Counties see "INDEBTEDNESS - Overlapping Debt".

Education

The Town operates one pre-school, five elementary schools, two middle schools (High Rock and Pollard), and a senior high school. The Town began constructing a new elementary school in the late fall of 2017 which opened in September 2019. The new building replaces one of the existing elementary schools. The debt for the new elementary school is excluded from the limits of Proposition 2 ½ and a portion of the project will be paid by the Massachusetts School Building Authority.

PUBLIC SCHOOL ENROLLMENTS - OCTOBER 1,

	Actual				
	2018	2019	2020	2021	2022
Elementary (Pre-K and K-5)	2,722	2,658	2,520	2,568	2,616
Middle/Junior High(6-8)	1,283	1,390	1,297	1,278	1,264
Senior High(9-12)	1,716	1,658	1,678	1,669	1,645
Totals	<u>5,721</u>	<u>5,706</u>	<u>5,495</u>	<u>5,515</u>	<u>5,525</u>

The Town is a member of the Minuteman Regional Vocational Technical School District, which is located in Lexington, and includes 10 member towns. A new school for the District was recently completed and opened.

Industry and Commerce

Needham is a residential suburb of Boston, located within the Boston Standard Metropolitan Statistical Area. As the table below indicates, the Town's economy has a diverse mix of manufacturing, services, and commercial trades.

Due to the reclassification the U.S. Department of Labor now uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry.

Industry	Calendar Year Average				
	2017	2018	2019	2020	2021
Construction	737	816	805	791	958
Manufacturing	994	925	814	788	806
Trade, Transportation and Utilities	2,138	2,223	2,702	2,681	2,918
Information	1,374	1,060	885	877	830
Financial Activities	1,631	1,549	1,505	1,410	1,371
Professional and Business Services	6,083	6,147	5,435	5,201	5,524
Education and Health Services	7,002	7,261	7,242	6,258	6,483
Leisure and Hospitality	1,584	1,483	1,331	883	995
Other Services	837	785	813	1,062	709
Total Employment	<u>22,380</u>	<u>22,249</u>	<u>21,532</u>	<u>19,951</u>	<u>20,594</u>
Number of Establishments	1,503	1,473	1,473	1,543	1,618
Average Weekly Wages	\$ 1,829	\$ 1,947	\$ 1,880	\$ 2,105	\$ 2,262
Total Wages	<u>\$ 2,166,747,180</u>	<u>\$ 2,292,193,273</u>	<u>\$ 2,146,027,639</u>	<u>\$ 2,183,370,050</u>	<u>\$ 2,474,594,872</u>

Source: Massachusetts Department of Education and Training. Data based upon place of employment, not place of residence.

Transportation

The principal highways serving the Town are State Routes 9, 135 and 128 (I-95). There are four exits off Interstate 95 that provide direct access to Needham. A project to widen Route 128 through Needham was completed in 2019. The MBTA provides commuter rail service on a regular basis to Boston. There are four commuter rails stops physically located in Needham: Needham Heights, Needham Center, Needham Junction and Hersey. The MBTA also provides bus service between Needham and Watertown Square. Established trucking lines provide competitive service locally and to long distance points. The Town is within commuting distance of the airport facilities of Boston's Logan International Airport, the Norwood Municipal Airport, and Hanscom Field in Bedford, Massachusetts.

Climate Change

The Town has undertaken several ad hoc climate resiliency efforts. These include the lease of land for a solar array at the capped landfill, solar installation at the Sunita Williams School, and proposed solar installation at the Jack Cogswell building. In addition, the Sunita Williams School and Library are LEED certified buildings, and the Town's public services administration building has geothermal heating. The Town's Building Maintenance Division has been implementing energy efficiency measures for more than a decade, and the Town is a designated Green Community. The Select Board established a Climate Action Plan Committee ("CAPC") to guide the Town in developing a plan that meets or exceeds the State's climate mitigation and resilience goals. The Committee will make recommendations to the Select Board on approval of a Climate Action Plan ("CAP"). The CAPC will:

- Review the Town's climate-related data
- Seek guidance and establish a program to create a Green House Gas ("GHG") inventory for the entire Town, including pass through traffic, residential, commercial, and municipal
- Recommend for adoption to the Select Board long-term climate action goals that focus on reducing GHG emissions and building resilience within and across the Town's residential, commercial, and municipal sectors, including roadmaps of steps to achieve goals.
- Recommend for adoption to the Select Board target dates, benchmarks and/or annual/interannual climate mitigation goals to achieve climate action goals.
- Plan and prioritize cross-sector efforts to reduce Town's GHG emissions and build climate resilience.
- Recommend to the Select Board programs and policies to implement GHG reduction goals and climate resilience planning
- Develop a CAP for the Select Board's review

Cybersecurity

The Town recognizes, like so many companies, governments (local, regional, state and federal), and organizations that it is exposed to a variety of operational, transactional, information and technology risks. Information Security frameworks such as ISO, NIST, GDPR, CIS, and many state, and federal requirements have come up with a set of standards surrounding best practices for information security. These standards recommend implementation of a comprehensive written information security program that includes administrative, technical, and physical safeguards appropriate to the size and complexity of the organization and the nature and scope of its activities. This allows a uniform set of information security expectations to be followed throughout the different areas of the organization, and provide a consistent, repeatable set of documentation to create procedures and processes. Town had an information security program review done by outside experts whose work will help shape the Town's technology security policies and procedures.

LARGEST EMPLOYERS

The following table sets forth the largest employers in Needham, exclusive of the Town itself.

Name	Product/Function	No. of Employees Approximate
Trip Advisor	Travel Agency	640
NBC Universal	Broadcasting	345
Beth Israel Deaconess Hospital	Health Care	250-499
Charles River Center	Assisted Living	250-499
Clark's Shoes	Retail Manufacturing	250-499
Coca Cola Bottling	Beverage Distribution	250-499
Dialogic Inc.	Wireless Communication	250-499
International Data Group (IDG)	Teconology	250-499
North Hill Living Center	Retirement Center	250-499
SharkNinja	Household Appliances	250-499
WCVB Channel 5	Television	250-499
Briarwood Healthcare	Health Care	100-250
Olin College of Engineering	Education	100-250
VNA Care Network	Ambulatory Health Care	100-250
Walker Home & School	Mental Health	100-250
Wellington Management	Financial Services	100-250

SOURCE: Individual Employers listed.

Needham Crossing is a multi-million dollar business park located approximately 3 miles northeast of downtown Needham. The business park offers proximity to both State Routes 9 and 128 (Interstate 95) as well as the natural resources such as Cutler Lake Park and the Charles River. A state highway project to widen Route 95/128 from three lanes to four lanes through Needham was completed in 2019. A new and additional exit ramp from the highway fully opened in late 2017. This exit ramp provides an additional access point to Needham Crossing. The Town anticipates these roadway improvements will have an overall positive economic benefit for Needham Crossing. The business park originally contained primarily warehouses and offices and now, over 30 years later, through land use zoning changes, Needham Crossing is unique in its mix of residential, office and other commercial uses that has generated much interest from businesses to locate there.

The Needham Crossing area boasts long term occupants such as Coca Cola, the Sheraton Hotel, and Trip Advisor which built its new world headquarters in the park, and life science companies such as Verastem. The Marriott Residence Inn hotel opened in the park a few years ago, and Homewood Suites by Hilton opened in 2018. BigBelly Solar Inc., a maker of “green” trash cans has doubled the size of its headquarters since moving to the park a few years ago. Euro-Pro, known for its Shark vacuums and Ninja blenders, has recently located to the park near Trip Advisor’s new complex. NBC Universal has opened a \$125 million regional headquarters in the Needham Crossing office park.

Labor Force, Employment and Unemployment

According to the Massachusetts Department of Employment and Training preliminary data, in March 2023, the Town had a total labor force of 16,588 of which 16,155 were employed and 433 or 2.6% were unemployed as compared with 3.9% for the Commonwealth. The following table sets forth the Town’s average labor force and unemployment rates for each of the last five calendar years.

UNEMPLOYMENT RATES

Calendar Year	Town of Needham				Massachusetts Unemployment Rate		United States Unemployment Rate
	Labor Force	Employment	Unemployment Rate				
2022	16,513	16,073	2.7 %		3.8 %		3.6 %
2021	16,305	15,692	3.8		5.7		5.4
2020	15,637	14,742	5.7		8.9		8.1
2019	16,614	16,273	2.1		2.9		3.7
2018	16,507	16,096	2.5		3.3		3.9

SOURCE: Mass. Department of Employment and Training, Federal Reserve Bank of Boston and U.S. Bureau of Labor Statistics. Data based upon place of residence, not place of employment. Monthly data for Town are unadjusted.

Building Permits

The following table sets forth the number of building permits issued and the estimated dollar value of new construction and alterations for calendar years 2017 through 2021. Permits are filed for both private construction as well as for Town projects.

BUILDING PERMITS

Calendar Year	New Construction				Additions/Alterations				Totals	
	Residential		Non-Residential		Residential		Non-Residential		No.	Value
	No	Value	No.	Value	No	Value	No.	Value		
2022	86	\$ 76,260,846	1	\$ 782,000	1,193	\$ 66,067,372	118	\$ 76,862,712	1,398	\$ 219,972,930
2021	106	83,481,065	-	-	1,353	59,852,432	118	26,672,668	1,577	170,006,165 (1)
2020	67	44,614,400	3	24,578,350	757	40,316,155	62	21,430,214	889	130,939,119
2019	98	75,913,992	3	40,002,650	691	46,154,265	81	66,296,134	873	228,367,041
2018	93	68,599,710	1	24,141,632	734	51,309,734	108	61,735,191	936	205,786,267

SOURCE: Report of the Building Inspector.

(1) Excludes 100 permits for demolitions with an aggregate value of \$1,143,250.

Population and Income

The table below illustrates the Town's changes in median age, median family income, and per capita income and that of the Commonwealth and the Country as a whole for the same period according to the federal census.

POPULATION AND INCOME

	<u>Needham</u>	<u>Massachusetts</u>	<u>United States</u>
Median Age:			
2020	43.4	39.4	38.3
2010	43.0	39.1	37.2
2000	40.8	36.5	35.3
1990	38.6	33.6	32.9
Median Family Income:			
2020	182,813	81,215	62,843
2010	114,365	81,165	51,144
2000	107,570	61,664	50,046
1990	69,515	44,367	35,225
Per Capita Income:			
2020	87,067	43,761	34,103
2010	57,716	33,966	27,334
2000	44,549	25,952	21,587
1990	27,935	17,224	14,420

SOURCE: Federal Bureau of the Census.

POPULATION TRENDS

<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
32,091	28,886	28,911	27,557	27,901

SOURCE: Federal Census.

PROPERTY TAXATION

Tax Levy Computation

The principal tax of Massachusetts cities and towns is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see "Tax Limitations" below.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see "Abatements and Overlay" below) no reserve is generally provided for uncollectible real property taxes. Because some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits" below).

The table below illustrates the manner in which the tax levy was determined for the following fiscal years.

TAX LEVY COMPUTATION

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total Appropriations(1)	\$ 206,353,302	\$ 209,348,682	\$ 212,871,580	\$ 225,645,370	\$ 244,168,129
Additions:					
State & County Assessments	1,408,970	1,444,320	1,485,423	1,581,893	1,588,201
Overlay Reserve	1,968,110	2,292,140	1,407,265	2,553,011	2,610,471
Other Additions	357,264	209,276	336,704	653,450	408,975
Total Additions	3,734,344	3,945,736	3,229,392	4,788,354	4,607,647
Gross Amount to be Raised	210,087,646	213,294,417	216,100,972	230,433,724	248,775,776
Deductions:					
Local Estimated Receipts: (2)	39,127,045	34,391,865	30,611,425	32,786,568	36,104,998
State Aid:					
Current Year	12,509,090	13,135,749	13,695,326	13,961,831	15,221,089
Available Funds (3)	16,557,525	14,217,067	9,355,420	12,851,426	18,556,775
Total Deductions	68,193,660	61,744,681	53,662,171	59,599,825	69,882,862
Net Amount to be Raised	\$ 141,893,986	\$ 151,549,737	\$ 162,438,801	\$ 170,833,899	\$ 178,892,914

(1) Includes additional appropriations from taxation voted subsequent to adoption of the annual budget but prior to setting of the tax rate.

(2) Includes CPA surcharge tax and state matching funds.

(3) Transfers from other available funds, generally made as an offset to a particular appropriation item.

Assessed Valuations and Tax Levies

Property is classified for the purpose of taxation according to its use. The legislature has in substance created four classes of taxable property: (1) residential real property, (2) open space land, (3) commercial and (4) industrial. Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 35 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property.

A revaluation of all real and personal property in the Town to full and fair cash value was completed for use in fiscal year 2020.

The following table sets forth the trend in the Town's assessed valuations, tax levies, and tax levies per capita.

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Levy	Tax Levy Per Capita(1)
2023	\$ 11,867,419,986	\$ 380,448,340	\$ 12,247,868,326	\$ 178,892,914	\$ 5,575
2022	10,922,692,504	388,986,460	11,311,678,964	170,833,899	5,323
2021	10,742,368,779	303,361,700	11,045,730,479	162,438,801	5,062
2020 (2)	10,513,875,793	289,887,680	10,803,763,473	151,549,737	4,722
2019	9,942,091,341	226,725,850	10,168,817,191	141,893,986	4,422

(1) 2020 Federal Census.

(2) Revaluation year.

The table below sets forth the trend of the Town's tax rates for different classes of property for the following fiscal years:

Fiscal Year	Tax Rate per \$1,000 Valuation	
	Residential Property	Commercial, Industrial & Personal Property
2023	\$13.04	\$25.56
2022	13.37	26.43
2021	13.03	25.74
2020	12.49	24.55
2019	12.39	24.42

Classification of Property

The following is a breakdown of the Town's assessed valuation in fiscal years 2021, 2022 and 2023.

Property Type	2021		2022		2023	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Residential	\$9,589,166,123	86.8 %	\$9,811,162,018	86.7 %	\$10,715,862,649	87.5 %
Commercial	1,030,129,606	9.3	990,367,136	8.8	1,026,136,613	8.4
Industrial	123,073,050	1.1	121,163,350	1.1	125,420,724	1.0
Personal	303,361,700	2.7	388,986,460	3.4	380,448,340	3.1
Total Real Estate	<u>\$11,045,730,479</u>	<u>100.0 %</u>	<u>\$11,311,678,964</u>	<u>100.0 %</u>	<u>\$12,247,868,326</u>	<u>100.0 %</u>

(1) Revaluation year.

LARGEST TAXPAYERS

The following table lists the eleven largest taxpayers in the Town based upon assessed valuation for fiscal 2023. All of the largest taxpayers are current in their tax payments to the Town, except as noted below.

Name	Nature of Business	Total Assessed Valuation for Fiscal 2023	% of Total Assessed Value
NSTAR Electric Company	Electric Utility Company	\$117,039,750	0.96 %
Needham Residential LLC	Apartments	95,392,500	0.78
Lofts at Charles River Landing, LLC	Residential Apartment Complex	93,515,900	0.76
Digital 128 First Avenue, LLC	Data Storage Facility	89,640,700	0.73
Needham Travel Property LLC (1)	Travel Agency	78,688,100	0.64
NBC Universal Media LLC	Media & television Production	64,896,640	0.53
NSTAR Gas Company	Gas Utility Company	52,065,140	0.43
BP 140 Kendrick Street Property LLC	Software Design	51,216,800	0.42
MCPF-Needham LLC	Real Estate Developer	42,177,500	0.34
Mcreef Needham LLC	Apartments	38,841,600	0.32
Total		<u>\$723,474,630</u>	<u>5.91 %</u>

(1) Overdue taxes of approximately \$493,712 are expected before the end of fiscal year 2023.

State Equalized Valuation

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized value".

The following table sets forth the trend in equalized valuations of the Town of Needham.

January 1,	State Equalized Valuation	% Change
2022	\$12,307,796,200	6.3 %
2020	11,580,160,100	11.9
2018	10,352,941,600	7.0
2016	9,675,551,500	16.7
2014	8,293,426,000	1.9
2012	8,141,495,500	5.3

Abatelements and Overlay

The Town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the resultant "overlay deficit" is required to be added to the next tax levy. An abatement granted after a tax payment has been made is accounted for as a refund on the books of the Town. Abatelements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following table sets forth the amount of the overlay reserve for the last five fiscal years and the amounts of abatements and exemptions granted as of June 30, 2022.

Fiscal Year	Net Tax Levy (1)	Overlay Reserve		As a % of Net Levy	Abatelements and Exemptions Granted As of June 30, 2022
		Dollar Amount			
2022	\$ 168,280,888	\$ 2,553,011		1.52 %	\$ 283,295
2021	161,031,536	1,407,265		0.87	472,028
2020	149,257,597	2,292,140		1.54	269,723
2019	139,925,876	1,968,110		1.41	325,307
2018	129,725,995	2,811,893		2.17	293,361

(1) Tax levy prior to addition of overlay reserve.

Tax Collections

The Town has accepted a statute providing for quarterly tax payments. Under that statute, preliminary tax payments are due on August 1 and November 1 with payment of the actual tax bill (after credit is given for the preliminary payments) installments on February 1 and May 1 if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum. Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

The following table compares the Town's net tax collections with its net (gross tax levy less overlay reserve for abatements) tax levies for the previous five fiscal years, exclusive of the surcharge of property tax levied under the CPA.

Fiscal Year	Gross Tax Levy	Overlay Reserve for Abatelements	Net Tax Levy	Collections During Fiscal Year Payable (1)		Collections as of 6/30/2022 (2)(3)	
				Dollar Amount	% of Net Levy	Dollar Amount	% of Net Levy
2022	\$ 170,833,899	\$ 2,553,011	\$ 168,280,888	\$ 168,146,235	99.9 %	\$ 168,146,235	99.9 %
2021	162,438,801	1,407,265	161,031,536	161,696,759	100.4	163,031,753	101.2
2020	151,549,737	2,292,140	149,257,597	148,734,319	99.6	150,619,331	100.9
2019	141,893,986	1,968,110	139,925,876	140,275,654	100.2	141,206,285	100.9
2018	132,537,888	2,811,893	129,725,995	126,073,429	97.2	132,053,604	101.8

(1) Actual dollar collections, net of refunds. Does not include abatements, proceeds of tax titles or tax possessions attributable to each levy or other non-cash credits.

(2) Exclusive of the property tax levied under the Community Preservation Act.

(3) Collections for current fiscal year are comparable to prior fiscal years.

Tax Titles and Possessions

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments) it can be foreclosed by petition to the Land Court.

Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes. Uncollectible real property taxes are ordinarily not written off until they become municipal tax titles by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of tax and charging surplus.

The table below sets forth the amount of tax titles and possessions and deferred taxes outstanding at the end of the following fiscal years.

Fiscal Year	Total Tax Titles and Possessions	Deferred Taxes
2022	\$ 1,316,015	\$ 609,587
2021	1,447,559	575,068
2020	1,229,531	546,673
2019	971,141	505,512
2018	955,160	439,572

Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk. The Town does not expect to utilize this option at the present time.

Taxation to Meet Deficits

As noted elsewhere (see "Abatements and Overlay" above) overlay deficits, i.e., tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e., those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g., civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as "free cash" deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as "Proposition 2½", imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject

to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation.

This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the "growth" limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town's apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year's assessments and (b) "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option". Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

The Town of Needham has been in full compliance with Proposition 2½ since its inception. The Town has voted to override Proposition 2½ for operating purposes and to exclude debt service on several occasions for capital projects. Most recently, the Town approved general overrides in 2003 (\$2,459,318), 2006 (\$597,370), 2007 (\$1,128,670) and 2009 (\$1,887,929). In addition, the Town voted to exclude \$15,700,000 principal and the interest thereon for library renovation and expansion, \$62,000,000 principal and the interest thereon for high school renovation and expansion, \$21,000,000 principal and the interest thereon for the High Rock and Pollard School projects, \$27,412,128 principal and the interest thereon for the Newman School renovation project, \$762,500, \$7,000,000 and \$57,542,500 principal and the interest thereon for site acquisition and construction of the Sunita L. Williams School, and \$69,995,000 for the design, construction of a new Police/Fire complex and Fire Station #2 (less any applicable MSBA grants).

Unused Levy Capacity (1)

	Fiscal Year				
	2023	2022	2021	2020	2019
Primary Levy Limit (2)	\$ 306,196,708	\$ 282,791,974	\$ 276,143,262	\$ 270,094,087	\$ 254,220,430
Prior Fiscal Year Levy Limit	159,034,818	150,539,475	142,426,994	134,365,725	126,800,315
2.5% Levy Growth	3,975,993	3,763,487	3,560,675	3,359,252	3,170,022
New Growth (3)	3,968,707	4,731,856	4,551,806	4,697,667	4,394,835
Amended New Growth	4,886	-	-	4,350	553
Overrides	-	-	-	-	-
Growth Levy Limit	166,984,404	159,034,818	150,539,475	142,426,994	134,365,725
Debt Exclusions	13,084,416	12,402,899	13,657,093	12,122,344	9,057,029
Capital Expenditure Exclusions	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Tax Levy Limit	180,068,820	171,437,717	164,196,568	154,549,338	143,422,754
Tax Levy	178,892,914	170,833,899	162,438,801	151,549,737	141,893,986
Unused Levy Capacity (4)	1,175,906	603,818	1,757,767	2,999,601	1,528,768
Unused Primary Levy Capacity (5)	\$ 139,212,304	\$ 123,757,156	\$ 125,603,787	\$ 127,667,093	\$ 119,854,705

(1) Source: Massachusetts Department of Revenue.

(2) 2.5% of assessed valuation.

(3) Allowed increase for new valuations (or required reduction) - certified by the Department of Revenue.

(4) Tax Levy Limit less Tax Levy.

(5) Primary Levy Limit less Growth Levy Limit.

Community Preservation Act

The Massachusetts Community Preservation Act (the “CPA”) permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and community housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see “*Tax Limitations*” under “PROPERTY TAXATION” above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the amounts of other dedicated revenues and the amounts received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that

accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for community housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and other dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town has accepted the Act and set the surcharge rate at 2%. The Town implemented the program in fiscal year 2006 and is utilizing revenues to pay for a variety of municipal projects.

Community Preservation Fund Revenues

Fiscal Year	Property Tax (1)	State Contribution	Total
2022	\$ 2,920,964	\$ 1,238,965	\$ 4,159,929
2021	2,827,425	754,080	3,581,505
2020	2,609,353	592,379	3,201,732
2019	2,468,833	438,305	2,907,138
2018	2,300,322	368,739	2,669,061

(1) Reflects actual collections.

The CPA Fund had a balance of \$10,559,001 as of June 30, 2022.

Pledged Taxes

Taxes on the increased value certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. (See "Tax Increment Financing for Development Districts" under "TOWN FINANCES" below).

TOWN FINANCES

Budget and Appropriation Process

Town Meeting: The annual appropriations of the Town are ordinarily made at the annual meeting, which takes place in May. Appropriations may also be voted at special meetings. The Town has a finance committee, which submits reports and recommendations on proposed expenditures at town meetings.

The school budget is limited to the total amount appropriated by the city council or town meeting, but the school committee retains full power to allocate the funds appropriated. State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. In each fiscal year, the Town has appropriated at least the minimum expenditure requirement imposed by the Act.

The Town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

Water and sewer department expenditures are generally included in the budgets adopted by city councils and town meetings but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

Enterprises: Beginning with the fiscal 1996 budget, water and sewer operations are accounted for in separate enterprise accounts. Beginning with the fiscal 1999 budget solid waste operations are accounted for in a separate enterprise account. Effective for FY2020, the Solid Waste Disposal and Recycling Operations changed from an Enterprise Fund to General Fund appropriation.

Mandatory Items: Mandatory items, such as state and county assessments, the overlay for abatements, abatements in excess of overlays, principal and interest not otherwise provided for and final judgments are included in the tax levy whether or not included in the budget.

Revenues: Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See "PROPERTY TAXATION--Tax Levy Computation".)

Budget Trends

The following table sets forth the trend in operating budgets for fiscal years 2019 through 2023, as voted at the town meeting. As such, said budgets reflect neither revenues nor certain mandatory items.

BUDGET COMPARISON (1)

	Fiscal 2019	Fiscal 2020 (5)	Fiscal 2021	Fiscal 2022	Fiscal 2023
General Government	\$4,758,257	\$4,966,498	\$5,400,737	\$5,590,044	\$5,918,317
Land Use and Development	561,423	587,795	616,651	525,642	552,799
Public Safety	15,736,737	16,495,226	17,047,491	17,704,018	18,634,363
Education(2)	72,020,179	77,090,548	81,835,024	84,833,684	88,645,537
Public Works & Facilities	16,667,383	20,198,110	21,417,143	21,994,439	23,617,662
Health & Human Services	1,863,784	2,050,632	2,299,203	2,355,437	2,422,342
Culture & Recreation	2,417,641	2,653,814	2,935,790	3,204,954	3,421,863
Employee Benefits(3)	30,776,911	31,835,123	33,586,497	35,134,466	38,390,141
Other Operating Expenses	1,153,880	1,462,290	1,920,795	1,616,900	2,166,728
Debt Service(4)	14,904,503	19,038,470	21,111,388	20,764,142	20,198,294
Reserve Fund	1,859,891	1,881,500	2,077,091	2,077,091	2,052,091
Total Expenditures	<u>\$162,720,589</u>	<u>\$178,260,006</u>	<u>\$190,247,810</u>	<u>\$195,800,817</u>	<u>\$206,020,137</u>

- (1) Budgets reflect only the amount appropriated by Town Meeting and thus do not include county and state assessments and overlay reserve.
- (2) Includes regional vocational school assessment.
- (3) Includes pension and OPEB funding.
- (4) Includes debt excluded from Proposition 2½ as well as estimated debt service on authorized and unissued debt.
- (5) Effective for FY2020, the Solid Waste Disposal and Recycling Operations changed from an Enterprise Fund to General Fund appropriation.

Revenues

Property Taxes: Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see "PROPERTY TAXATION-- Tax Limitations" above. The table below sets forth the amount of property tax revenue for the following fiscal years:

Fiscal Year	Property Taxes
2022	\$ 170,002,186
2021	161,136,736
2020	150,192,994
2019	141,090,907
2018	132,578,018

State Aid: The Town's state aid entitlement is based upon a number of different formulas, and while such formulas might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid but actual payments may vary from the estimate. The table below sets forth the amount of state aid revenue for the following fiscal years:

Fiscal Year	State Aid
2022	\$13,811,712
2021	13,599,910
2020	13,088,243
2019	11,813,475
2018	11,081,996

Motor Vehicle Excise: An excise is imposed on the registration of motor vehicles (subject to exemptions) at the rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacturer's list price and year of manufacture. Bills not paid when due bear interest at 12 percent per annum. Provision is also made after notice to the owner, for suspension of the owner's operating license or registration by the registrar of motor vehicles. The state annually estimates state aid but actual payments may vary from the estimate. The table below sets forth the amount of motor vehicle excise revenue for the following fiscal years:

Fiscal Year	Motor Vehicle Excise
2022	\$ 5,837,070
2021	5,129,306
2020	5,679,213
2019	6,138,951
2018	5,910,555

Water and Sewer Rates and Services: The Town's Public Works Department provides water and sewer services, accounted for as enterprise funds, to all commercial, industrial and residential users within the Town and charges them on the basis of metered consumption. Water and sewer rates are set by the Select Board. The Town has an ascending block rate schedule ranging from \$3.24 to \$5.34 per 100 cubic feet for water and from \$9.53 to \$12.38 per 100 cubic feet for sewer. Water irrigation rates range from \$5.50 to \$8.74 per 100 cubic feet for water. The rates were effective October 1, 2022.

In fiscal year 2020, water and sewer revenues totaled \$15,893,809 which included \$530,467 in general fund receipts, and expenditures totaled \$14,840,568 including debt service, retirement costs and overhead.

In fiscal year 2021, water and sewer revenues totaled \$17,518,712 which included \$544,698 in general fund receipts, and expenditures totaled \$14,279,313 including debt service, retirement costs and overhead.

In fiscal year 2022, water and sewer revenues totaled \$15,017,396 which included \$526,368 in general fund receipts, and expenditures totaled \$14,898,744 including debt service, retirement costs and overhead.

Local Options Meals Tax: On November 2, 2009, the Town adopted the local meals excise tax to be effective January 1, 2010. The local meals excise tax is a 0.75% tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The table below sets forth the amount of local option meals tax revenue for the following fiscal years:

<u>Fiscal Year</u>	<u>Local Option Meals Tax</u>
2022	\$ 501,340
2021	329,495
2020	499,167
2019	543,389
2018	497,446

As a result the reduction in economic activity associated with the COVID-19 pandemic, the revenues from this source declined in fiscal year 2021.

Room Occupancy Tax: Under this tax, local governments may tax the provision of hotel, motel lodging house rooms and bed and breakfast rooms at a rate not to exceed six percent (6%) of the cost of renting such rooms. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located in quarterly distributions. On November 2, 2009, the Town adopted an increase in the room occupancy tax to 6% to be effective January 1, 2010. The table below sets forth the amount of room occupancy tax revenue for the following fiscal years:

<u>Fiscal Year</u>	<u>Room Occupancy Tax</u>
2022	\$ 914,419
2021	313,986
2020	1,185,706
2019	1,357,713
2018	1,045,862

As a result, the reduction in economic activity associated with the COVID-19 pandemic, the revenues from this source declined in fiscal year 2021.

Interest and Dividends: The table below sets forth the amount of interest and dividends revenue for the following fiscal years:

<u>Fiscal Year</u>	<u>Interest & Dividends</u>
2022	\$ 194,651
2021	228,969
2020	834,163
2019	979,649
2018	434,319

State Distributions

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid entitlement are subject to amendment by the state legislature and, while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, legislation was enacted placing limits on the growth of state tax revenues. In essence, the growth in state tax revenue is limited to the average rate of growth in wages and salaries in the Commonwealth over the previous three calendar years. The effect of this legislation could be to restrict the amount of state tax revenue available to provide state financial assistance to the Commonwealth's cities, towns and regional school districts.

As a result, the reduction in economic activity associated with the COVID-19 pandemic, the revenues from this source declined in fiscal year 2021.

State School Building Assistance Program

Under its school building assistance program, The Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

The range of reimbursement rates for new project grant applications submitted to the Authority is between 31% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Investment of Town Funds

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, §55. That statute permits investments of available revenue funds and bond and note proceeds in 1.) term deposits and certificates of deposits of banks and trust companies with a maturity date from date of purchase of up to three years; 2.) obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year; 3.) repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities; 4.) participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or; 5) shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the funds are managed under contract by an investment firm under the supervision of the State Treasurer's office. According to the State Treasurer the MMDT's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

MMDT funds, unless otherwise provided by the donor, may be invested in accordance with §54 of Chapter 44, which permits a broader range of investments than §55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by §54 and §55 do not apply to city and town retirement systems.

A breakdown of the Town's investments may be obtained from the Town Treasurer.

Annual Audits

The Town's financial statements have been audited annually. Copies of audit reports are available at the office of the Town Accountant of the Town of Needham.

The attached report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Financial Statements

Set forth on the following pages are Governmental Funds Balance Sheets for fiscal years ended June 30, 2022 (draft), June 30, 2021, June 30, 2020 and June 30, 2019 and the Statement of Revenues, Expenditures and Changes in Fund Balance for the fiscal years ended June 30, 2022 (draft) and June 30, 2021, through June 2017. All said financial statements have been extracted from the Town's audited financial statements with the exception of fiscal 2022 which were extracted from draft financials, and are subject to revision and change.

TOWN OF NEEDHAM, MASSACHUSETTS					
GOVERNMENTAL FUNDS					
BALANCE SHEET					
JUNE 30, 2022					
	General	Community Preservation	Nonmajor Governmental	Total Governmental	
ASSETS					
Cash and short-term investments	\$ 53,173,820	\$ 2,435,413	\$ 27,464,136	\$ 83,073,369	
Investments	12,359,560	8,180,898	3,125,707	23,666,165	
Receivables:					
Property taxes	4,669,916	30,150	-	4,700,066	
Excises	901,181	-	-	901,181	
Departmental	1,412,396	-	333,851	1,746,247	
Intergovernmental	695,148	-	574,157	1,269,305	
Other	202,543	-	-	202,543	
TOTAL ASSETS	\$ 73,414,564	\$ 10,646,461	\$ 31,497,851	\$ 115,558,876	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Warrants and accounts payable	\$ 2,408,220	\$ 56,642	\$ 1,104,960	\$ 3,569,822	
Unearned revenue	-	-	2,609,048	2,609,048	
Accrued liabilities	5,328,081	667	113,398	5,442,146	
Refunds payable	683,964	-	-	683,964	
Other liabilities	1,354,199	-	126,454	1,480,653	
TOTAL LIABILITIES	9,774,464	57,309	3,953,860	13,785,633	
Deferred Inflows of Resources:					
Unavailable revenues	7,037,464	30,150	905,972	7,973,586	
Taxes paid in advance	254,277	-	-	254,277	
TOTAL DEFERRED INFLOWS OF RESOURCES	7,291,741	30,150	905,972	8,227,863	
Fund Balances:					
Nonspendable	-	-	113,326	113,326	
Restricted	733,044	10,559,002	30,580,019	41,872,065	
Committed	9,881,008	-	-	9,881,008	
Assigned	16,350,767	-	-	16,350,767	
Unassigned	29,383,540	-	(4,055,326)	25,328,214	
TOTAL FUND BALANCES	56,348,359	10,559,002	26,638,019	93,545,380	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 73,414,564	\$ 10,646,461	\$ 31,497,851	\$ 115,558,876	

(1) Extracted from the draft audited Financial Statements of the Town, subject to revision and change.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2021 (1)**

	<u>General</u>	<u>Community Preservation</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
ASSETS					
Cash and short-term investments	\$ 53,791,959	\$ 744,695	\$ 7,272,793	\$ 18,401,729	\$ 80,211,176
Investments	6,901,850	8,455,354	-	3,109,211	18,466,415
Receivables:					
Property taxes	4,264,234	19,279	-	-	4,283,513
Excises	605,661	-	-	-	605,661
Departmental	1,275,414	-	-	372,937	1,648,351
Intergovernmental	1,390,296	-	-	305,387	1,695,683
Other	74,899	-	-	-	74,899
TOTAL ASSETS	\$ 68,304,313	\$ 9,219,328	\$ 7,272,793	\$ 22,189,264	\$ 106,985,698
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Warrants and accounts payable	\$ 1,911,699	\$ 8,349	\$ 3,778,054	\$ 1,112,625	\$ 6,810,727
Unearned revenue	-	-	-	3,013,307	3,013,307
Accrued liabilities	4,927,660	77	-	142,079	5,069,816
Refunds payable	543,666	-	-	-	543,666
Other liabilities	1,170,159	-	-	349,826	1,519,985
TOTAL LIABILITIES	8,553,184	8,426	3,778,054	4,617,837	16,957,501
Deferred Inflows of Resources:					
Unavailable revenues	7,103,852	19,279	-	339,646	7,462,777
Taxes paid in advance	270,472	-	-	-	270,472
TOTAL DEFERRED INFLOWS OF RESOURCES	7,374,324	19,279	-	339,646	7,733,249
Fund Balances:					
Nonspendable	-	-	-	188,478	188,478
Restricted	733,044	9,191,623	3,494,739	10,003,111	23,422,517
Committed	9,264,695	-	-	7,947,152	17,211,847
Assigned	14,316,012	-	-	-	14,316,012
Unassigned	28,063,054	-	-	(906,960)	27,156,094
TOTAL FUND BALANCES	52,376,805	9,191,623	3,494,739	17,231,781	82,294,948
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 68,304,313	\$ 9,219,328	\$ 7,272,793	\$ 22,189,264	\$ 106,985,698

(1) Extracted from the audited Financial Statements of the Town.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2020 (1)**

	<u>General</u>	<u>Community Preservation</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and short-term investments	\$ 44,593,304	\$ 4,907,569	\$ 5,095,463	\$ 15,995,069	\$ 70,591,405
Investments	9,417,500	3,681,346	-	2,560,426	15,659,272
Receivables:					
Property taxes	4,765,333	36,578	-	-	4,801,911
Excises	1,149,336	-	-	-	1,149,336
Departmental	1,112,160	-	-	30,884	1,143,044
Intergovernmental	2,085,444	-	-	362,736	2,448,180
Other	56,273	-	-	-	56,273
Deposits	-	-	-	182,226	182,226
TOTAL ASSETS	\$ 63,179,350	\$ 8,625,493	\$ 5,095,463	\$ 19,131,341	\$ 96,031,647
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Warrants and accounts payable	\$ 1,654,589	\$ 1,179,025	\$ 3,366,033	\$ 1,293,409	\$ 7,493,056
Unearned revenue	-	-	-	1,138,317	1,138,317
Accrued liabilities	3,892,671	-	-	89,856	3,982,527
Anticipation notes payable	-	-	-	1,200,000	1,200,000
Refunds payable	562,856	-	-	-	562,856
Other liabilities	174,309	-	-	1,615	175,924
TOTAL LIABILITIES	6,284,425	1,179,025	3,366,033	3,723,197	14,552,680
Deferred Inflows of Resources:					
Unavailable revenues	8,014,308	36,578	-	393,620	8,444,506
Taxes paid in advance	211,138	-	-	-	211,138
TOTAL DEFERRED INFLOWS OF RESOURCES	8,225,446	36,578	-	393,620	8,655,644
Fund Balances:					
Nonspendable	-	-	-	188,478	188,478
Restricted	792,826	7,409,890	1,729,430	9,012,981	18,945,127
Committed	7,370,979	-	-	7,665,439	15,036,418
Assigned	11,673,908	-	-	-	11,673,908
Unassigned	28,831,766	-	-	(1,852,374)	26,979,392
TOTAL FUND BALANCES	48,669,479	7,409,890	1,729,430	15,014,524	72,823,323
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,179,350	\$ 8,625,493	\$ 5,095,463	\$ 19,131,341	\$ 96,031,647

(1) Extracted from the audited Financial Statements of the Town.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2019 (1)**

	<u>General</u>	<u>Community Preservation</u>	<u>Sunita L. Williams School</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and short-term investments	\$ 41,606,429	\$ -	\$ 4,583,142	\$ 7,435,741	\$ 16,024,864	\$ 69,650,176
Investments	9,670,699	7,697,896	-	-	2,712,926	20,081,521
Receivables:						
Property taxes	3,294,447	17,395	-	-	-	3,311,842
Excises	943,373	-	-	-	-	943,373
Departmental	612,668	-	-	-	23,110	635,778
Intergovernmental	2,780,592	-	-	-	391,821	3,172,413
Other	10,476	-	-	-	-	10,476
Deposits	-	-	-	-	182,226	182,226
TOTAL ASSETS	\$ 58,918,684	\$ 7,715,291	\$ 4,583,142	\$ 7,435,741	\$ 19,334,947	\$ 97,987,805
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Warrants and accounts payable	\$ 906,255	\$ 119,294	\$ 1,666,688	\$ 1,315,493	\$ 2,509,840	\$ 6,517,570
Unearned revenue	-	-	-	-	1,245,683	1,245,683
Accrued liabilities	3,174,950	-	-	-	42,009	3,216,959
Anticipation notes payable	-	-	11,100,000	12,000,000	12,860,000	35,960,000
Refunds payable	371,711	-	-	-	-	371,711
Other liabilities	169,017	-	-	-	1,615	170,632
TOTAL LIABILITIES	4,621,933	119,294	12,766,688	13,315,493	16,659,147	47,482,555
Deferred Inflows of Resources:						
Unavailable revenues	7,112,334	17,395	-	-	597,157	7,726,886
Taxes paid in advance	143,509	-	-	-	-	143,509
TOTAL DEFERRED INFLOWS OF RESOURCES	7,255,843	17,395	-	-	597,157	7,870,395
Fund Balances:						
Nonspendable	-	-	-	-	160,152	160,152
Restricted	897,985	7,578,602	-	-	7,994,743	16,471,330
Committed	13,600,723	-	-	-	7,401,706	21,002,429
Assigned	13,139,002	-	-	-	-	13,139,002
Unassigned	19,403,198	-	(8,183,546)	(5,879,752)	(13,477,958)	(8,138,058)
TOTAL FUND BALANCES	47,040,908	7,578,602	(8,183,546)	(5,879,752)	2,078,643	42,634,855
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 58,918,684	\$ 7,715,291	\$ 4,583,142	\$ 7,435,741	\$ 19,334,947	\$ 97,987,805

(1) Extracted from the audited Financial Statements of the Town.

TOWN OF NEEDHAM, MASSACHUSETTS					
GOVERNMENTAL FUNDS					
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES					
FOR THE YEAR ENDED JUNE 30, 2022					
		General	Community Preservation	Nonmajor Governmental	Total Governmental
Revenues:					
Property taxes	\$	170,417,731	\$ 2,920,964	\$ -	\$ 173,338,695
Excise taxes		5,837,070	-	-	5,837,070
Penalties, interest, and other taxes		2,079,140	5,390	-	2,084,530
Charges for services		3,671,477	-	6,199,280	9,870,757
Departmental		1,236,064	-	-	1,236,064
Licenses and permits		2,771,497	-	-	2,771,497
Intergovernmental		44,050,725	1,238,965	14,068,346	59,358,036
Investment income		271,659	129,647	(295,066)	106,240
Fines and forfeitures		102,347	-	-	102,347
Contributions		-	-	348,106	348,106
Other		312,446	-	51,467	363,913
Total Revenues		230,750,156	4,294,966	20,372,133	255,417,255
Expenditures:					
Current:					
General government		7,365,968	453,571	1,011,998	8,831,537
Public safety		23,030,382	-	1,957,681	24,988,063
Education		132,979,633	-	13,246,169	146,225,802
Public works		25,986,861	-	272,425	26,259,286
Building design and construction		336,197	-	-	336,197
Health and human services		3,028,634	-	294,018	3,322,652
Culture and recreation		3,568,710	-	717,397	4,286,107
Employee benefits		897,640	-	-	897,640
Other		715,777	-	-	715,777
Capital outlay		-	1,497	19,826,172	19,827,669
Debt service:					
Principal		13,654,000	-	-	13,654,000
Interest and fiscal charges		4,498,497	-	-	4,498,497
Intergovernmental		1,572,207	-	-	1,572,207
Total Expenditures		217,634,506	455,068	37,325,860	255,415,434
Excess (deficiency) of revenues over expenditures		13,115,650	3,839,898	(16,953,727)	1,821
Other Financing Sources (Uses):					
Issuance of bonds		-	-	9,970,000	9,970,000
Issuance of refunding bonds		-	-	-	-
Premium on bonds		-	-	734,564	734,564
Premium on refunding bonds		-	-	-	-
Deposit to refunding escrow		-	-	-	-
Transfers in		5,484,304	548,878	14,403,489	20,436,671
Transfers out		(14,628,400)	(3,021,397)	(2,242,827)	(19,892,624)
Total Other Financing Sources (Uses)		(9,144,096)	(2,472,519)	22,865,226	11,248,611
Net change in fund balances		3,971,554	1,367,379	5,911,499	11,250,432
Fund Balances, at beginning of year, as reclassified		52,376,805	9,191,623	20,726,520	82,294,948
Fund Balances, at end of year	\$	56,348,359	\$ 10,559,002	\$ 26,638,019	\$ 93,545,380

(1) Extracted from the draft audited Financial Statements of the Town, subject to revision and change.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
AS OF JUNE 30, 2021 (1)**

	<u>General</u>	<u>Community Preservation</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Revenues:					
Property taxes	\$ 161,661,687	\$ 2,827,425	\$ -	\$ -	\$ 164,489,112
Excise taxes	5,129,306	-	-	-	5,129,306
Penalties, interest, and other taxes	1,282,028	6,203	-	-	1,288,231
Charges for services	4,080,388	-	-	4,227,594	8,307,982
Departmental	1,141,220	-	-	-	1,141,220
Licenses and permits	2,068,299	-	-	-	2,068,299
Intergovernmental	24,623,021	754,080	-	11,461,566	36,838,667
Investment income	366,542	111,711	-	682,449	1,160,702
Fines and forfeitures	60,974	-	-	-	60,974
Contributions	-	-	-	794,229	794,229
Other	596,281	-	-	44,321	640,602
Total Revenues	201,009,746	3,699,419	-	17,210,159	221,919,324
Expenditures:					
Current:					
General government	7,716,310	395,952	-	1,615,881	9,728,143
Public safety	21,652,212	-	-	2,447,010	24,099,222
Education	110,087,932	-	-	10,196,625	120,284,557
Public works	25,345,822	-	-	62,409	25,408,231
Building design and construction	576,958	-	-	-	576,958
Health and human services	2,919,012	-	-	291,031	3,210,043
Culture and recreation	3,198,287	3,000	-	470,730	3,672,017
Employee benefits	1,062,733	-	-	-	1,062,733
Other	667,584	-	-	-	667,584
Capital outlay	-	-	20,577,691	5,117,998	25,695,689
Debt service:					
Principal	13,374,000	-	-	-	13,374,000
Interest and fiscal charges	4,625,560	-	-	-	4,625,560
Intergovernmental	1,521,825	-	-	-	1,521,825
Total Expenditures	192,748,235	398,952	20,577,691	20,201,684	233,926,562
Excess (deficiency) of revenues over expenditures	8,261,511	3,300,467	(20,577,691)	(2,991,525)	(12,007,238)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	19,160,000	247,000	19,407,000
Issuance of refunding bonds	-	-	-	4,668,000	4,668,000
Premium on bonds	-	-	1,583,000	10,000	1,593,000
Premium on refunding bonds	-	-	-	687,000	687,000
Deposit to refunding escrow	-	-	-	(5,355,000)	(5,355,000)
Transfers in	3,074,432	-	1,600,000	5,464,633	10,139,065
Transfers out	(7,609,338)	(1,518,734)	-	(27,411)	(9,155,483)
Total Other Financing Sources (Uses)	(4,534,906)	(1,518,734)	22,343,000	5,694,222	21,983,582
Net change in fund balances	3,726,605	1,781,733	1,765,309	2,702,697	9,976,344
Fund Balances, at beginning of year, as reclassified	48,650,200	7,409,890	1,729,430	14,529,084	72,318,604
Fund Balances, at end of year	\$ 52,376,805	\$ 9,191,623	\$ 3,494,739	\$ 17,231,781	\$ 82,294,948

(1) Extracted from the audited Financial Statements of the Town.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
AS OF JUNE 30, 2020 (1)**

	<u>General</u>	<u>Community Preservation</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 150,349,498	\$ 2,609,353	\$ -	\$ -	\$ 152,958,851
Excise taxes	5,679,213	-	-	-	5,679,213
Penalties, interest, and other taxes	2,050,592	3,019	-	-	2,053,611
Charges for services	2,812,847	-	-	5,630,247	8,443,094
Departmental	1,585,175	-	-	-	1,585,175
Licenses and permits	2,376,998	-	-	-	2,376,998
Intergovernmental	23,176,245	592,379	-	9,101,388	32,870,012
Investment income (loss)	1,105,210	110,497	-	113,745	1,329,452
Fines and forfeitures	239,211	-	-	-	239,211
Contributions	-	-	-	435,663	435,663
Other	<u>410,840</u>	<u>-</u>	<u>-</u>	<u>64,793</u>	<u>475,633</u>
Total Revenues	189,785,829	3,315,248	-	15,345,836	208,446,913
Expenditures:					
Current:					
General government	6,666,599	1,975,790	-	149,746	8,792,135
Public safety	21,078,179	-	-	466,217	21,544,396
Education	103,940,650	-	-	9,522,074	113,462,724
Public works	21,428,807	-	-	38,624	21,467,431
Building design and construction	800,273	-	-	-	800,273
Health and human services	2,590,784	-	-	835,965	3,426,749
Culture and recreation	3,237,918	-	-	538,078	3,775,996
Employee benefits	790,253	-	-	-	790,253
Other	608,251	-	-	-	608,251
Capital outlay	-	372,853	24,390,818	18,246,084	43,009,755
Debt service:					
Principal	9,542,526	-	-	-	9,542,526
Interest and fiscal charges	3,896,575	-	-	-	3,896,575
Intergovernmental	<u>1,445,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,445,490</u>
Total Expenditures	<u>176,026,305</u>	<u>2,348,643</u>	<u>24,390,818</u>	<u>29,796,788</u>	<u>232,562,554</u>
Excess (deficiency) of revenues over expenditures	13,759,524	966,605	(24,390,818)	(14,450,952)	(24,115,641)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	30,105,000	17,508,000	47,613,000
Issuance of refunding bonds	4,990,000	-	-	-	4,990,000
Premium on bonds	-	-	1,895,000	2,907,408	4,802,408
Premium on refunding bonds	874,887	-	-	-	874,887
Deposit to refunding escrow	(5,908,925)	-	-	-	(5,908,925)
Transfers in	3,010,210	50,000	-	15,728,195	18,788,405
Transfers out	<u>(15,771,425)</u>	<u>(1,185,317)</u>	<u>-</u>	<u>(1,320,336)</u>	<u>(18,277,078)</u>
Total Other Financing Sources (Uses)	<u>(12,805,253)</u>	<u>(1,135,317)</u>	<u>32,000,000</u>	<u>34,823,267</u>	<u>52,882,697</u>
Net change in fund balances	954,271	(168,712)	7,609,182	20,372,315	28,767,056
Fund Balances, at beginning of year, as reclassified	<u>47,715,208</u>	<u>7,578,602</u>	<u>(5,879,752)</u>	<u>(5,357,791)</u>	<u>44,056,267</u>
Fund Balances, at end of year	<u>\$ 48,669,479</u>	<u>\$ 7,409,890</u>	<u>\$ 1,729,430</u>	<u>\$ 15,014,524</u>	<u>\$ 72,823,323</u>

(1) Extracted from the audited Financial Statements of the Town.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
AS OF JUNE 30, 2019 (1)**

	<u>General</u>	<u>Community Preservation</u>	<u>Sunita L. Williams School</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 141,476,623	\$ 2,468,833	\$ -	\$ -	\$ -	\$ 143,945,456
Excise taxes	6,138,951	-	-	-	-	6,138,951
Penalties, interest, and other taxes	2,408,784	3,189	-	-	-	2,411,973
Charges for services	1,684,919	-	-	-	7,475,916	9,160,835
Departmental	2,052,584	-	-	-	-	2,052,584
Licenses and permits	2,587,095	-	-	-	-	2,587,095
Intergovernmental	21,724,476	438,305	7,252,591	-	6,405,203	35,820,575
Investment income (loss)	1,223,466	384,021	-	-	174,032	1,781,519
Fines and forfeitures	209,162	-	-	-	-	209,162
Contributions	-	-	-	-	472,767	472,767
Other	356,613	-	-	-	36,589	393,202
Total Revenues	179,862,673	3,294,348	7,252,591	-	14,564,507	204,974,119
Expenditures:						
Current:						
General government	6,830,257	2,115	-	-	109,819	6,942,191
Public safety	20,033,593	-	-	-	354,416	20,388,009
Education	98,145,562	-	-	-	12,271,053	110,416,615
Public works	19,923,360	-	-	-	457,303	20,380,663
Building design and construction	645,481	-	-	-	-	645,481
Health and human services	2,461,346	-	-	-	569,605	3,030,951
Culture and recreation	2,987,961	3,480	-	-	548,663	3,540,104
Employee benefits	790,238	-	-	-	-	790,238
Other	556,798	-	-	-	-	556,798
Capital outlay	-	384,506	27,493,314	5,879,752	29,835,802	63,593,374
Debt service:						
Principal	7,722,526	-	-	-	-	7,722,526
Interest	2,282,765	-	-	-	-	2,282,765
Intergovernmental	1,389,486	-	-	-	-	1,389,486
Total Expenditures	163,769,373	390,101	27,493,314	5,879,752	44,146,661	241,679,201
Excess (deficiency) of revenues over expenditures	16,093,300	2,904,247	(20,240,723)	(5,879,752)	(29,582,154)	(36,705,082)
Other Financing Sources (Uses):						
Issuance of bonds	-	-	18,000,000	-	13,000,000	31,000,000
Bond premium	-	-	1,745,331	-	13,221	1,758,552
Transfers in	2,214,458	-	2,865,000	-	18,050,979	23,130,437
Transfers out	(19,319,938)	(941,494)	-	-	(410,585)	(20,672,017)
Total Other Financing Sources (Uses)	(17,105,480)	(941,494)	22,610,331	-	30,653,615	35,216,972
Net change in fund balances	(1,012,180)	1,962,753	2,369,608	(5,879,752)	1,071,461	(1,488,110)
Fund Balances, at beginning of year, as reclassified	48,053,088	5,615,849	(10,553,154)	-	1,007,182	44,122,965
Fund Balances, at end of year	\$ 47,040,908	\$ 7,578,602	\$ (8,183,546)	\$ (5,879,752)	\$ 2,078,643	\$ 42,634,855

(1) Extracted from the audited Financial Statements of the Town.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
AS OF JUNE 30, 2018 (1)**

	<u>General</u>	<u>Community Preservation</u>	<u>Sunita L. Williams School</u>	<u>Rosemary Recreation Complex</u>	<u>Needham High School Expansion</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Property taxes	\$ 132,578,018	\$ 2,300,322	\$ -	\$ -	\$ -	\$ -	\$ 134,878,340
Excise taxes	5,910,555	-	-	-	-	-	5,910,555
Penalties, interest, and other taxes	2,132,175	2,453	-	-	-	-	2,134,628
Charges for services	1,528,075	-	-	-	-	6,967,230	8,495,305
Departmental	1,852,700	-	-	-	-	-	1,852,700
Licenses and permits	2,598,567	-	-	-	-	-	2,598,567
Intergovernmental	20,403,002	368,739	2,017,071	-	-	7,130,486	29,919,298
Investment income (loss)	682,322	(176,907)	-	-	-	154,872	660,287
Fines and forfeitures	192,010	-	-	-	-	-	192,010
Contributions	-	-	-	-	-	429,729	429,729
Other	313,342	-	-	-	-	31,347	344,689
Total Revenues	168,190,766	2,494,607	2,017,071	-	-	14,713,664	187,416,108
Expenditures:							
Current:							
General government	5,617,952	5,182	-	-	-	119,117	5,742,251
Public safety	16,842,201	-	-	-	-	1,180,774	18,022,975
Education	86,532,516	-	-	-	-	11,508,817	98,041,333
Public works	8,860,429	-	-	-	-	1,749,368	10,609,797
Maintenance	9,077,653	-	-	-	-	-	9,077,653
Health and human services	1,837,753	-	-	-	-	557,542	2,395,295
Culture and recreation	2,342,237	-	-	-	-	366,142	2,708,379
Employee benefits	12,616,631	-	-	-	-	-	12,616,631
Other	521,244	-	-	-	-	-	521,244
Capital outlay	-	946,647	11,249,083	11,060,244	4,445,253	9,642,658	37,343,885
Debt service:							
Principal	8,139,526	-	-	-	-	-	8,139,526
Interest	2,461,942	-	-	-	-	-	2,461,942
Intergovernmental	1,333,038	-	-	-	-	-	1,333,038
Total Expenditures	156,183,122	951,829	11,249,083	11,060,244	4,445,253	25,124,418	209,013,949
Excess (deficiency) of revenues over expenditures	12,007,644	1,542,778	(9,232,012)	(11,060,244)	(4,445,253)	(10,410,754)	(21,597,841)
Other Financing Sources (Uses):							
Bond premium	-	-	-	-	-	6,400	6,400
Transfers in	2,007,530	75,000	575,000	1,030,000	2,634,000	6,420,894	12,742,424
Transfers out	(11,262,143)	(1,479,164)	-	-	-	(374,952)	(13,116,259)
Total Other Financing Sources (Uses)	(9,254,613)	(1,404,164)	575,000	1,030,000	2,634,000	6,052,342	(367,435)
Net change in fund balances	2,753,031	138,614	(8,657,012)	(10,030,244)	(1,811,253)	(4,358,412)	(21,965,276)
Fund Balances, at beginning of year, as reclassified	45,300,057	5,477,235	(1,896,142)	3,254,440	-	13,952,651	66,088,241
Fund Balances, at end of year	\$ 48,053,088	\$ 5,615,849	\$ (10,553,154)	\$ (6,775,804)	\$ (1,811,253)	\$ 9,594,239	\$ 44,122,965

(1) Extracted from the audited Financial Statements of the Town.

**TOWN OF NEEDHAM, MA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
AS OF JUNE 30, 2017 (1)**

	<u>General</u>	<u>Community Preservation Fund</u>	<u>Sunita L. Williams School</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 124,517,284	\$ 2,136,893	\$ -	\$ -	\$ 126,654,177
Excise taxes	5,701,527	-	-	-	5,701,527
Penalties, interest, and other taxes	2,156,902	2,307	-	-	2,159,209
Charges for services	1,094,057	-	-	6,228,684	7,322,741
Departmental	1,674,120	-	-	-	1,674,120
Licenses and permits	4,477,430	-	-	-	4,477,430
Intergovernmental	26,506,734	417,108	-	9,360,566	36,284,408
Investment income	389,769	111,618	-	163,439	664,826
Fines and forfeitures	188,756	-	-	-	188,756
Contributions	-	-	355,277	2,704,043	3,059,320
Other	41,949	-	-	37,035	78,984
Total Revenues	166,748,528	2,667,926	355,277	18,493,767	188,265,498
Expenditures:					
Current:					
General government	5,160,845	6,729	-	137,722	5,305,296
Public safety	16,006,396	-	-	251,212	16,257,608
Education	89,570,046	-	-	10,497,497	100,067,543
Public works	8,044,770	-	-	13,004	8,057,774
Maintenance	9,509,897	-	-	-	9,509,897
Health and human services	1,678,736	-	-	444,252	2,122,988
Culture and recreation	2,270,267	81,435	-	778,792	3,130,494
Employee benefits	11,572,484	-	-	-	11,572,484
Other	532,195	-	-	-	532,195
Capital outlay	-	413,073	2,259,693	11,454,082	14,126,848
Debt service:					
Principal	8,102,006	-	-	-	8,102,006
Interest	2,259,034	-	-	-	2,259,034
Intergovernmental	1,309,161	-	-	-	1,309,161
Total Expenditures	156,015,837	501,237	2,259,693	23,576,561	182,353,328
Excess (deficiency) of revenues over expenditures	10,732,691	2,166,689	(1,904,416)	(5,082,794)	5,912,170
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	10,480,000	10,480,000
Bond premium	-	-	-	654,769	654,769
Transfers in	2,383,365	-	-	6,017,269	8,400,634
Transfers out	(4,775,217)	(3,426,313)	-	(642,416)	(8,843,946)
Total Other Financing Sources (Uses)	(2,391,852)	(3,426,313)	-	16,509,622	10,691,457
Net change in fund balances	8,340,839	(1,259,624)	(1,904,416)	11,426,828	16,603,627
Fund Balances, at beginning of year, as restated	36,959,218	6,736,859	-	5,788,537	49,484,614
Fund Balances, at end of year	\$ 45,300,057	\$ 5,477,235	\$ (1,904,416)	\$ 17,215,365	\$ 66,088,241

(1) Extracted from the audited Financial Statements of the Town.

Free Cash and Unassigned General Fund Balances

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue (or, in the Town's case, Unreserved Fund Balance) less uncollected and overdue property taxes from prior years.

The following table sets forth the trend in free cash as certified by the Bureau of Accounts as well as the Unassigned General Fund balance.

Fiscal Year	Free Cash (July 1)	Unassigned General Fund Balance
2022	\$ 17,356,938	\$ 29,000,000 (est.)
2021	16,952,126	28,063,054
2020	16,665,406	28,831,766
2019	12,369,898	19,403,198
2018	10,387,871	17,817,111
2017	13,518,622	19,434,334

Stabilization Fund

The Town maintains a stabilization fund, which is accounted for in the Trust Funds. Funded by an appropriation, the Stabilization Fund plus interest income may be appropriated at an annual or special town meeting for any purpose. The following table sets forth the trend in Stabilization Fund balance.

Fiscal Year	Stabilization Fund Balance (June 30)
2022	\$ 4,550,110
2021	4,492,394
2020	4,365,010
2019	4,187,517
2018	4,128,628

Capital Improvement Fund

The Town continues to provide additional funding to its capital improvement fund, which helps ensure the replacement of capital equipment, however there were no draws on the Town's Stabilization Fund to support any operating or capital expenditures. The following table sets forth the trend in Capital Improvement Fund balance.

Fiscal Year	Capital Improvement Fund Balance (June 30)
2022	\$ 1,110,590
2021	1,097,070
2020	1,095,016
2019	910,577
2018	747,227

Capital Facility Fund

The Capital Facilities Fund exists primarily to fund building improvements. The following table sets forth the trend in Capital Facility Fund balance at June 30.

Fiscal Year	Capital Facility Fund Balance
2022	\$ 1,927,853
2021	1,921,686
2020	1,918,088
2019	1,866,376
2018 (1)	26,767

(1) During fiscal year 2018, \$1,817,000 was drawn from the Capital Facility Fund for the High School Expansion project. At the 2018 Annual Town Meeting a transfer of \$1,817,000 back into the Fund was approved. The transfer was comprised of \$1,386,000 from Free Cash and \$431,000 from the fiscal 2019 tax levy.

Athletic Facility Fund

In fiscal year 2013, the Town created a stabilization fund to cover the costs of the eventual replacement of the Town's artificial turf fields. The following table sets forth the trend in Athletic Facility Fund balance at June 30.

Fiscal Year	Athletic Facility Fund Balance
2022	\$ 978,607
2021	270,204
2020 (1)	269,698
2019	2,686,229
2018 (2)	4,409,021

(1) In fiscal 2020 \$2.5 million was appropriated from the Athletic facilities fund to fund synthetic field replacement and related work to various fields throughout Town (Article #38 of the 2019 Annual Town Meeting). \$75,000 was appropriated to the Athletic Facilities Fund from the General Fund (Article # 42 of the 2019 Annual Town Meeting).

(2) In fiscal 2018 \$1.8 million was appropriated from the Athletic Facility Fund for the Memorial Park building construction (article 30 of the 2018 Annual Town Meeting) and \$550,000 for Athletic Facilities improvement (turf field replacement).

Debt Service Stabilization Fund

In fiscal year 2016, the Town created a stabilization fund the purpose of which is to allow the Town by appropriation to reserve funds to pay the debt service for engineering and design, renovation, reconstruction or construction of Town facilities. The following table sets forth the trend in Debt Service Stabilization Fund balance at June 30.

Fiscal Year	Debt Service Stabilization Fund Balance
2022	\$ 2,160,996
2021	2,154,083
2020	2,150,062
2019	2,114,506
2018	2,062,952

Tax Increment Financing for Development Districts

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes

assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2 ½, (see “Tax Limitations” under “PROPERTY TAXATION” above.) The Town has not established any such district.

The Town has a TIF agreement with TripAdvisor, 13 years in total, currently at a 76% exemption that will decline to a 1% exemption effective 2021. The Town also has a TIF agreement with NBC Universal, 10 years in total, with a 70% exemption for the first 4 years that declines to 5% in year 5, and then 1% for years 6 through 10. The exemptions apply only on the new growth value.

INDEBTEDNESS

Authorization Procedure and Limitations

Serial bonds and notes are authorized by vote of two-thirds of all the members of the city council (subject to the mayor's veto where the mayor has a veto power) or a two-thirds vote of the town meeting. Provision is made in some cities and towns for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the city council, the selectmen or either the prudential committee or the commissioners of a district if there is no prudential committee. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary loans in anticipation of revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the selectmen.

Debt Limits

General Debt Limit. The general debt limit of the Town consists of a normal debt limit and a double debt limit. The normal debt limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the double debt limit) with the approval of the State Municipal Finance Oversight Board.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit if such debt is authorized by a two-thirds vote of the city or town and such debt is payable within the periods so specified in Mass. Gen. Laws. c. 44, §8. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, certain sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing, bonds for water, housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems. Revenue bonds are not subject to these debt limits. The General Debt Limit applies at the time the debt is authorized. The special debt limits generally apply at the time the debt is incurred.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See "Taxation to Meet Deficits" above.) In any event, the period from an original borrowing to its final maturity cannot exceed one year.

Types Of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the end of the fiscal year in which any of the bonds or notes being refunded thereby is payable, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and

limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as "tax credit bonds" to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes.

Revenue Anticipation Notes. These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements for any purpose for which the city or town may incur debt that may be payable over a term of five years or longer. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Clean Water or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and towns which are members of the New England Power Pool may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the Department of Public Utilities.

DIRECT DEBT SUMMARY As of June 30, 2022 (1)

Long-Term Debt Outstanding:

Within the General Debt Limit:		
Schools	\$ 24,665,000	
Sewers & Drains	3,881,463	
Other Inside General	<u>83,040,000</u>	
Total Within the General Debt Limit		\$ 111,586,463
Outside the General Debt Limit:		
Schools	\$ 15,840,000	
Water	4,177,377	
Sewer	299,910	
Other Outside General	<u>3,295,000</u>	
Total Outside the General Debt Limit		<u>23,612,286</u>
Total Long-Term Debt Outstanding		135,198,749

Short-Term Debt Outstanding:

New Money Bond Anticipation Notes (2)	<u>6,000,000</u>
Total Direct Debt:	<u><u>\$ 141,198,749</u></u>

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.

(2) Payable June 30, 2023 (\$2,940,000) and October 16, 2023 (\$3,060,000).

Debt Ratios

The following table sets forth debt as a percentage of assessed valuation and per capita debt at the end of the following fiscal years. The table considers the principal amount of general obligation bonds of the Town. The table does not deduct anticipated state grant payments applicable to the principal amount of outstanding bonds or debt that may be supported in whole, or part, by non-tax revenues.

Fiscal Year End	General Obligation Bonds Outstanding	Population (2020 Federal Census)	Local Assessed Valuation	Per Capita Debt	Debt as a % of Assessed Valuation
2022	\$ 135,198,749	32,091	11,311,678,964	\$ 4,213	1.20 %
2021	139,850,734	32,091	11,045,730,479	4,358	1.27
2020	135,780,762	32,091	10,803,763,473	4,231	1.26
2019	99,468,508	32,091	10,168,817,191	3,100	0.98
2018	78,242,389	32,091	9,885,655,649	2,438	0.79

Principal Payments by Purpose

The following table sets forth the principal payments by purpose for the Town's outstanding bonds as of June 30, 2022.

GENERAL OBLIGATION BONDS As of June 30, 2022

Year	General	School	Water	Sewer	Total (1)
2023	\$ 8,543,000	\$ 4,957,000	\$ 598,974	\$ 520,117	\$ 14,619,091
2024	5,813,000	4,872,000	484,795	420,644	11,590,439
2025	5,508,000	4,237,000	485,633	427,222	10,657,855
2026	5,242,000	3,503,000	446,488	345,942	9,537,430
2027	5,232,000	3,048,000	447,359	352,809	9,080,168
2028	4,882,000	2,638,000	448,248	354,825	8,323,073
2029	4,872,000	2,278,000	236,029	336,993	7,723,022
2030	4,547,000	1,603,000	236,953	344,317	6,731,270
2031	4,477,000	1,603,000	237,898	351,800	6,669,698
2032	4,422,000	1,598,000	190,000	359,446	6,569,446
2033	4,422,000	1,598,000	185,000	367,258	6,572,258
2034	4,245,000	1,045,000	180,000	-	5,470,000
2035	3,875,000	1,045,000	-	-	4,920,000
2036	3,625,000	720,000	-	-	4,345,000
2037	3,625,000	720,000	-	-	4,345,000
2038	3,120,000	720,000	-	-	3,840,000
2039	2,955,000	720,000	-	-	3,675,000
2040	2,720,000	720,000	-	-	3,440,000
2041	1,830,000	720,000	-	-	2,550,000
2042	1,000,000	720,000	-	-	1,720,000
2043	460,000	720,000	-	-	1,180,000
2044	460,000	720,000	-	-	1,180,000
2045	460,000	-	-	-	460,000
TOTAL	\$ 86,335,000	\$40,505,000	\$ 4,177,377	\$ 4,181,373	\$ 135,198,749

(1) \$91,190,000 of principal and \$24,331,232 of interest has been voted exempt from Proposition 2½, subject to the limits imposed by Chapter 44, Section 20 of the General Laws.

Debt Service Requirements

The following table sets forth the required principal and interest payments on the outstanding general obligation bonds of the Town as of June 30, 2022, including debt service subsidies expected to be received from the MSBA.

GENERAL OBLIGATION DEBT As of June 30, 2022 (1)

Fiscal Year	Outstanding		Less MSBA	Total	Cumulative % Retired
	Principal	Interest	Subsidies	Net Debt Service	
2023	\$ 14,619,091	\$ 4,644,753	\$ (695,148)	\$ 18,568,696	10.8 %
2024	11,590,439	4,146,469	-	15,736,908	19.4
2025	10,657,855	3,664,124	-	14,321,979	27.3
2026	9,537,430	3,233,881	-	12,771,311	34.3
2027	9,080,168	2,854,833	-	11,935,001	41.0
2028	8,323,073	2,486,980	-	10,810,053	47.2
2029	7,723,022	2,149,888	-	9,872,910	52.9
2030	6,731,270	1,846,103	-	8,577,373	57.9
2031	6,669,698	1,599,949	-	8,269,647	62.8
2032	6,569,446	1,371,297	-	7,940,743	67.7
2033	6,572,258	1,145,651	-	7,717,909	72.5
2034	5,470,000	955,103	-	6,425,103	76.6
2035	4,920,000	813,559	-	5,733,559	80.2
2036	4,345,000	694,019	-	5,039,019	83.4
2037	4,345,000	581,106	-	4,926,106	86.7
2038	3,840,000	472,794	-	4,312,794	89.5
2039	3,675,000	373,634	-	4,048,634	92.2
2040	3,440,000	280,753	-	3,720,753	94.8
2041	2,550,000	191,225	-	2,741,225	96.6
2042	1,720,000	125,650	-	1,845,650	97.9
2043	1,180,000	72,300	-	1,252,300	98.8
2044	1,180,000	33,300	-	1,213,300	99.7
2045	460,000	6,900	-	466,900	100.0
Total	<u>\$ 135,198,749</u>	<u>\$ 33,744,273</u>	<u>\$ (695,148)</u>	<u>\$ 168,247,874</u>	

(1) \$91,190,000 of principal and \$24,331,232 of interest has been voted exempt from Proposition 2½, subject to the limits imposed by Chapter 44, Section 20 of the General Laws.

Authorized Unissued Debt and Prospective Financing

The Town has the following authorized debt which has not been bonded:

Amount	Purpose	Original Authorization
\$ 70,000	Public Works Storage Facility Design & Construction	\$ 3,503,000
185,000	RTS Property Repairs	645,000
4,000,000	Water Distribution Improvements	4,500,000
200,000	Mitchell School Restroom Upgrades	676,700
1,400,000	Public Safety Building and Fire Station #2	1,400,000
204,500	Sewer Main Replacement	363,000
1,000,000	Water Service Connections	1,000,000
1,005,000	Emery Grover Building Design	1,475,000
14,150,000	Emery Grover Building Addition and Renovation	14,150,000
1,295,000	Additional Emery Grover Building Addition and Renovation	1,295,000
2,500,000	Charles River Street Land Acquisition	2,500,000
<u>\$ 26,009,500</u>		

Overlapping Debt

The Town is a member of the MWRA, the MBTA and the Minuteman Regional Vocational Technical School District. The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of Norfolk County, the MWRA, the MBTA and the Minuteman Regional Vocational Technical School District, and the Town's estimated gross share of such debt and the estimated fiscal year 2022 dollar assessment for each (except as noted below).

Overlapping Entity	Outstanding Debt	Needham's Estimated Share (1)	Fiscal 2022 Dollar Assessment (2)
Norfolk County (3)	\$ 16,045,000	7.000 %	\$ 451,001
Massachusetts Water Resources Authority (4)			
Water	1,857,602,000	0.602	975,751
Sewer	2,971,349,000	1.316	4,338,958
Massachusetts Bay Transportation Authority (5)	5,896,383,000	0.397	710,883
Minuteman Regional Vocational Technical School District (6)	96,960,000	N/A	1,230,287

(1) Estimated share based on debt service only.

(2) Estimated dollar assessment based upon total net operating expenses, inclusive (where applicable) of debt service.

(3) SOURCE: Norfolk County Treasurer. Debt as of June 30, 2022. County expenses including debt service on county bonds are assessed upon the cities and towns within the county in proportion to their taxable valuation as last equalized by the State Commissioner of Revenue. Amounts shown are based on the most recent equalized valuations. Legislation was enacted in 1997 abolishing the county governments of Franklin and Middlesex Counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The legislation also abolished the county governments of Hampden and Worcester counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for the liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each such city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county government in all the remaining counties.

(4) SOURCE: MWRA. Debt as of June 30, 2022. The Massachusetts Water Resources Authority (the "MWRA") provides wholesale drinking water services and wastewater collection and treatment services to certain cities, towns and special purpose entities. Under its enabling legislation, as amended, the aggregate principal amount of all bonds issued by the MWRA for its corporate purposes may not exceed \$6.45 billion outstanding at any time. Its obligations are secured by revenues of the MWRA. The MWRA assesses member cities, towns and special purpose entities, which continue to provide direct retail water and sewer services to users. The cities, towns and other entities collect fees from the users to pay all or part of the assessments; some municipalities levy property taxes to pay part of the amounts assessed upon them.

- (5) SOURCE: MBTA. Debt as of June 30, 2022. The MBTA was created in 1964 to finance and operate mass transportation facilities within the greater Boston metropolitan area. Under its enabling act, the MBTA is authorized to issue bonds for capital purposes. In addition, pursuant to certain of the Commonwealth's transportation bond bills, the MBTA is authorized to issue additional bonds for particular capital projects. The MBTA also is authorized to issue bonds of the purpose of refunding bonds. Under the MBTA's enabling act debt service, as well as other operating expenses of the MBTA, are to be financed by a dedicated revenue stream consisting of the amounts assessed on the cities and towns of the MBTA and a dedicated portion of the statewide sales tax. The amount assessed to each city and town is based on a weighted population formula as provided in the enabling act. The aggregate amount of such assessments is generally not permitted to increase by more than 2.5 percent per year. (See "Tax Limitations" under "PROPERTY TAX" below.)
- (6) SOURCE: Minuteman Regional Vocational Technical School District. Debt as of June 30, 2022. Towns may organize regional school districts to carry out general or specialized educational functions. Pursuant to special laws a number of cities may also participate in regional school districts, primarily for vocational education. The operating expenses and debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the districts subject to the provisions of the Education Reform Act of 1993.

Contractual Obligations

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interest, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. The Town does not have an electric light department.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town currently has a twenty-year contract with WIN Waste Innovation for transportation and disposal of solid waste expiring June 30, 2028. The tipping fee rate is \$70.72 per ton for fiscal year 2022. The cost of this contract was \$728,875.91 in fiscal 2022 and the Town budgeted \$691,606 for fiscal 2023.

RETIREMENT PLAN

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. A system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

The Town has its own retirement system, the Needham Contributory Retirement System ("NCRS"), a cost-sharing, multi-employer defined benefit public employee retirement system. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Substantially all employees of the Town are members of the NCRS, except teachers and administrators under contract employed by the school department, who are members of the Commonwealth of Massachusetts Teachers Contributory Retirement System, to which the Town does not contribute.

The following table sets forth the trend in the Town's pension appropriations to NCRS:

<u>Year Ending</u>	<u>Contributory</u>	<u>Non-Contributory</u>
June 30, 2023 (budgeted)	\$ 11,407,096	\$ -
June 30, 2022	10,276,804	-
June 30, 2021	9,368,084	-
June 30, 2020	8,577,048	-
June 30, 2019	7,934,482	-
June 30, 2018	7,332,277	-

The unfunded actuarial accrued liability of the System as of January 1, 2022 was approximately \$75,896,179. The System is 73.7% funded according to the January 1, 2022 actuarial study. The Town's current funding schedule amortizes the unfunded actuarial accrued liability to zero by 2033 as shown below.

<u>Fiscal Year Ended June 30</u>	<u>Employer Normal Cost</u>	<u>Amortization Payment of UAL</u>	<u>Net 3(8)(c) Transfers</u>	<u>Total Employer Cost</u>	<u>Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year</u>
2023	\$ 3,964,641	\$ 7,066,720	\$ 375,736	\$ 11,407,097	\$ 75,896,179
2024	3,980,105	7,669,555	670,005	12,319,665	73,355,482
2025	4,104,678	8,530,553	670,005	13,305,236	70,034,604
2026	4,227,644	9,101,530	670,005	13,999,179	65,618,674
2027	4,320,996	9,465,591	670,005	14,456,592	60,338,199
2028	4,457,192	9,844,215	670,005	14,971,412	54,352,429
2029	4,580,981	10,237,983	670,005	15,488,969	47,602,272
2030	4,733,241	10,647,503	670,005	16,050,749	40,024,343
2031	4,866,974	11,073,402	670,005	16,610,381	31,550,670
2032	5,015,950	11,516,338	670,005	17,202,293	22,108,385
2033	5,157,542	11,976,993	670,005	17,804,540	11,619,390
2034	5,310,378	-	-	-	-

Notes:

- Actuarially determined contributions are assumed to be paid on July 1.
- Actuarially determined contribution for fiscal 2023 is set equal to the budgeted amount determined with prior valuation.
- Projected normal cost does not reflect the impact of pension reform for future hires.
- Amortization payments of unfunded actuarial accrued liability calculated to increase at 4.0% per year after phase-in.
- Projected unfunded actuarial accrued liability does not reflect deferred investment gains.

The foregoing data do not include the retirement system costs or liabilities of any larger entity, such as the county.

For additional information see Appendix A.

Other Post-Employment Benefits (OPEB)

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis. For the last twelve years, the Town has been appropriating its Annual Required Cost (ARC) to the OPEB fund and pays the annual healthcare costs from the fund.

The following table sets forth the trend in OPEB appropriations.

<u>Fiscal Year</u>	<u>OPEB Contribution</u>
June 30, 2023 (budgeted)	\$ 8,844,474
June 30, 2022	7,426,237
June 30, 2021	7,197,713
June 30, 2020	6,906,705
June 30, 2019	6,906,705
June 30, 2018	6,115,455

The Governmental Accounting Standards Board ("GASB") promulgated accounting standards that require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding the payment of these costs as the liability for such costs accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if the cost of such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-

insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The Town was required to implement the GASB reporting requirements for other post-employment benefits beginning in fiscal year 2009. The Town has hired an outside firm which has completed the actuarial valuation of its post-employment benefit liability. The unfunded actuarial accrued liability (UAAL) for the Town was \$66,648,482 as of June 30, 2018 (net of the balance in the OPEB Trust Fund). The actuarial assumptions reflect a 7.0% investment rate of return. In fiscal year 2002 the Town began funding its post-retirement health insurance liability. The Town's Actuarially Determined Contribution (ADC) for fiscal year 2020 is \$6,906,705, at an assumed 7.0% discount rate. The balance in the OPEB Trust Fund as of June 30, 2021 was \$60,176,477.

EMPLOYEE RELATIONS

The Town employs approximately 1,400 full-time equivalent employees (FTE), 1,001 FTEs employed by the School Department, 147 by the Public Works Department, 63 by the Police Department, 80 by the Fire Department, and the balance by various other Town Departments. Town employees (other than managerial and confidential employees) are entitled to join unions and bargain collectively on questions of wages, hours and other terms and conditions of employment. Approximately 1,233 (full and part time) Town employees are represented by unions including public works, general government, police, fire, teachers, and school administrators.

The Building Custodian Tradesman Independent Association (Building Maintenance Division) contract expires on June 30, 2026. The Needham Independent Public Employees Association (Public Works) contract expires June 30, 2024. The contracts with the Needham Firefighters Local 1706 (all units) expired on June 30, 2022. The Needham Police Union contract expires June 30, 2025, and the Needham Police Superior Officers Association contract expires on June 30, 2025. The Needham Independent Town Workers Association (various administrative, professional, and technical positions) contract expires June 30, 2024.

The Needham Public Schools have contracts in place with the Needham Education Association Unit A (teachers) through August 31, 2025, with the Needham Education Association Unit B (administrators) through June 30, 2025, with the Needham Education Association Unit C (Non DESE licensed staff) through June 30, 2023, and with the Needham Education Association Unit E (food service workers) through June 30, 2023. The contract with the Needham Education Association Unit D (clerical, secretarial and technical positions) expires June 30, 2023.

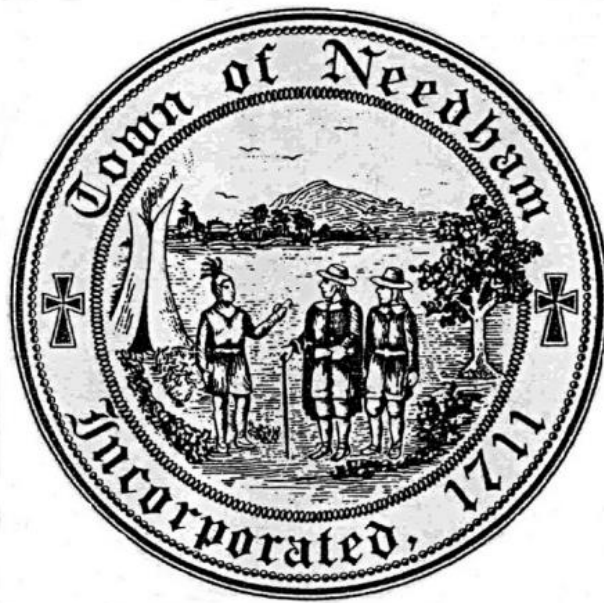
Expired contracts are in negotiations.

LITIGATION

At present there are various cases pending in various courts throughout the Commonwealth in which the Town is a defendant. In the opinion of the Town, there is no litigation either pending or threatened, that is likely to result, either individually or in the aggregate, in final judgments against the Town that would materially affect its financial position or its ability to pay its obligations.

TOWN OF NEEDHAM, MASSACHUSETTS
/s/ Veronica Harvey, Town Treasurer

May 10, 2023



TOWN OF NEEDHAM, MASSACHUSETTS

Annual Financial Report
For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds:	
Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Fund Net Position	29
Statement of Cash Flows	30
Fiduciary Funds:	
Statement of Fiduciary Net Position	31
Statement of Changes in Fiduciary Net Position	32

	<u>Page</u>
Notes to Financial Statements	33
REQUIRED SUPPLEMENTARY INFORMATION:	
Budget and Actual:	
Schedule of Revenues, Expenditures, and Other Financing Sources/Uses - Budget and Actual - General Fund	75
Notes to Required Supplementary Information for General Fund Budget	76
Pension:	
Schedule of Proportionate Share of the Net Pension Liability	77
Schedule of Pension Contributions	78
OPEB:	
Schedule of Changes in the Net OPEB Liability	79
Schedules of OPEB Contributions and Investment Returns	80
SUPPLEMENTARY INFORMATION:	
Schedule of Revenues and Other Sources, and Expenditures, and Other Uses - Sewer Enterprise Fund Budget vs. Actual Comparison	81
Schedule of Revenues and Other Sources, and Expenditures and Other Uses - Water Enterprise Fund Budget vs. Actual Comparison	82



INDEPENDENT AUDITORS' REPORT

To the Select Board
Town of Needham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Needham, Massachusetts (the Town), as of and for the year ended June 30, 2021, (except for the Needham Contributory Retirement System which is as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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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 Needham, Massachusetts, as of June 30, 2021, (except for the Needham Contributory Retirement System which is as of and for the year ended December 31, 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 Management's Discussion and Analysis, the Budgetary Comparison for the General Fund on pages 75 to 76, and the pension and OPEB schedules appearing on pages 77 to 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budget and actual comparisons for Sewer and Water funds appearing on pages 81 through 82 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Merrimack, New Hampshire
March 17, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Town of Needham (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town of Needham for the fiscal year ended June 30, 2021.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes 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, building design and construction, health and human services, and culture and recreation. The business-type activities include sewer and water activities.

Fund Financial Statements

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

Governmental Funds

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

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for sewer and water operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal service funds are used to account for self-insured workers compensation programs and property and casualty insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. A complete copy of the Needham Contributory Retirement System financial statements can be obtained from the Retirement Board at Town Hall, 1471 Highland Avenue, Needham, Massachusetts 02492.

Notes to Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$176,707,185, a change of \$4,063,891, and net position in business-type activities was \$62,620,216, a change of \$3,048,969.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$82,294,948, a change of \$9,976,344 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$28,063,054 a change of \$(768,712) in comparison to the prior year.

Government-Wide Financial Analysis

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

	Net Position Summary (000s)					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 107,304	\$ 95,740	\$ 18,355	\$ 16,075	\$ 125,659	\$ 111,815
Capital assets	375,554	364,119	57,853	59,238	433,407	423,357
Total assets	482,858	459,859	76,208	75,313	559,066	535,172
Deferred outflows of resources	31,621	46,026	764	1,283	32,385	47,309
Total assets and deferred outflows of resources	\$ 514,479	\$ 505,885	\$ 76,972	\$ 76,596	\$ 591,451	\$ 582,481
Liabilities:						
Long-term liabilities	\$ 287,512	\$ 291,874	\$ 13,237	\$ 15,904	\$ 300,749	\$ 307,778
Notes payable	-	1,200	-	-	-	1,200
Other liabilities	19,849	16,793	395	454	20,244	17,247
Total liabilities	307,361	309,867	13,632	16,358	320,993	326,225
Deferred inflows of resources	30,411	17,716	720	549	31,131	18,265
Net position:						
Net investment in capital assets	238,173	230,614	48,527	48,642	286,700	279,256
Restricted	19,568	16,889	-	-	19,568	16,889
Unrestricted	(81,034)	(69,201)	14,093	11,047	(66,941)	(58,154)
Total net position	176,707	178,302	62,620	59,689	239,327	237,991
Total liabilities, deferred inflows of resources, and net position	\$ 514,479	\$ 505,885	\$ 76,972	\$ 76,596	\$ 591,451	\$ 582,481

Changes in Net Position Summary (000s)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 11,725	\$ 12,912	\$ 16,899	\$ 15,773	\$ 28,624	\$ 28,685
Operating grants and contributions	47,325	39,417	-	-	47,325	39,417
Capital grants and contributions	913	1,936	-	360	913	2,296
General revenues:						
Property taxes	164,611	153,740	-	-	164,611	153,740
Excises	4,925	5,842	-	-	4,925	5,842
Penalties, interest and other taxes	1,278	2,115	-	-	1,278	2,115
Grants and contributions not restricted to specific programs	2,610	2,451	-	-	2,610	2,451
Investment income	1,161	1,329	23	57	1,184	1,386
Other	671	372	-	-	671	372
Total revenues	235,219	220,114	16,922	16,190	252,141	236,304
Expenses:						
General government	11,978	10,793	-	-	11,978	10,793
Public safety	26,327	23,776	-	-	26,327	23,776
Education	148,580	134,011	-	-	148,580	134,011
Public works	30,335	26,059	-	-	30,335	26,059
Building design and construction	659	533	-	-	659	533
Health and human services	3,703	3,719	-	-	3,703	3,719
Culture and recreation	4,339	4,359	-	-	4,339	4,359
Interest on long-term debt	3,574	3,496	-	-	3,574	3,496
Intergovernmental	1,522	1,445	-	-	1,522	1,445
Other unallocated costs	1,122	1,152	-	-	1,122	1,152
Sewer operations	-	-	8,519	8,883	8,519	8,883
Water operations	-	-	4,370	5,092	4,370	5,092
Total expenses	232,139	209,343	12,889	13,975	245,028	223,318
Change in net position before transfers	3,080	10,771	4,033	2,215	7,113	12,986
Transfers	984	795	(984)	(795)	-	-
Change in net position	4,064	11,566	3,049	1,420	7,113	12,986
Net position - beginning of year, as restated	172,643	166,736	59,571	58,269	232,214	225,005
Net position - end of year	\$ 176,707	\$ 178,302	\$ 62,620	\$ 59,689	\$ 239,327	\$ 237,991

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The largest portion of net position \$286,699,841 reflects our investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and furnishings, infrastructure, works of art, and construction in progress); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

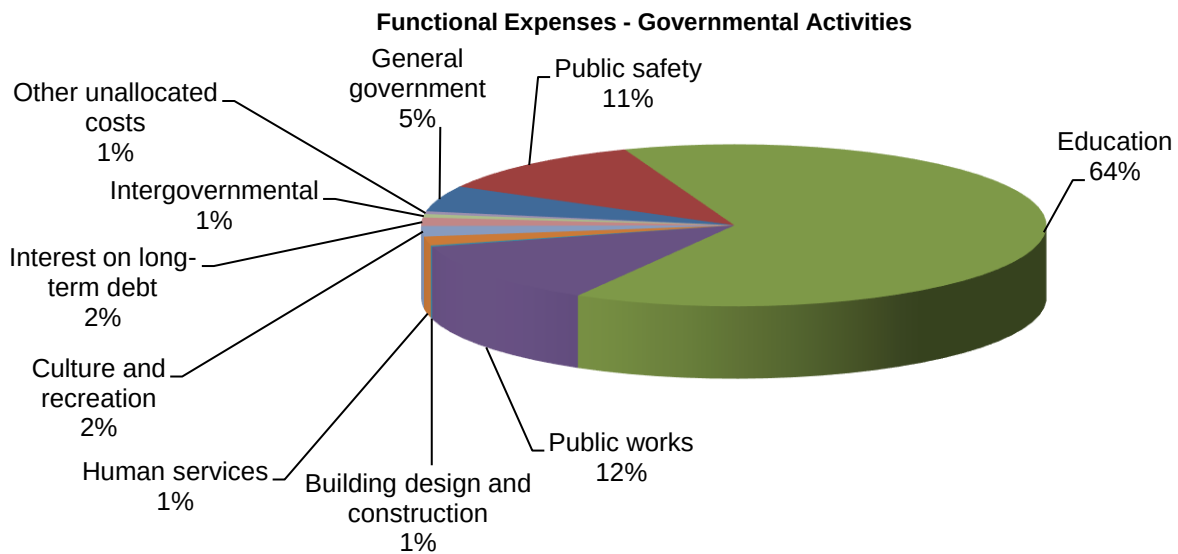
An additional portion of net position \$19,568,168 represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit of \$(66,940,608) as a result of our net pension and net OPEB liabilities.

Governmental Activities

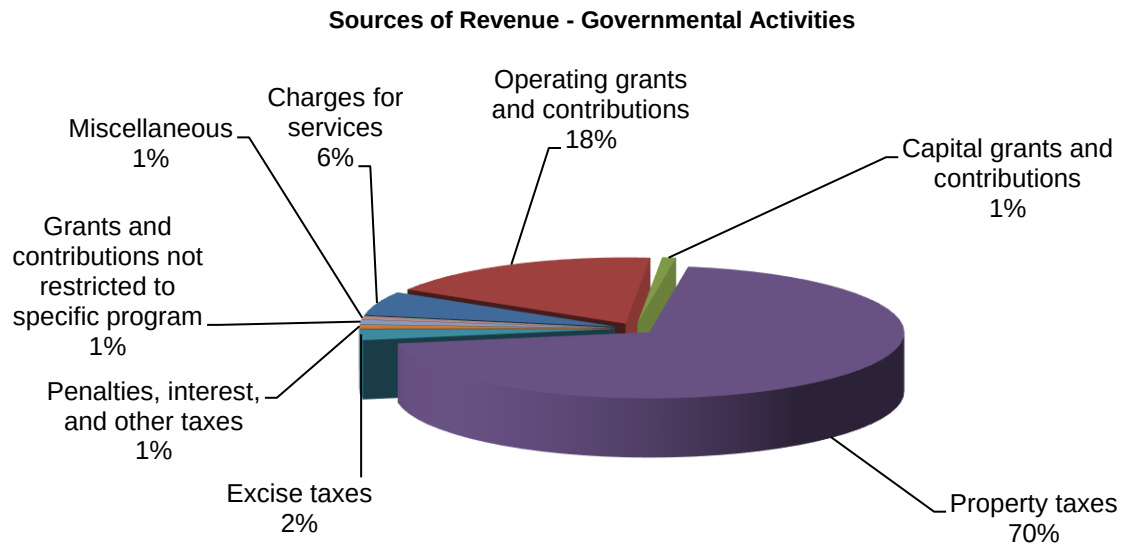
The overall net position of governmental activities increased by \$4,063,891, primarily from the Town's practice of funding capital acquisitions with current year raised revenues. The most notable event that limited this increase resulted from GASB 75. While the adoption of the Gretzen model for projecting healthcare costs had a positive effect on OPEB expense, the following assumption changes contributed to the significant increase of the OPEB expense:

- Decrease in the discount rate from 7.0% to 6.5%
- Implementation of ASOP 6 revising the methodology of calculating expected claims

The following graph presents the users of resources of the governmental activities. The total cost of all governmental programs and services increased by \$22.8 million over the previous year or by 10.9%.



As presented in the following graph, most of the Town's revenue comes from property taxes. Total revenues (excluding transfers) increased by \$15.1 million over the prior year or 6.9%.



Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$3,048,969. The increase in net position is a result of strong budgetary performance in business-type activities and the Town's continued practice of financing some capital improvements with revenues.

Financial Analysis of Funds

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

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$82,294,948 a change of \$9,976,344 in comparison to the prior year. Key elements of this change include favorable results in the general fund, raising of the CPA fund revenues to be spent in future years, and the timing of issuance of long-term debt to finance multi-year projects.

General Fund

The general fund is the chief operating fund. The unassigned fund balance at June 30, 2021 was \$28,063,054 (which includes our general stabilization fund of \$4,492,393) decreased by \$(768,712). The decrease primarily results from favorable budgetary results of \$10,038,837 from revenues and transfers in excess of budget and unspent appropriations (page 75), less the use of free cash for fiscal year 2022 of \$10,688,723 (page 57). As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>
Unassigned fund balance:	\$ 28,063,054	\$ 28,831,766	\$ 24,011,463
General Fund*	23,570,661	24,466,756	19,823,947
Stabilization Fund**	4,492,393	4,365,010	4,187,516
Total fund balance*	52,376,805	48,669,479	47,715,208

*General fund balances for 6/30/19 are restated to include the Solid Waste Fund.

**General stabilization fund balance was reclassified to unassigned from committed for 6/30/19.

	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>
Unassigned fund balance as of % of total general fund expenditures	15.4%	17.4%	15.5%
Total fund balance as of % total general fund expenditures	28.8%	29.3%	30.8%

Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth to the Massachusetts Teachers Retirement System.

The total fund balance of the general fund changed by \$3,726,605 during the current fiscal year. Key factors in this change are as follows:

Use of free cash, overlay surplus and bond premium used for FY2021 appropriations	\$ (10,302,650)
Revenues and transfers in excess of budget	4,261,216
Expenditures less than budget	6,176,021
Encumbrances and articles carried into fiscal year 2022	3,628,612
Other	(36,594)
Total	\$ <u>3,726,605</u>

Included in the total general fund balance are the Town's committed accounts with the following balances:

	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>
Compensated absences	\$ 337,791	\$ 336,952	\$ 839
Continuing appropriations	3,483,861	1,601,174	1,882,687
Capital improvement stabilization	1,097,070	1,095,016	2,054
Capital facility stabilization	1,921,686	1,918,088	3,598
Athletic facility stabilization	270,204	269,698	506
Debt service stabilization	<u>2,154,083</u>	<u>2,150,051</u>	<u>4,032</u>
Total	\$ <u>9,264,695</u>	\$ <u>7,370,979</u>	\$ <u>1,893,716</u>

Other Major Funds

Community Preservation Fund – State legislation allows property taxes and state matching funds to finance projects such as preservation of historical buildings. No significant expenditures occurred in fiscal year 2021.

Public Safety Building – At the October 2018 Special Town Meeting, Article 10 was passed appropriating funds for the renovations of the Public Safety Building and Fire Station #2. In fiscal year 2021, \$20,577,691 was expended for renovation costs.

Nonmajor Governmental Funds – The nonmajor governmental fund balances changed by \$2,702,697, primarily from timing differences between capital costs and funding sources.

Proprietary Funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail. The Town maintains major funds for sewer and water enterprise fund operations.

Unrestricted net position by enterprise fund at the end of the year in comparison to the prior year is shown below:

	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>
Sewer	\$ 5,777,174	\$ 5,251,659	\$ 525,515
Water	<u>8,316,387</u>	<u>5,795,177</u>	<u>2,521,210</u>
Total	<u>\$ 14,093,561</u>	<u>\$ 11,046,836</u>	<u>\$ 3,046,725</u>

Unrestricted net position of each fund increased from positive budgetary results.

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

General Fund Budgetary Highlights

Most all budgeted appropriations occur at the Annual Town Meeting which is held prior to the start of a fiscal year. Subsequent appropriations and line-item amendments are made at a special town meeting usually held in the fall. Often the subsequent actions are known or expected at the time of the Annual Town Meeting but are not presented or acted upon at that time because additional information or other requisite action is needed. Usually in May, prior to the June 30 fiscal year end, Town Meeting acts on other requests for budget line transfers and reallocation of operating resources to capital, other financial warrant articles, and formal reserves. The operating budget was approved at \$190,247,810 and inclusive of non-appropriated items, state and county charges, and other amounts to be provided totaled \$191,745,733. There were no overall appropriation amendments to the operating budget for the year.

General Fund		
	Original	Final
Town Meeting Operating Budget Appropriation	\$190,247,810	\$190,247,810
State and County Assessments	\$1,485,423	\$1,485,423
Other Amounts to be Provided	<u>\$12,500</u>	<u>\$12,500</u>
Total	\$191,745,733	\$191,745,733

During fiscal year 2021, the Town realized revenue in excess of budget of \$3.9 million and realized budget returns of \$6.2 million. General fund revenue in excess of budget was comparable to the fiscal year 2020 results. The \$6.2 million budget return was lower than the fiscal year 2020 return of approximately \$7.6 million. The revenue surplus was attributable to adjustments made to the revenue estimates in recognition that COVID-19 restrictions and business closures would likely result in lower receipts in several key categories. Many local receipt categories for the year were lower than the prior year. The budget returns, although less than the prior year, were higher than some prior years because some larger than usual budget return was reflective of the steps the Town took to reduce spending in anticipation of declining revenue because of COVID-19. The Town suspended or deferred some contracted work, implemented restrictions on personnel

utilization, and a slow down on hiring for vacant positions all contributed to the higher turnback. The turn back for fiscal year 2020 was 4.3% of budget which compares to a return of 3.0% for fiscal year 2019.

	Actual FY2021	Actual FY2020	Change \$	Actual FY2019
Motor Vehicle Excise	\$5,129,306	\$5,679,213	(\$549,907)	\$6,138,951
Other Taxes and PILOT	\$782,685	\$1,777,874	(\$995,189)	\$2,011,190
Penalties and Interest	\$499,343	\$272,719	\$226,624	\$397,594
Licenses & Permits Income Actual	<u>\$2,068,299</u>	<u>\$2,381,660</u>	<u>(\$313,361)</u>	<u>\$2,590,858</u>
Total	\$8,479,632	\$10,111,466	(\$1,631,834)	\$11,138,593

Motor vehicle excise tax revenue was down 9.7% from prior year's actual receipts (\$5,129,306 for FY2021 vs \$5,679,213 for FY2020) and was lower than the actual receipts for FY2019 (\$6,138,951) and for FY2018 (\$5,910,555). The margin between budgeted and actual revenue was at the lowest spread in many years. The actual receipts for FY2021 were \$0.13 million over budget, which compares to \$0.48 million for FY2020. The FY2019 spread was \$1.24 million and \$1.16 million for FY2018.

Revenue generated from other taxes, penalties, and payments in lieu of tax (PILOT) was approximately \$0.54 million over the budget for fiscal year 2021 which compares to \$0.34 million over the budget for fiscal year 2020. The revenue amount that came in above budget for fiscal year 2019 was \$0.77 million. The higher surplus over budget for FY2021 was not due to more income, but rather a much lower target as local receipt estimates were adjusted downward because of the retraction in the economy because of COVID-19. Comparing the actual revenue from those sources for fiscal year 2021 to fiscal year 2020 shows an overall decline in receipts of \$768,565 (\$1,282,028 for FY2021 compared to \$2,050,593 for FY2020). The total was less than FY2019 as well with total receipts of \$2,408,784.

Revenue from licenses and permits declined approximately 13.2%. The total permit income for fiscal year 2020 was \$2,068,299 compared to \$2,381,660 for fiscal year 2020 and \$2,590,858 for fiscal year 2019.

Overall total actual general fund revenue for fiscal year 2021 (\$189,851,379) was \$10,395,622 more than the total for fiscal year 2020 (\$179,455,757). The increase was due to the growth in property taxes with \$11.31 million more in fiscal year 2021. The increase resulted from the high New Growth tax revenue, and a higher amount of excluded debt which was added to the tax levy, for projects previously approved by the voters of Needham. The total general fund revenue surplus for fiscal year 2021 was \$3,862,816 which was slightly less (\$30,089) than the \$3,892,905 surplus for fiscal year 2020. The combination of motor vehicle excise revenue permit and license revenue, and other local tax receipts contributed approximately 24.3% of the total General Fund surplus for fiscal year 2021, down from the 32.6% that these sources comprised in fiscal year 2020, and the 39.2% in fiscal year 2019.

	Actual FY2021	Budget FY2021	Variance FY2021	Percentage of Total
Motor Vehicle Excise	\$5,129,306	\$5,000,000	\$129,306	3.35%
Other Taxes, Penalties, and PILOT	\$1,282,028	\$740,000	\$542,028	14.03%
Licenses & Permits	\$2,068,299	\$1,800,000	\$268,299	6.95%
All Other Revenues	<u>\$181,371,747</u>	<u>\$178,448,563</u>	<u>\$2,923,184</u>	<u>75.67%</u>
Total	\$189,851,379	\$185,988,563	\$3,862,816	100.00%

The general fund appropriated operating budget, excluding county and state assessments and other amounts to be provided, accounting for most of the expenditures, returned \$6,199,880 or approximately 3.3% of the operating budget appropriation; the return for fiscal year 2020 was \$7,634,782 or approximately 4.3% of the appropriation for that year. The budgetary reserve fund (reserve fund) returned \$1,685,981 which represents 27.2% of the total general fund operating budget return for the fiscal year 2021 and was the highest dollar amount returned. The reserve fund budget amount returned was less than fiscal year 2020 reserve fund budget return (\$1,851,500), which was 24.3% of the total return in that year. The \$1,685,981 return of the reserve fund budget represents approximately 81% of the original voted reserve fund budget of \$2,077,091. There were three draws on the reserve fund during fiscal year 2021. The first was \$12,614 to contribute to the COVID-19 expenses that the Minutemen Regional School incurred. The second transfer request that was approved was \$2,389 for property and casualty insurance expenses that came in over budget for the fiscal year. The third was the transfer to cover snow and ice removal expenses above the base budget. The base budget for snow and ice removal was \$424,604 which required a \$376,107 transfer from the budgetary reserve fund to cover the total expense of \$800,711. The Town usually incurs expenses for snow and ice removal that exceed the annual budgeted amount, and the overage is covered by a transfer from the reserve fund. The snow and ice removal expense for fiscal year 2020 was \$405,172, and the expense for fiscal year 2019 was \$724,024. It was a mild winter season during FY2020 and was the first year since fiscal year 2012 that the total expense was less than budgeted and did not require a reserve fund transfer, hence why the FY2020 budget return was greater than the FY2021 budget return amount.

The second highest dollar turnback was from the Needham Public Schools in the amount of \$1,084,860, which compares to the \$455,091 return for fiscal year 2020. The appropriated school budget for fiscal year 2021 was \$80,735,089. The budget return represents just 1.3% of the budget, but accounts for 17.5% of the total general fund budget return. The School Department received several grants from the State to alleviate COVID-19 related expenses being incurred by the district as it had to conduct remote learning for many of the students during the entire school year. Those funds, in addition to some lower operating expenses because school transportation and school food services were not utilized as much because many students stayed at home, and hence did not need those services.

The Police Department had the third highest budget turnback returning \$790,732 or 10.2% of its budget which compares to \$471,630 or 6.6% of its fiscal year 2020 budget. Approximately 88% of the turn back (\$699,514) was from salary and wages. The department has been experiencing

an ongoing higher vacancy rate as positions have been turning over more often during the last few years, and a backlog in the hiring process, which was only more difficult to navigate with COVID-19 restrictions, has made it difficult to keep all the positions filled for the entire year. The operating expense line returned \$70,091 of which most was attributed to lower fuel expenses during the fiscal year as energy prices, especially gasoline, were much lower due to the slowdown in the economy and less travel in general by the public which lowered the demand for fuel. The balance (\$21,127) was from capital line. The cost for replacement vehicles was less than the estimates provided a year earlier. The department budget turnback represented approximately 12.8% of the total General Fund budget return.

The Needham Electric, Light & Gas Program expense line turnback was \$391,816 or 10% of the fiscal year 2021 budget. This compares to the \$659,653 (17.6%) turnback from the fiscal year 2020 budget. Energy use in the public buildings was higher, which was in part due to measures taken by the Building Maintenance division to increase the flow of air through the buildings, especially the school buildings, to reduce the presence of the COVID-19 virus. However, the Town realized significant energy use reduction with the streetlights because of the changeover to LED lighting the Town had initiated. This resulted in electric cost savings which represents approximately 25% of the total return. Overall, the \$391,816 budget return represents 6.3% of the total general fund budget return and was the fourth highest dollar return.

The fifth highest budget dollar return came from the library, with a return of \$214,143 or 10.6% of the fiscal year 2021 budget. The salary and wage expense line returned \$208,934 or approximately 98% of the total return. The high return was due to restrictions on use of the library that were in place for the fiscal year. Patrons were able to reserve and pickup books and materials from the library at the curb but could not enter the facility. The hours of operations were also reduced for the year. Consequently, the need for part-time and temporary employees was less so the wage expense was lower for the year.

The other 17 departmental budgets returned in total \$1,107,277 or 2.9% of their combined amended budgets for the year. The Town-wide expense budgets (excluding the budgetary reserve fund and electric, light & gas program) returned a combined \$925,072 or approximately 1.7% of their related total amended budgets, which compares to the same budgets last year returning \$1,697,307 or approximately 3.3% of their related total amended budgets.

Capital Asset and Debt Administration

Capital Assets

Total capital assets for governmental and business-type activities at year-end amounted to \$433,407,115 (net of accumulated depreciation), a change of \$10,049,487 from the prior year. This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings, vehicles, infrastructure, works of art and construction in progress.

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

Governmental Activities:

Public safety building	\$ 20,201,461
Sunita L. Williams elementary school	\$ 394,501
Ambulance	\$ 335,545
Pollard school gym updates	\$ 252,152
Street sweeper	\$ 247,295
RTS improvements	\$ 221,985

Business-Type Activities:

Sewer vehicles	\$ 428,199
Water distribution system improvements	\$ 186,267

Debt

At the end of the current fiscal year, total long-term bonds and loans outstanding, including unamortized bond premium, were \$150,310,592. The bonds are backed by the full faith and credit of the government. The Town's general obligation bond rating continues to carry the highest rating possible, AAA, a rating that has been assigned by Standards & Poor's to the Town debt since 2000.

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

Economic Factors and Next Year's Budgets And Rates

COVID-19 negatively impacted fiscal year 2021 revenues, but the combination of proactive steps taken by the Town to reduce expenses, lowering local receipt estimates, and securing Federal and State funds to help defray many of the costs incurred due to the COVID-19 response and for the temporary changes in the method of delivering certain services resulted in a better financial picture than would have otherwise been possible. We do anticipate lingering economic effects from the COVID-19 restrictions that may still be in place through fiscal year 2022. We anticipate that the local economy will improve, as people return to work, businesses operating full-time, and students back in school, be that in person, remote or a combination thereof, and folks seemingly more comfortable being in public and in crowds, a degree of normalcy has returned. Hospitality related revenues will grow. The next few fiscal years will be influenced as COVID-19 transitions from a pandemic to an endemic. However, the cost of providing basic services will increase, as difficulties with the supply chains continue, pressures on wages grow, fear of higher inflation take hold, and turnover in staff in all sectors mount, resulting in new challenges for the foreseeable future.

The total General Fund balance for fiscal year 2021 was higher than fiscal year 2020. Fund balance was \$52.4 million for fiscal year 2021 compared to \$48.7 million for fiscal year 2020,

approximately a 7.6% change. The unassigned portion of the General Fund decreased from the prior fiscal year with a balance of \$28.1 million for fiscal year 2021 compared to \$28.8 million for fiscal year 2020. As noted previously, the unassigned portion is now inclusive of the general stabilization fund (\$4,492,393). The State certified \$16,665,406 available as Free Cash for fiscal year 2021 of which the Town appropriated \$11,526,630 of that amount. Free Cash is essentially the portion of the unassigned General Fund balance that the Massachusetts Department of Revenue will allow the Town to appropriate. The Free Cash certified for prior year was \$12,369,898.

The Town allocated \$6,246,653 of the Free Cash for capital equipment and projects for fiscal year 2022. The Free Cash appropriated for capital included \$2,639,000 for public roads and related infrastructure improvements, \$480,000 for the site improvements at the Town's Recycling and Transfer Station property, \$213,100 for improvements to the Broadmeadow School technology room, \$125,000 for preliminary work to improve the water quality at Walker Pond, and \$16,000 to fund designs to improve the heating system at the former Hillside School building. A total of \$454,000 of Free Cash was appropriated to fund a portion of three projects that were primarily funded by CPA funds, redesign of the Town Common, designs for the renovation of McCloud Field, and sediment removal from the abandoned Town reservoir water body. Free Cash was also used to fund capital equipment which included \$1,135,084 in core fleet and special equipment, \$565,914 in cash capital equipment, furnishings and technology for the Needham Public Schools, \$316,055 for fire personnel self-contained breathing apparatus and personal protective wear gear, police mobile devices, and the purchase of monitor/defibrillators. \$60,000 was appropriated for an assessment of the auditorium theatrical sound & lighting systems at some of the school buildings. \$56,000 will be used for the purchase and installation of an electronic permanent message board, and \$86,500 was directed to other general fund cash capital investments in equipment and technology for Town departments. The balance of the Free Cash for capital of \$100,000 was appropriated for energy efficiency upgrades and improvements in the various municipal and school buildings.

The Town also allocated \$3,527,570 of Free Cash to the fiscal year 2022 operating budget. The Town's use of Free Cash for funding the subsequent fiscal year operating budget (FY2022) was in line with management's guidance of not more than two percent of the previous year's (FY2020) final budget (excluding the budgetary reserve fund) or the actual turn back, whichever is less. Two percent of the fiscal year 2020 operating budget excluding the budgetary reserve fund was 3,527,570; the related budgetary return was \$5,783,282. The amount of Free Cash appropriated for budget purposes was \$3,527,570.

The Town appropriated \$1,000,000 of Free Cash for its ongoing public facilities maintenance program and \$150,000 for Fleet refurbishment so that the Town can extend the life of vehicles and specialty equipment that otherwise would need to be replaced. The Town appropriated Free Cash to fund various studies and outside consultants which includes \$75,000 for services for the Town's network & internet control systems, \$60,000 for the Planning and Community Development Department, \$50,000 for professional consulting services for the Town's Public Health department for health-related studies, and \$30,000 to cover the technical and

professional services costs to decommission the Rosemary Dam. The Town also appropriated \$50,000 to fund a grant program for low-cost repair projects that would allow citizens to continue living in their homes. Town Meeting also approved payment of an unpaid bill from a prior fiscal year which \$407 of Free Cash was used.

Free Cash was also used to fund the Town's workers' compensation reserve pool in the amount of \$337,000. The \$5,138,775 balance in Free Cash was closed out at year end to fund balance. Management continues to recommend that the Free Cash certified be directed to cash capital investment, formal reserves, and other non-recurring expenses and that a limited amount be used for ongoing operating budget expenses. The Select Board endorsed this best practice.

The Town has approved funding for the construction of a new Fire Station #2, a new central Fire Station, and a new Police station. The estimated cost of the public safety projects was \$70 million. However, unexpected soil contamination was found at the Station #2 location, and challenges to continue construction of the facilities resulted from COVID-19. The Town appropriated an additional \$1.4 million debt authorization to complete the three projects. Although the initial appropriation was exempted from the limits imposed under Proposition 2-1/2 by a vote of the citizens at the November 2018 State election, the additional appropriation is funded within the levy limit. The central Fire Station opened in November 2020, and Station #2 and Police Station will open in 2022. The Town will be issuing two more bond issues related to the projects, as well as several Notes. Notes will likely be paid off at maturity and not rolled into a bond issue. The total project is expected to be closed and final financing settled in fiscal year 2023.

The Town approved a borrowing authorization of \$1,475,000 to fund designs for the renovation and upgrade of the historic Emery Grover Building which house the Needham Public School administrative offices. The total project cost is estimated at approximately \$20 million, and the construction phase funding is planned to be presented at the 2022 Annual Town Meeting. Funding for the project is anticipated to a combination of cash and debt financing repaid by the General Fund within the tax levy and Community Preservation Act funds.

The Town is in the early stages of weighing options on how and when to address its middle school space needs and the replacement of the Mitchell Elementary School – the last of the existing elementary schools to be replaced or substantially overhauled.

The Town's water and sewer operations remained solid and the identified capital infrastructure improvements over the next several years are fundable within the current annual revenue stream and financing plan, which includes the use of ARPA funds. Commercial use of water and sewer remains low compared to five years ago, and the residential use that increased during COVID-19 as more people were working from home and staying local, has not yet abated. The Town had planned a multi-year phase in of rate changes to mitigate the revenue loss from the closure of the Coca Cola bottling production in Needham, and did make minor changes for FY2020, but chose not to change the rates for fiscal year 2021 due to COVID-19 and will not change the rates for fiscal year 2022. There will be a need to update the user rates before the end of fiscal year

2023. The Town was looking whether to establish a stormwater fee to raise funds to pay some of the known stormwater infrastructure improvements that are forthcoming. There was a public hearing scheduled for March 2020, but COVID-19 delayed the hearing. The Town will likely take up the issue again for fiscal 2023.

The outlook for the fiscal year 2022 year-end results is positive, and with the additional funds being made available by the federal government to lessen the impact that COVID-19 had on the nation's economy, fiscal year 2023 revenue will be higher than the last couple of years. We anticipate the local building construction activity will remain strong and in high demand for the next 12 to 24 months based on permitted projects. As mentioned earlier there has been upward cost pressure on personnel and contracted services because of the competitive and changing labor market, and new inflationary concerns. The Town maintains an adequate reserve for property tax abatements and exemptions for the fiscal year as well as for uncollected taxes from prior fiscal year years. However, management will continue its prudent approach with its budget estimates to help buffer a decline in the major local revenue sources should the COVID-19 recovery become stalled.

Requests for Information

This financial report is designed to provide a general overview of the Town of Needham'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:

Assistant Town Manager/
Director of Finance
Town of Needham, Massachusetts
Town Hall
1471 Highland Avenue
Needham, Massachusetts 02492

TOWN OF NEEDHAM, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Current:			
Cash and short-term investments	\$ 81,723,668	\$ 13,469,067	\$ 95,192,735
Investments	18,466,414	-	18,466,414
Receivables, net:			
Property taxes	1,989,837	-	1,989,837
Excises	338,661	-	338,661
Utilities	-	4,886,011	4,886,011
Departmental	1,493,351	-	1,493,351
Intergovernmental	1,000,535	-	1,000,535
Other	<u>74,898</u>	<u>-</u>	<u>74,898</u>
Total current assets	105,087,364	18,355,078	123,442,442
Noncurrent:			
Receivables, net:			
Property taxes	1,521,676	-	1,521,676
Intergovernmental	695,148	-	695,148
Capital assets:			
Non-depreciable capital assets	104,590,989	4,120,766	108,711,755
Depreciable assets, net of accumulated depreciation	<u>270,962,737</u>	<u>53,732,623</u>	<u>324,695,360</u>
Total noncurrent assets	<u>377,770,550</u>	<u>57,853,389</u>	<u>435,623,939</u>
TOTAL ASSETS	482,857,914	76,208,467	559,066,381
Deferred Outflows of Resources			
Related to pensions	14,023,195	542,334	14,565,529
Related to OPEB	<u>17,598,414</u>	<u>222,006</u>	<u>17,820,420</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>31,621,609</u>	<u>764,340</u>	<u>32,385,949</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u><u>514,479,523</u></u>	\$ <u><u>76,972,807</u></u>	\$ <u><u>591,452,330</u></u>

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TOWN OF NEEDHAM, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities:			
Current:			
Warrants and accounts payable	\$ 6,810,729	\$ 163,415	\$ 6,974,144
Accrued liabilities	7,961,768	74,511	8,036,279
Unearned revenue	3,013,306	-	3,013,306
Refunds payable	553,199	156,867	710,066
Other liabilities	1,510,452	-	1,510,452
Current portion of long-term liabilities:			
Bonds payable	14,558,606	1,112,985	15,671,591
Compensated absences	1,741,621	307,239	2,048,860
Landfill liability	56,415	-	56,415
Total current liabilities	36,206,096	1,815,017	38,021,113
Noncurrent:			
Bonds payable, net of current portion	126,425,252	8,213,749	134,639,001
Net pension liability	70,950,538	2,743,944	73,694,482
Net OPEB liability	68,160,178	859,847	69,020,025
Compensated absences, net of current portion	5,224,864	-	5,224,864
Landfill liability, net of current portion	394,908	-	394,908
Total non-current liabilities	271,155,740	11,817,540	282,973,280
TOTAL LIABILITIES	307,361,836	13,632,557	320,994,393
Deferred Inflows of Resources			
Related to pensions	13,040,164	504,316	13,544,480
Related to OPEB	17,099,866	215,718	17,315,584
Taxes paid in advance	270,472	-	270,472
TOTAL DEFERRED INFLOWS OF RESOURCES	30,410,502	720,034	31,130,536
Net Position:			
Net investment in capital assets	238,173,186	48,526,655	286,699,841
Restricted for:			
Permanent funds:			
Nonexpendable	188,478	-	188,478
Expendable	3,244,678	-	3,244,678
Grants and by enabling legislation	16,135,012	-	16,135,012
Unrestricted	(81,034,169)	14,093,561	(66,940,608)
TOTAL NET POSITION	176,707,185	62,620,216	239,327,401
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 514,479,523	\$ 76,972,807	\$ 591,452,330

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

TOWN OF NEEDHAM, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	<u>Expenses</u>				
Governmental Activities:					
General government	\$ 11,978,037	\$ 741,761	\$ 1,469,767	\$ -	\$ (9,766,509)
Public safety	26,327,302	4,870,288	908,940	-	(20,548,074)
Education	148,580,068	2,278,547	44,506,433	731,439	(101,063,649)
Public works	30,334,530	3,223,430	-	181,092	(26,930,008)
Building design and construction	658,607	1,087	-	-	(657,520)
Health and human services	3,703,344	130,233	303,017	-	(3,270,094)
Culture and recreation	4,338,489	479,821	136,669	-	(3,721,999)
Interest on debt service	3,574,341	-	-	-	(3,574,341)
Intergovernmental	1,521,825	-	-	-	(1,521,825)
Other unallocated costs	<u>1,121,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,121,924)</u>
Total Governmental Activities	232,138,467	11,725,167	47,324,826	912,531	(172,175,943)
Business-Type Activities:					
Sewer services	8,519,301	9,398,107	496	-	879,302
Water services	<u>4,370,159</u>	<u>7,500,774</u>	<u>-</u>	<u>-</u>	<u>3,130,615</u>
Total Business-Type Activities	<u>12,889,460</u>	<u>16,898,881</u>	<u>496</u>	<u>-</u>	<u>4,009,917</u>
Total	\$ <u>245,027,927</u>	\$ <u>28,624,048</u>	\$ <u>47,325,322</u>	\$ <u>912,531</u>	(168,166,026)

(continued)

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TOWN OF NEEDHAM, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Change in Net Position:			
Net (Expenses) revenue from previous page	(172,175,943)	4,009,917	(168,166,026)
General Revenues and Transfers:			
Property taxes	164,611,360	-	164,611,360
Excise taxes	4,924,631	-	4,924,631
Penalties, interest, and other taxes	1,278,100	-	1,278,100
Grants and contributions not restricted to specific programs	2,610,062	-	2,610,062
Investment income	1,160,702	22,634	1,183,336
Miscellaneous	<u>671,397</u>	<u>-</u>	<u>671,397</u>
Total general revenues	<u>175,256,252</u>	<u>22,634</u>	<u>175,278,886</u>
Excess before transfers	3,080,309	4,032,551	7,112,860
Transfers, net	<u>983,582</u>	<u>(983,582)</u>	<u>-</u>
Change in Net Position	4,063,891	3,048,969	7,112,860
Net Position:			
Beginning of year, as restated	<u>172,643,294</u>	<u>59,571,247</u>	<u>232,214,541</u>
End of year	<u>\$ 176,707,185</u>	<u>\$ 62,620,216</u>	<u>\$ 239,327,401</u>

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

TOWN OF NEEDHAM, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2021

	<u>General</u>	<u>Community Preservation</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
ASSETS					
Cash and short-term investments	\$ 53,791,959	\$ 744,695	\$ 7,272,793	\$ 18,401,729	\$ 80,211,176
Investments	6,901,850	8,455,354	-	3,109,211	18,466,415
Receivables:					
Property taxes	4,264,234	19,279	-	-	4,283,513
Excises	605,661	-	-	-	605,661
Departmental	1,275,414	-	-	372,937	1,648,351
Intergovernmental	1,390,296	-	-	305,387	1,695,683
Other	74,899	-	-	-	74,899
TOTAL ASSETS	\$ 68,304,313	\$ 9,219,328	\$ 7,272,793	\$ 22,189,264	\$ 106,985,698
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Warrants and accounts payable	\$ 1,911,699	\$ 8,349	\$ 3,778,054	\$ 1,112,625	\$ 6,810,727
Unearned revenue	-	-	-	3,013,307	3,013,307
Accrued liabilities	4,927,660	77	-	142,079	5,069,816
Refunds payable	543,666	-	-	-	543,666
Other liabilities	1,170,159	-	-	349,826	1,519,985
TOTAL LIABILITIES	8,553,184	8,426	3,778,054	4,617,837	16,957,501
Deferred Inflows of Resources:					
Unavailable revenues	7,103,852	19,279	-	339,646	7,462,777
Taxes paid in advance	270,472	-	-	-	270,472
TOTAL DEFERRED INFLOWS OF RESOURCES	7,374,324	19,279	-	339,646	7,733,249
Fund Balances:					
Nonspendable	-	-	-	188,478	188,478
Restricted	733,044	9,191,623	3,494,739	10,003,111	23,422,517
Committed	9,264,695	-	-	7,947,152	17,211,847
Assigned	14,316,012	-	-	-	14,316,012
Unassigned	28,063,054	-	-	(906,960)	27,156,094
TOTAL FUND BALANCES	52,376,805	9,191,623	3,494,739	17,231,781	82,294,948
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 68,304,313	\$ 9,219,328	\$ 7,272,793	\$ 22,189,264	\$ 106,985,698

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

TOWN OF NEEDHAM, MASSACHUSETTS

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

JUNE 30, 2021

Total governmental fund balances	\$ 82,294,948
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	375,553,726
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	6,268,777
Internal service funds are used by management to account for workers' compensation and property and casualty self-insurance. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	580,042
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(1,959,505)
Long-term liabilities, net of related deferred outflows and inflows of resources, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Net pension liability, net of related deferred outflows and inflows	(70,950,538)
Pension related deferred outflows of resources	14,023,195
Pension related deferred inflows of resources	(13,040,164)
Net OPEB liability	(68,160,178)
OPEB related deferred outflows of resources	17,598,414
OPEB related deferred inflows of resources	(17,099,866)
Bonds and loans payable, net unamortized premiums	(140,983,858)
Compensated absences payable	(6,966,485)
Estimated liability for landfill postclosure care costs	<u>(451,323)</u>
Net position of governmental activities	<u>\$ 176,707,185</u>

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

TOWN OF NEEDHAM, MASSACHUSETTS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Community Preservation</u>	<u>Public Safety Building</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Revenues:					
Property taxes	\$ 161,661,687	\$ 2,827,425	\$ -	\$ -	\$ 164,489,112
Excise taxes	5,129,306	-	-	-	5,129,306
Penalties, interest, and other taxes	1,282,028	6,203	-	-	1,288,231
Charges for services	4,080,388	-	-	4,227,594	8,307,982
Departmental	1,141,220	-	-	-	1,141,220
Licenses and permits	2,068,299	-	-	-	2,068,299
Intergovernmental	24,623,021	754,080	-	11,461,566	36,838,667
Investment income	366,542	111,711	-	682,449	1,160,702
Fines and forfeitures	60,974	-	-	-	60,974
Contributions	-	-	-	794,229	794,229
Other	596,281	-	-	44,321	640,602
Total Revenues	201,009,746	3,699,419	-	17,210,159	221,919,324
Expenditures:					
Current:					
General government	7,716,310	395,952	-	1,615,881	9,728,143
Public safety	21,652,212	-	-	2,447,010	24,099,222
Education	110,087,932	-	-	10,196,625	120,284,557
Public works	25,345,822	-	-	62,409	25,408,231
Building design and construction	576,958	-	-	-	576,958
Health and human services	2,919,012	-	-	291,031	3,210,043
Culture and recreation	3,198,287	3,000	-	470,730	3,672,017
Employee benefits	1,062,733	-	-	-	1,062,733
Other	667,584	-	-	-	667,584
Capital outlay	-	-	20,577,691	5,117,998	25,695,689
Debt service:					
Principal	13,374,000	-	-	-	13,374,000
Interest and fiscal charges	4,625,560	-	-	-	4,625,560
Intergovernmental	1,521,825	-	-	-	1,521,825
Total Expenditures	192,748,235	398,952	20,577,691	20,201,684	233,926,562
Excess (deficiency) of revenues over expenditures	8,261,511	3,300,467	(20,577,691)	(2,991,525)	(12,007,238)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	19,160,000	247,000	19,407,000
Issuance of refunding bonds	-	-	-	4,668,000	4,668,000
Premium on bonds	-	-	1,583,000	10,000	1,593,000
Premium on refunding bonds	-	-	-	687,000	687,000
Deposit to refunding escrow	-	-	-	(5,355,000)	(5,355,000)
Transfers in	3,074,432	-	1,600,000	5,464,633	10,139,065
Transfers out	(7,609,338)	(1,518,734)	-	(27,411)	(9,155,483)
Total Other Financing Sources (Uses)	(4,534,906)	(1,518,734)	22,343,000	5,694,222	21,983,582
Net change in fund balances	3,726,605	1,781,733	1,765,309	2,702,697	9,976,344
Fund Balances, at beginning of year, as reclassified	48,650,200	7,409,890	1,729,430	14,529,084	72,318,604
Fund Balances, at end of year	\$ 52,376,805	\$ 9,191,623	\$ 3,494,739	\$ 17,231,781	\$ 82,294,948

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

TOWN OF NEEDHAM, MASSACHUSETTS

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

FOR THE YEAR ENDED JUNE 30, 2021

Net Changes in Fund Balances - Total Governmental Funds	\$ 9,976,344
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:	
Capital outlay purchases, net of loss on disposal	25,017,143
Depreciation	(13,582,384)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue and allowance for doubtful accounts.	(692,728)
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, however, has any affect on the changes in net position:	
Bond premium	(2,280,000)
Bond premium amortization	790,606
Issuance of debt	(19,407,000)
Refunded debt	(4,668,000)
Deposit to refunding escrow	5,355,000
Repayments of debt	13,374,000
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	260,614
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.	
Change in net pension liability and related deferred outflows and inflows of resources	(1,799,947)
Change in net OPEB liability and related deferred outflows and inflows of resources	(8,629,862)
Change in compensated absences	(314,702)
Change in landfill liability	56,415
Internal service funds are used by management to account for self-insurance activities. The net activity of internal service funds is reported with Governmental Activities.	608,392
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 4,063,891

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

TOWN OF NEEDHAM, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Current:				
Cash and short-term investments	\$ 5,124,668	\$ 8,344,399	\$ 13,469,067	\$ 1,512,491
User fees receivable	<u>2,742,302</u>	<u>2,143,709</u>	<u>4,886,011</u>	<u>-</u>
Total current assets	7,866,970	10,488,108	18,355,078	1,512,491
Noncurrent:				
Land and construction in progress	2,569,426	1,551,340	4,120,766	-
Other capital assets, net of accumulated depreciation	<u>22,963,734</u>	<u>30,768,889</u>	<u>53,732,623</u>	<u>-</u>
Total noncurrent assets	<u>25,533,160</u>	<u>32,320,229</u>	<u>57,853,389</u>	<u>-</u>
TOTAL ASSETS	33,400,130	42,808,337	76,208,467	1,512,491
Deferred Outflows of Resources:				
Related to pensions	213,060	329,274	542,334	-
Related to OPEB	<u>160,920</u>	<u>61,086</u>	<u>222,006</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>373,980</u>	<u>390,360</u>	<u>764,340</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 33,774,110</u></u>	<u><u>\$ 43,198,697</u></u>	<u><u>\$ 76,972,807</u></u>	<u><u>\$ 1,512,491</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND, NET POSITION				
Liabilities:				
Current:				
Accounts payable	\$ 79,045	\$ 84,370	\$ 163,415	\$ -
Accrued liabilities	32,056	42,455	74,511	932,449
Refunds payable	135,095	21,772	156,867	-
Compensated absences	161,863	145,376	307,239	-
Current portion of long-term liabilities:				
Bonds payable	<u>509,816</u>	<u>603,169</u>	<u>1,112,985</u>	<u>-</u>
Total current liabilities	917,875	897,142	1,815,017	932,449
Noncurrent:				
Bonds payable, net of current portion	4,036,372	4,177,377	8,213,749	-
Net pension liability	1,077,978	1,665,966	2,743,944	-
Net OPEB liability	<u>623,254</u>	<u>236,593</u>	<u>859,847</u>	<u>-</u>
Total noncurrent liabilities	<u>5,737,604</u>	<u>6,079,936</u>	<u>11,817,540</u>	<u>-</u>
TOTAL LIABILITIES	6,655,479	6,977,078	13,632,557	932,449
Deferred Inflows of Resources:				
Related to pensions	198,124	306,192	504,316	-
Related to OPEB	<u>156,361</u>	<u>59,357</u>	<u>215,718</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>354,485</u>	<u>365,549</u>	<u>720,034</u>	<u>-</u>
Net Position:				
Net investment in capital assets	20,986,972	27,539,683	48,526,655	-
Unrestricted	<u>5,777,174</u>	<u>8,316,387</u>	<u>14,093,561</u>	<u>580,042</u>
TOTAL NET POSITION	<u>26,764,146</u>	<u>35,856,070</u>	<u>62,620,216</u>	<u>580,042</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u><u>\$ 33,774,110</u></u>	<u><u>\$ 43,198,697</u></u>	<u><u>\$ 76,972,807</u></u>	<u><u>\$ 1,512,491</u></u>

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

TOWN OF NEEDHAM, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 9,398,107	\$ 7,499,669	\$ 16,897,776	\$ -
Other	-	1,105	1,105	634,277
Total Operating Revenues	9,398,107	7,500,774	16,898,881	634,277
Operating Expenses:				
Personnel services	655,530	606,987	1,262,517	25,885
Non-personnel services	377,335	1,120,274	1,497,609	-
Depreciation	992,362	1,407,286	2,399,648	-
Intergovernmental assessments	6,399,895	1,122,902	7,522,797	-
Total Operating Expenses	8,425,122	4,257,449	12,682,571	25,885
Operating Income	972,985	3,243,325	4,216,310	608,392
Nonoperating Revenues (Expenses):				
Intergovernmental revenue	496	-	496	-
Investment income	7,289	15,345	22,634	-
Interest expense	(94,179)	(112,710)	(206,889)	-
Total Nonoperating Revenues (Expenses), Net	(86,394)	(97,365)	(183,759)	-
Income Before Contributions and Transfers	886,591	3,145,960	4,032,551	608,392
Transfers in	544,698	-	544,698	-
Transfers out	(465,865)	(1,062,415)	(1,528,280)	-
Change in Net Position	965,424	2,083,545	3,048,969	608,392
Net Position at Beginning of Year, as restated	25,798,722	33,772,525	59,571,247	(28,350)
Net Position at End of Year	\$ 26,764,146	\$ 35,856,070	\$ 62,620,216	\$ 580,042

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

TOWN OF NEEDHAM, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 9,489,360	\$ 7,434,207	\$ 16,923,567	\$ -
Employer contributions	-	-	-	634,277
Payments of utility assessments	(6,399,895)	(1,122,902)	(7,522,797)	-
Payments to vendors and contractors	(320,713)	(1,233,946)	(1,554,659)	-
Payments of employee salaries, benefits, and related expenses	(886,911)	(1,170,852)	(2,057,763)	(313,349)
Net Cash Provided By (Used For) Operating Activities	1,881,841	3,906,507	5,788,348	320,928
Cash Flows From Noncapital Financing Activities:				
Operating grants received	496	-	496	-
Transfers from other funds	544,698	-	544,698	-
Transfers to other funds	(465,865)	(1,062,415)	(1,528,280)	-
Net Cash Provided by (Used For) Noncapital Financing Activities	79,329	(1,062,415)	(983,086)	-
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(828,276)	(186,101)	(1,014,377)	-
Principal payments on bonds and loans	(543,648)	(732,380)	(1,276,028)	-
Interest expense	(94,178)	(112,710)	(206,888)	-
Net Cash (Used For) Capital and Related Financing Activities	(1,466,102)	(1,031,191)	(2,497,293)	-
Cash Flows From Investing Activities:				
Investment income	7,289	15,345	22,634	-
Net Cash Provided By Investing Activities	7,289	15,345	22,634	-
Net Change in Cash and Short-Term Investments	502,357	1,828,246	2,330,603	320,928
Cash and Short-Term Investments, Beginning of Year	4,622,311	6,516,153	11,138,464	1,191,563
Cash and Short-Term Investments, End of Year	\$ 5,124,668	\$ 8,344,399	\$ 13,469,067	\$ 1,512,491
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating income (loss)	\$ 972,985	\$ 3,243,325	\$ 4,216,310	\$ 608,392
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	992,362	1,407,286	2,399,648	-
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees	115,942	(65,658)	50,284	-
Deferred outflows - related to pensions	127,052	284,359	411,411	-
Deferred outflows - related to OPEB	53,476	53,476	106,952	-
Accounts payable	56,623	(113,671)	(57,048)	-
Accrued liabilities	6,546	16,415	22,961	(287,464)
Refunds payable	(24,690)	(910)	(25,600)	-
Compensated absences	(33,434)	(6,655)	(40,089)	-
Net pension liability	(245,962)	(380,123)	(626,085)	-
Net OPEB liability	(251,611)	(590,008)	(841,619)	-
Deferred inflows - related to pensions	67,772	13,891	81,663	-
Deferred inflows - related to OPEB	44,780	44,780	89,560	-
Net Cash Provided By (Used For) Operating Activities	\$ 1,881,841	\$ 3,906,507	\$ 5,788,348	\$ 320,928

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

TOWN OF NEEDHAM, MASSACHUSETTS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Pension Trust Fund (As of <u>December 31, 2020</u>)	Other Post- Employment Benefit <u>Trust Fund</u>	Private Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>
ASSETS				
Cash and short-term investments	\$ 2,080,090	\$ 262,002	\$ -	\$ 448,979
Investments:				
PRIT - external investment pool	201,497,803	-	-	-
SRBT - external investment pool	-	59,914,476	-	-
Other	-	-	6,627,866	-
TOTAL ASSETS	\$ <u>203,577,893</u>	\$ <u>60,176,478</u>	\$ <u>6,627,866</u>	\$ <u>448,979</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts payable	\$ 272,853	\$ -	\$ 16,500	\$ 37,421
Accrued liabilities	-	-	-	1,243
TOTAL LIABILITIES	<u>272,853</u>	<u>-</u>	<u>16,500</u>	<u>38,664</u>
Net Position:				
Total net position restricted for pension, other post employment benefits, and other purposes	<u>203,305,040</u>	<u>60,176,478</u>	<u>6,611,366</u>	<u>410,315</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u>203,577,893</u>	\$ <u>60,176,478</u>	\$ <u>6,627,866</u>	\$ <u>448,979</u>

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

TOWN OF NEEDHAM, MASSACHUSETTS

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	Pension Trust Fund (For the Year Ended December 31, 2020)	Other Post- Employment Benefit Trust Fund	Private Purpose Trust Funds	Custodial Funds
Additions:				
Contributions:				
Employers	\$ 9,513,643	\$ 8,650,376	\$ -	\$ -
Plan members	4,679,878	-	-	-
Other	<u>344,313</u>	<u>-</u>	<u>45,566</u>	<u>591,948</u>
Total contributions	14,537,834	8,650,376	45,566	591,948
Investment income:				
Earnings and change in fair value of investments	22,651,460	13,820,192	1,248,135	199
Less: management fees	<u>(878,832)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net investment income	<u>21,772,628</u>	<u>13,820,192</u>	<u>1,248,135</u>	<u>199</u>
Total additions	36,310,462	22,470,568	1,293,701	592,147
Deductions:				
Benefit payments to plan members and beneficiaries	14,517,225	5,034,735	-	-
Refunds to plan members	378,534	-	-	-
Administrative expenses	322,127	-	-	-
Other	<u>-</u>	<u>-</u>	<u>122,330</u>	<u>557,587</u>
Total deductions	<u>15,217,886</u>	<u>5,034,735</u>	<u>122,330</u>	<u>557,587</u>
Net increase	21,092,576	17,435,833	1,171,371	34,560
Net position restricted for pensions and other purposes:				
Beginning of year	<u>182,212,464</u>	<u>42,740,645</u>	<u>5,439,995</u>	<u>375,755</u>
End of year	<u>\$ 203,305,040</u>	<u>\$ 60,176,478</u>	<u>\$ 6,611,366</u>	<u>\$ 410,315</u>

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

TOWN OF NEEDHAM, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

Reporting Entity

The Town is a municipal corporation governed by an elected Select Board. As required by generally accepted accounting principles, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable.

Component unit fiduciary in nature: The Needham Contributory Retirement System (the System) which was established to provide retirement benefits primarily to employees and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. Additional financial information of the System and complete financial statements can be obtained by contacting the System located at Town of Needham, Massachusetts, Town Hall, Needham, Massachusetts 02492.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Community Preservation Fund* was adopted on November 2, 2004 by a state-wide act enabling legislation to allow Cities and Towns to choose to create a new funding source that can be used to address three core community concerns:
 - Acquisition and preservation of open space
 - Creation and support of affordable housing
 - Acquisition and preservation of historic buildings and landscapes
- The *Public Safety Building Fund* was created in accordance with Article 10 of the October 2018 Annual Town Meeting for the construction and reconstruction of the public safety building and Fire Station #2. Expenditures in the current year result mainly from the architectural and engineering costs as well as general construction costs.

The proprietary fund financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- The *Sewer Fund* is used to report the Town's sewer enterprise fund operations.
- The *Water Fund* is used to report the Town's water enterprise fund operations.

The self-insured employee workers compensation and property and casualty insurance is reported as an *Internal Service Fund* in the accompanying financial statements.

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

The Town reports the following fiduciary funds:

- The *Pension Trust Fund* accounts for the activities of the Needham Retirement System (NRS), which accumulates resources for pension benefit payments to qualified employees.
- The *Other Post-Employment Benefits Trust Fund* is used to accumulate resources for health and life insurance benefits for retired employees.
- The *Private-Purpose Trust Fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent funds, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Custodial Funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include Student Activity Funds.

Deposits and Investments

A cash and investment pool is maintained that is available for use by all funds, except those required to be segregated by law. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments." The interest earnings attributable to each fund type are included under investment income.

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

The Town's short-term investments also include their share of the Massachusetts Municipal Depository Trust (MMDT) cash portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. The fund is not Securities and Exchange Commission (SEC) registered. In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, MMDT's portfolio securities are valued at amortized cost.

Investments are presented at fair value based on quotations from national securities exchanges, except for investments in state pools that are required to be presented using net asset value (NAV). Investments measured at NAV are not subject to the fair value level classification.

The Town conforms to the municipal finance laws of the Commonwealth of Massachusetts including Massachusetts General Laws chapter 44, Sections 54 and 55, with respect to investments of trust funds and public funds on deposit, limitations, and investments.

Investments in the Needham Retirement System are held in the Pension Reserve Investment Trust Fund (PRIT). Investments in the OPEB Trust Fund are held in the Massachusetts State Retiree Benefits Trust Fund (SBRT). Both are maintained by the Massachusetts Pension Reserves Investment Management Board (PRIM).

Property Tax Limitations

Legislation known as “Proposition 2½” limits the amount of revenue that can be derived from property taxes. The prior fiscal year’s tax levy limit is used as a base and cannot increase by more than 2.5 percent (excluding new growth), unless an override or debt exemption is voted. The actual fiscal year 2021 tax levy reflected an excess capacity of \$1,757,767.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of five years. The Town has a capitalization policy with the following established thresholds for capitalization:

<u>Assets</u>	<u>Threshold</u>
Land improvements	\$ 5,000
Buildings and facilities	\$ 50,000
Building improvements	\$ 25,000
Furniture, fixtures, machinery, and equipment	\$ 5,000
Vehicles	\$ 5,000
Road work	\$ 75,000
Water and sewer systems	\$ 75,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40 - 50
Machinery, equipment, and furnishings	5 - 10
Vehicles	5
Infrastructure	20 - 40

Compensated Absences

Based on provisions contained in the Town's personnel policy or collective bargaining agreement, employees are eligible to accumulate earned but unused vacation and sick leave benefits. Vacation time accrues either annually or monthly based on years of service and is considered vested at the time it is earned. Employees are limited in their ability to carry unused vacation leave from one year to the next. Personal leave is not cumulative and is not carried forward to the next year. Sick leave is accrued either monthly or annually and accumulates without limit. Some employees whose employment terminates by retirement, disability, or death are entitled to payment upon termination at their current rate of pay for twenty-five percent of accrued sick leave. Some employees are subject to a 960-hour cap for the purposes of sick leave buy-back, and some employees are ineligible to participate in the program.

All vested personal and vacation pay is accrued when incurred in the government-wide financial statements. Twenty-five percent of vested sick leave is accrued when incurred in the government-wide financial statements, based on an estimate number of employees expected to retire. A liability for these amounts is reported in governmental funds only if the employee has met the requirements to be eligible for buy-back of sick leave upon a qualifying event.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

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

Fund Balance

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

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

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

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

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Use of Estimates

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

2. Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

Deficit Fund Equity

The Town reflects several special revenue and capital project fund deficits, primarily caused by grant expenses occurring in advance of grant reimbursements and the use of bond anticipation notes to finance construction activities or in anticipation of future use of bond anticipation notes or issuance of long-term debt authorized at Town Meetings.

The deficits in these funds will be eliminated through future intergovernmental revenues, transfers from other funds and issuance of long-term debt.

The following funds had deficits as of June 30, 2021:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
Police and fire details	\$ 491,904
Capital Project Funds	
RTS property repairs	285,374
Downtown Phase 2 Great Plain	65,390
Other Deficit Funds	64,292
Subtotal Nonmajor Governmental Funds	<u>906,960</u>
Total	<u>\$ 906,960</u>

3. Cash and Short-Term Investments

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Massachusetts General Laws (MGL) Chapter 44, Section 55, limits deposits "in a bank or trust company or banking company to an amount not exceeding sixty percent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town's custodial credit risk policy allows unlimited amounts to be deposited in certificates of deposits with a maximum maturity as set by Massachusetts General Laws (MGL) and full collateralization through a third-party agreement. The policy also allows unlimited deposits in Massachusetts State pooled fund and limits the remaining unsecured deposits to 5% of any institution's assets and no more than 25% of the Town's assets. The Town's policy was designed to limit exposure to only those institutions with a proven financial strength, capital adequacy of the firm, and overall affirmative reputation in the municipal industry. Further, all securities not held directly by the Town will be held in the Town's name and the tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security. The NRS does not have a deposit policy for custodial credit risk.

As of June 30, 2021, the Town (including OPEB fund) had the following cash and short term investments:

Insured by FDIC or DIF	\$ 27,225,436
Collateralized	27,967,007
Held in state pool (MMDT), not subject to disclosure	31,720,902
Exposed to custodial credit risk	<u>10,003,581</u>
Total	<u>\$ 96,916,926</u>

As of December 31, 2020, the NRS bank balance of \$1,797,659 represented deposits of \$250,000 insured by FDIC, \$1,061,586 collateralized by the Federal Home Loan Bank of Pittsburgh, and \$486,073 invested in Pension Reserves Investment Trust (PRIT). PRIT Cash Fund III is measured at amortized cost which approximates fair value and maintains a stable net position value of \$1.00 per unit (NAV) with daily redemption frequency. Amounts invested in the state pools are not subject to custodial credit risk disclosure.

4. Investments

Town

The following is a summary of the Town's investments as of June 30, 2021:

<u>Investment Type</u>	<u>Amount</u>
U.S. Treasury and agencies	\$ 3,574,137
Corporate bonds	7,224,817
Fixed income mutual funds	2,347,946
Corporate equities	8,712,094
Equity mutual funds	326,660
Certificates of deposits	<u>2,908,626</u>
Total investments	<u>\$ 25,094,280</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, MGL, Chapter 44, Section 55, limits investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

Presented below is the actual rating as of year-end for debt related investments of the Town:

<u>Investment Type</u>	<u>Ratings as of Year End</u>					
	<u>Amount</u>	<u>AAA</u>	<u>AA + - AA-</u>	<u>A+ - A-</u>	<u>BBB+</u>	<u>Unrated</u>
Federal agencies	\$ 3,574,137	\$ 3,309,612	\$ 264,525	\$ -	\$ -	\$ -
Corporate bonds	7,224,817	-	875,615	2,956,194	3,393,008	-
Fixed income mutual funds	<u>2,347,946</u>	<u>619,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,728,552</u>
Total	<u>\$ 13,146,900</u>	<u>\$ 3,929,006</u>	<u>\$ 1,140,140</u>	<u>\$ 2,956,194</u>	<u>\$ 3,393,008</u>	<u>\$ 1,728,552</u>

Custodial Credit Risk

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

obligations, certificates of deposits secured through a third party, and other investments allowable by MGL. Investments are held in the Town's name.

Concentration of Credit Risk

The Town manages concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any type of security or issuer will be minimized. With the exception U.S. Treasury obligations or investments fully collateralized by U.S. agencies, and the state pool (MMDT), no more than 10% of the Town's investments shall be invested in a single financial institution.

The Town does not have an investment in one issuer greater than 5% of total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Per Massachusetts general law, investments of operating cash or bond paydown amounts should be placed in investments with a one year or less maturity date or in shares issued by money market funds registered with the Securities and Exchange Commission. The Town addresses interest rate risk by managing duration.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (in years)</u>
Debt related:		
U.S. Treasury and agencies	\$ 3,574,137	3.32
Corporate bonds	7,224,817	3.20
Fixed income mutual funds	<u>2,347,946</u>	5.08
Total debt securities	<u>\$ 13,146,900</u>	

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town will not invest in any investment exposed to foreign currency risk.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Town's and OPEB Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The Town has the following fair value measurements as of June 30, 2021:

<u>Description</u>	Fair Value Measurements Using:			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments by fair value level:				
Debt securities:				
U.S Treasury and agencies	\$ 3,574,137	\$ 3,574,137	\$ -	\$ -
Corporate bonds	7,224,817	-	7,224,817	-
Fixed income mutual funds	2,347,946	-	2,347,946	-
Equity securities:				
Corporate equities	8,712,094	8,712,094	-	-
Equity mutual funds	326,660	326,660	-	-
Total	\$ <u>22,185,654</u>	\$ <u>12,612,891</u>	\$ <u>9,572,763</u>	\$ <u>-</u>

OPEB Plan

Credit Risk

At June 30, 2021, the OPEB Plan maintained its investments in the Massachusetts Benefits State Retiree Trust Fund (SRBT) with a fair value of \$59,914,475, the same as the value of the pool share. The SRBT fund is an external investment pool that is not registered with the Securities Exchange Commission. This investment type is not rated. SBRT was created under Massachusetts General Laws (MGL), Chapter 32A, Section 24.

Custodial Credit Risk

OPEB Plan's investments were held in the SBRT, which is a pooled investment fund not subject to custodial credit risk disclosure.

Concentration of Credit Risk

MGL limits the amount that may be invested in any one issuer or security type, with the exception of the PRIT fund. All of the OPEB Plan's investments were held in the SBRT, invested by the PRIT fund.

Fair Value

Investments held in the SBRT are valued at net asset value (NAV). There were no unfunded commitments. The redemption frequency is monthly with a 30-day redemption notice period.

Retirement System

Credit Risk

Massachusetts General Laws (MGL), Chapter 32, Section 23, limits the investment of System funds, to the extent not required for current disbursements, in the PRIT Fund or in securities, other than mortgages or collateral loans, which are legal for the investment

of funds in savings banks under the laws of the Commonwealth, provided that no more than the established percentage of assets, is invested in any one security.

At December 31, 2020, the System maintained its investments in PRIT with a fair value of \$201,497,803, the same as the value of the pool share. PRIT is an external investment pool that is not registered with the Securities Exchange Commission. This investment type is not rated. PRIT issues separately available financial statements with a year end of June 30. PRIT was created under MGL, Chapter 32, Section 22, in December 1983. PRIT is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board (PRIM). PRIM chooses an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under MGL, Chapter 30B.

Custodial Credit Risk

As of December 31, 2020, the System's investments of \$201,497,803 were held in the State investment pool (PRIT) and are not subject to custodial credit risk disclosure.

Concentration of Credit Risk

Massachusetts General Laws Chapter 32, Section 23 limits the amount the System may invest in any one issuer or security type, with the exception of the PRIT fund. NRS invests in the PRIT fund.

Fair Value

Investments held in PRIT are valued at net asset value (NAV). There were no unfunded commitments. The redemption frequency is monthly with a 30-day redemption notice period.

NRS values its investments in good faith at the System's pro-rata interest in PRIT based upon audited financial statements or other information provided by the underlying investment manager (PRIM). The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

5. Receivables

Property Taxes and Excises Receivable

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 a quarterly basis and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year they relate to.

Fourteen days after the due date for the final tax bill for real estate taxes (May 1), a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent, the tax collector may proceed to file a lien against the delinquent taxpayers' property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth of Massachusetts. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Taxes receivable at June 30, 2021 consist of the following:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Net Amount (accrual basis)
<u>Receivables:</u>			
Real estate taxes	\$ 1,361,590	\$ -	\$ 1,361,590
Personal property taxes	873,743	(772,000)	101,743
Tax liens	1,453,833	-	1,453,833
Deferred taxes	575,068	-	575,068
CPA	19,279	-	19,279
Total property taxes	4,283,513	(772,000)	3,511,513
Excises	605,661	(267,000)	338,661
Grand total	\$ 4,889,174	\$ (1,039,000)	\$ 3,850,174

The allowance amount is estimated using varying percentages that the Town believes are not collectible based on year of levy.

Departmental

Departmental receivables are primarily comprised of ambulance and waste removal receivables. Departmental receivables in the accompanying entity-wide financial statements reflect an estimated allowance for doubtful accounts of \$155,000.

Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2021 and future reimbursements from the Massachusetts School Board Authority (MSBA).

6. Interfund Transfers

The Town reports interfund transfers between many of its funds. The sum of all transfers presented in the table below agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements.

<u>Governmental Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 3,074,432	\$ 7,609,338
Community Preservation Fund	-	1,518,734
Public Safety Building Fund	1,600,000	-
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Receipts reserved for appropriation	-	21,390
Capital Project Funds:		
Sunita L. Williams School	1,200,000	-
School Replace Equipment - Technology	586,575	-
NPDES Site Improvement	480,500	-
DPW Boiler Replacement	460,000	-
Other capital project funds	<u>2,737,558</u>	<u>6,021</u>
Subtotal Nonmajor Governmental Funds	5,464,633	27,411
<u>Business-Type Funds:</u>		
Sewer Fund	544,698	465,865
Water Fund	<u>-</u>	<u>1,062,415</u>
Subtotal Business-Type Funds:	<u>544,698</u>	<u>1,528,280</u>
Grand Total	\$ <u><u>10,683,763</u></u>	\$ <u><u>10,683,763</u></u>

The \$1,528,280 from the sewer and water funds were transferred to the general fund to reimburse indirect costs and special articles.

The \$544,698 transfer from the general fund into the enterprise funds represents a subsidy to the sewer fund to cover storm water expenses funded by general revenues. Most of the transfers out of the general fund represent the Town's practice of using *free cash* (available unassigned fund balance as certified by the Massachusetts Department of Revenue) and overlay surplus to the various major and non-major capital project funds.

Transfers out of the general fund represent the Town's practice of funding capital activity with current year revenues as well as paying down some capital projects short-term notes payable with debt service appropriation.

Other transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 279,594	\$ 53,021	\$ -	\$ 332,615
Machinery, equipment, and furnishings	19,113	4,556	(1,912)	21,757
Vehicles	8,641	646	(241)	9,046
Infrastructure	<u>48,287</u>	<u>596</u>	<u>-</u>	<u>48,883</u>
Total capital assets, being depreciated	355,635	58,819	(2,153)	412,301
Less accumulated depreciation for:				
Buildings and improvements	(83,454)	(8,721)	-	(92,175)
Machinery, equipment, and furnishings	(14,149)	(2,243)	1,878	(14,514)
Vehicles	(6,923)	(914)	241	(7,596)
Infrastructure	<u>(25,348)</u>	<u>(1,705)</u>	<u>-</u>	<u>(27,053)</u>
Total accumulated depreciation	<u>(129,874)</u>	<u>(13,582)</u>	<u>2,119</u>	<u>(141,338)</u>
Capital assets, being depreciated, net	225,761	45,236	(34)	270,963
Capital assets, not being depreciated:				
Land	37,355	-	-	37,355
Works of art	120	-	-	120
Construction in progress	<u>100,883</u>	<u>25,003</u>	<u>(58,770)</u>	<u>67,116</u>
Total capital assets, not being depreciated	<u>138,358</u>	<u>25,003</u>	<u>(58,770)</u>	<u>104,591</u>
Governmental activities capital assets, net	<u>\$ 364,119</u>	<u>\$ 70,239</u>	<u>\$ (58,805)</u>	<u>\$ 375,554</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 21,137	\$ -	\$ -	\$ 21,137
Plant	6,600	-	-	6,600
Machinery, equipment, and furnishings	3,010	608	(84)	3,534
Vehicles	1,133	-	(153)	980
Infrastructure	<u>81,160</u>	<u>507</u>	<u>(2)</u>	<u>81,664</u>
Total capital assets, being depreciated	113,040	1,115	(239)	113,915
Less accumulated depreciation for:				
Buildings and improvements	(4,980)	(480)	(73)	(5,532)
Plant	(4,244)	(214)	-	(4,458)
Machinery, equipment, and furnishings	(2,441)	(228)	84	(2,585)
Vehicles	(1,056)	(34)	153	(937)
Infrastructure	<u>(45,139)</u>	<u>(1,443)</u>	<u>(89)</u>	<u>(46,671)</u>
Total accumulated depreciation	<u>(57,860)</u>	<u>(2,399)</u>	<u>76</u>	<u>(60,184)</u>
Capital assets, being depreciated, net	55,180	(1,285)	(164)	53,732
Capital assets, not being depreciated:				
Land	268	-	-	268
Construction in progress	<u>3,791</u>	<u>569</u>	<u>(507)</u>	<u>3,853</u>
Total capital assets, not being depreciated	<u>4,059</u>	<u>569</u>	<u>(507)</u>	<u>4,121</u>
Business-type activities capital assets, net	<u>\$ 59,239</u>	<u>\$ (715)</u>	<u>\$ (671)</u>	<u>\$ 57,853</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 1,822,823
Public safety	668,786
Education	7,146,694
Public works	3,188,223
Building design and construction	66,732
Health and human services	233,523
Culture and recreation	<u>455,603</u>
Total depreciation expense - governmental activities	<u>\$ 13,582,384</u>
Business-Type Activities:	
Sewer	\$ 992,362
Water	<u>1,407,286</u>
Total depreciation expense - business-type activities	<u>\$ 2,399,648</u>

8. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

9. Accrued Liabilities

Accrued liabilities primarily represent accrued payroll and withholdings. In the government-wide Statement of Net Position, accrued liabilities also include accrued interest for bonds and anticipation notes.

Accrued liabilities reported in the Internal Service Fund represent an estimate of incurred but not reported workers' compensation claims.

10. Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the state Appellate Tax Board.

11. Notes Payable

At year-end, the Town had no general obligation bond anticipation notes outstanding.

The following summarizes activity in notes payable during fiscal year 2021:

<u>Purpose</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
Central Ave. Elementary School	\$ 1,200,000	\$ -	\$ (1,200,000)	\$ -
Central Ave. Elementary School	-	1,200,000	(1,200,000)	-
Public Safety Building and Fire Station #2	-	1,600,000	(1,600,000)	-
Rosemary Recreational Complex	-	20,000	(20,000)	-
High School Expansion Design	-	9,500	(9,500)	-
High School Expansion Construction	-	84,000	(84,000)	-
Memorial Park Building Construction	-	90,000	(90,000)	-
Public Works Infrastructure Program	-	5,000	(5,000)	-
Public Works Storage Facility	-	50,000	(50,000)	-
Mitchell School Restroom Upgrades	-	16,700	(16,700)	-
Wastewater System Rehab	-	7,550	(7,550)	-
Water System Rehabilitation Program	-	12,000	(12,000)	-
Water Distribution System Improvements	-	35,735	(35,735)	-
Water Distribution System Improvements	-	350,000	(350,000)	-
RTS Property Improvements	-	50,000	(50,000)	-
Total	<u>\$ 1,200,000</u>	<u>\$ 3,530,485</u>	<u>\$ (4,730,485)</u>	<u>\$ -</u>

12. Long-Term Debt

General Obligation Bonds and Direct Borrowings

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds and direct borrowings (issuances through the MA Water Resources Authority) currently outstanding are as follows:

	Original Amount	Interest Rate(s) %	Date of Issue	Date of Maturity	Amount Outstanding as of 6/30/21
<u>Governmental Activities</u>					
Public offering bonds:					
Town Hall, Parking and Bridge	\$ 2,460,000	2.00 - 3.125	10/05/11	08/01/26	\$ 705,000
GOB - Refunding FY2012	10,995,000	2.00 - 4.00	06/06/12	11/01/23	1,915,000
Municipal Purpose FY 2013	12,244,000	2.00 - 4.00	10/03/12	07/15/32	6,100,000
Municipal Purpose FY 2013	5,945,000	2.00 - 4.00	06/18/13	11/01/32	3,410,000
Municipal Purpose FY 2014	6,085,000	3.00 - 4.00	12/02/13	07/15/33	3,335,000
Municipal Purpose FY 2014	5,032,000	2.00 - 2.50	06/02/14	05/15/34	905,000
Municipal Purpose FY 2015	13,425,000	2.00 - 4.00	04/01/15	11/15/33	4,175,000
High School, High Rock and Pollard Schools	6,645,000	2.00 - 4.00	06/16/16	08/01/27	4,635,000
Municipal Purpose FY 2017	10,945,000	3.00 - 4.00	01/05/17	01/15/42	7,390,000
Municipal Purpose FY 2018	31,000,000	3.00 - 4.00	07/17/18	07/15/38	26,465,000
Municipal Purpose FY 2020	27,500,000	2.625 - 5.00	10/01/19	08/01/44	24,275,000
Municipal Purpose FY 2020	25,185,000	2.00 - 5.00	06/25/20	02/01/40	23,139,000
Municipal Purpose FY 2021	4,668,000	2.00 - 5.00	04/14/21	06/30/41	4,668,000
Municipal Purpose FY 2021	19,407,000	2.00 - 5.00	04/14/21	06/30/41	19,407,000
Total Governmental Activities					\$ <u>130,524,000</u>
<u>Business-Type Activities</u>					
Public offering bonds:					
Municipal Purpose FY 2014	\$ 5,032,000	2.00 - 2.50	06/02/14	05/15/34	\$ 1,295,000
Municipal Purpose FY 2015	13,425,000	2.00 - 4.00	04/01/15	11/15/33	1,695,000
Municipal Purpose FY 2020	25,185,000	2.00 - 5.00	06/25/20	02/01/28	56,000
Total public offering bonds					<u>3,046,000</u>
Direct borrowings:					
MA Water Resources Authority	765,335	2.00	06/01/12	07/15/30	438,660
MA Water Resources Authority	9,055,822	2.00	05/22/13	01/15/33	3,926,369
MA Water Resources Authority	2,310,813	3.00 - 4.00	05/11/17	01/15/28	1,563,705
MA Water Resources Authority	440,000	0.00	11/26/19	11/15/24	352,000
Total direct borrowings					<u>6,280,734</u>
Total Business-Type Activities					\$ <u>9,326,734</u>

Future Debt Service

The annual payments to retire all general obligation and direct borrowing long-term debt outstanding as of June 30, 2021 are as follows:

<u>Governmental</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 13,654,000	\$ 4,609,471	\$ 18,263,471
2023	10,300,000	4,284,950	14,584,950
2024	10,200,000	3,807,981	14,007,981
2025	9,260,000	3,351,138	12,611,138
2026	8,260,000	2,939,456	11,199,456
2027 - 2031	32,755,000	9,795,535	42,550,535
2032 - 2036	24,185,000	4,642,025	28,827,025
2037 - 2041	17,370,000	1,892,313	19,262,313
2042 - 2046	4,540,000	238,150	4,778,150
Total	<u>\$ 130,524,000</u>	<u>\$ 35,561,018</u>	<u>\$ 166,085,018</u>

<u>Business-Type</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 446,000	\$ 94,175	\$ 540,175
2023	420,000	78,175	498,175
2024	235,000	67,025	302,025
2025	235,000	59,075	294,075
2026	195,000	51,925	246,925
2027 - 2031	960,000	172,150	1,132,150
2032 - 2036	555,000	32,025	587,025
Total	<u>\$ 3,046,000</u>	<u>\$ 554,550</u>	<u>\$ 3,600,550</u>

<u>Business-Type</u>	<u>MWRA Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 666,985	\$ 86,900	\$ 753,885
2023	674,091	80,293	754,384
2024	645,439	73,544	718,983
2025	652,855	66,649	719,504
2026	572,430	59,606	632,036
2027 - 2031	2,342,231	186,960	2,529,191
2032 - 2036	726,703	21,879	748,582
Total	<u>\$ 6,280,734</u>	<u>\$ 575,831</u>	<u>\$ 6,856,565</u>

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2021 are as follows:

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount</u>
October 2016	Hillside School Construction	\$ 226,633
May 2017	Rosemary Recreation Complex	87,500
May 2018	RTS Property Repairs	535,000
May 2018	Memorial Park Building	38,000
May 2018	Public Works Storage Facility	2,353,000
October 2018	Public Safety Building & Fire Station #2	11,902,000
May 2019	Water Distribution Improvements	4,150,000
June 2020	Mitchell School Restroom Upgrades	660,000
	Total	<u>\$ 19,952,133</u>

Changes in Long-term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/20</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/21</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/21</u>
<u>Governmental Activities</u>						
Bonds payable - public offerings	\$ 125,179	\$ 24,075	\$ (18,729)	\$ 130,525	\$ (13,654)	\$ 116,871
Unamortized bond premium	8,970	2,280	(791)	10,459	(905)	9,554
Subtotal bonds payable	134,149	26,355	(19,520)	140,984	(14,559)	126,425
Net pension liability	81,001	-	(10,050)	70,951	-	70,951
Net OPEB liability	74,720	-	(6,560)	68,160	-	68,160
Accrued employee benefits	6,652	368	(53)	6,967	(1,742)	5,225
Landfill closure	507	-	(56)	451	(56)	395
Totals	<u>\$ 297,029</u>	<u>\$ 26,723</u>	<u>\$ (36,239)</u>	<u>\$ 287,513</u>	<u>\$ (16,357)</u>	<u>\$ 271,156</u>
<u>Business-Type Activities</u>						
Bonds payable - public offerings	\$ 3,662	\$ -	\$ (616)	\$ 3,046	\$ (446)	\$ 2,600
Bonds payable - direct offerings	6,941	-	(660)	6,281	(667)	5,614
Subtotal bonds payable	10,603	-	(1,276)	9,327	(1,113)	8,214
Net pension liability	3,370	-	(626)	2,744	-	2,744
Net OPEB liability	1,702	-	(842)	860	-	860
Accrued employee benefits	347	-	(40)	307	(307)	-
Totals	<u>\$ 16,022</u>	<u>\$ -</u>	<u>\$ (2,784)</u>	<u>\$ 13,238</u>	<u>\$ (1,420)</u>	<u>\$ 11,818</u>

Current Year Refundings

On April 14, 2021 the Town issued general obligation bonds in the amount of \$4,668,000 with a variable interest rate ranging from 2.0 - 5.0% to refund \$5,455,000 of term bonds with an interest rate ranging from 2.625% - 4.0%. The net proceeds on this refunding were \$5,500,615. As a result of the refunding, the Town reduced its total debt service requirement by \$720,714 with a net present value savings of \$529,967 (economic gain).

Prior Year Refundings

In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. The proceeds from the new issuance of the general obligation bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds mature in 2019. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's balance sheet. As of June 30, 2021, the amount of defeased debt outstanding but removed from the governmental activities and business-type activities was \$12,435,000.

13. Landfill Postclosure Care Costs

State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The \$451,323 reported as postclosure care liability at June 30, 2021 represents the estimated costs to maintain and monitor the site for the remainder of the thirty years. These amounts are based on what it would cost to perform all postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

14. Deferred Inflows of Resources

Deferred inflows of resources are the acquisitions of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. The Town reports three items as deferred inflows of resources: one which is attributable to changes in the net pension liability, changes in OPEB liability, and the other one which arises from the current financial resources measurement focus and the modified accrual basis of accounting in governmental funds. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes.

The balance of the General Fund *unavailable revenues* account is equal to the total of all June 30, 2021 receivable balances, except real and personal property taxes that are accrued for subsequent 60-day collections.

15. **Governmental Funds - Balances**

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

The following types of fund balances are reported at June 30, 2021:

Nonspendable

This fund balance classification represents nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted

This fund balance classification includes general fund encumbrances funded by bond issuances, community preservation funds, various special revenue funds, and the income portion of permanent trust funds.

Committed

This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved at Town Meeting, and capital project funds funded by cash capital.

Assigned

This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Following is a breakdown of the Town's fund balances at June 30, 2021:

	General Fund	Community Preservation Fund	Public Safety Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Permanent funds	\$ -	\$ -	\$ -	\$ 188,478	\$ 188,478
Total Nonspendable	-	-	-	188,478	188,478
Restricted					
Debt service	733,044	-	-	-	\$ 733,044
Community preservation	-	9,191,623	-	-	9,191,623
Bonded projects	-	-	3,494,739	108,579	3,603,318
Special revenue funds:					
Expendable trust funds	-	-	-	3,244,678	3,244,678
Circuit Breaker	-	-	-	1,715,210	1,715,210
School lunch	-	-	-	127,648	127,648
RRFA - parking meter fund	-	-	-	379,224	379,224
RRFA - bond premiums	-	-	-	730,798	730,798
Insurance loss replacement	-	-	-	217,582	217,582
Facility activity use	-	-	-	357,394	357,394
Pupil transportation	-	-	-	225,612	225,612
Parks and recreation revolving	-	-	-	267,696	267,696
Other special revenue funds	-	-	-	2,628,690	2,628,690
Total Restricted	733,044	9,191,623	3,494,739	10,003,111	23,422,517
Committed					
Continuing appropriations articles	3,483,861	-	-	-	3,483,861
Compensated absences	337,791	-	-	-	337,791
Capital improvement stabilization	1,097,070	-	-	-	1,097,070
Capital facility stabilization	1,921,686	-	-	-	1,921,686
Athletic facility stabilization	270,204	-	-	-	270,204
Debt service stabilization	2,154,083	-	-	-	2,154,083
Capital projects	-	-	-	7,947,152	7,947,152
Total Committed	9,264,695	-	-	7,947,152	17,211,847
Assigned					
Encumbrances	3,627,289	-	-	-	3,627,289
For next year's expenditures:					
Primarily for capital	10,688,723	-	-	-	10,688,723
Total Assigned	14,316,012	-	-	-	14,316,012
Unassigned					
General fund	23,570,661	-	-	-	23,570,661
Stabilization fund	4,492,393	-	-	-	4,492,393
Police and fire details	-	-	-	(491,904)	(491,904)
Capital projects	-	-	-	(415,056)	(415,056)
Total Unassigned	28,063,054	-	-	(906,960)	27,156,094
Total Fund Balance	\$ 52,376,805	\$ 9,191,623	\$ 3,494,739	\$ 17,231,781	\$ 82,294,948

Stabilization Fund Arrangements

In accordance with Massachusetts General Laws, Section 5B of Chapter 40, as amended by Section 22 of Chapter 218 of the Acts of 2016, the Town maintains five stabilization funds. Per Chapter 218, balances in the stabilization funds can be expended only upon appropriation at Town Meeting. Additionally, transfers to the stabilization funds are required to be approved at Town Meeting. The Town maintains the following stabilization funds:

- General stabilization – established around 1970, for general purposes.
- Capital improvement stabilization – established in May 2004, to reserve funds for the acquisition of new equipment, and/or the replacement of existing equipment (in both cases relating to equipment for which the Town may borrow for 5 years,

or more), and/or for building/facility improvements with a cost of less than \$250,000.

- Capital facility stabilization – established in May 2007, to reserve funds for design, maintenance, renovation or reconstruction relating to the structural integrity of the capital facilities.
- Athletic facility stabilization – established in May 2012, to reserve funds for the renovation and reconstruction of the Town’s athletic facilities.
- Debt service stabilization – established in November 2015, to reserve funds to pay certain debt obligations, when necessary. The fund is intended to be part of the Town’s overall planning strategy for addressing capital facility needs.

16. General Fund Unassigned Fund Balance

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in certain respects from the Massachusetts Uniform Municipal Accounting System (UMAS). Major differences include an estimate for future potential tax refunds included in these financial statements, which is not recognized under UMAS.

17. Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees’ retirement funds.

Plan Description

Employees of the Town (except teachers and administrators under contract employed by the School Department) who meet the membership eligibility requirements of Chapter 32 of the Massachusetts General Laws are members of the Needham Contributory Retirement System (the System), a cost-sharing, multiple-employer public employee defined benefit retirement system (PERS). Eligibility includes employees working over twenty hours per week and excludes part-time and seasonal employees. Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System’s annual financial reports publicly available from the System located at 1471 Highland Avenue, Needham, Massachusetts 02492.

Participant Retirement Benefits

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest five-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100 percent, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

If a participant was a member prior to February 2012, a retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Participants' Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

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

For those members entering a Massachusetts System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town's contribution to the System for the year ended June 30, 2021 was \$9,368,084, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

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

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

At June 30, 2021, the Town reported a liability of \$73,694,482 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. 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 employers, actuarially determined. At December 31, 2020, the Town's proportion was 98.47% percent.

For the year ended June 30, 2021, the Town recognized pension expense of \$11,037,864. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ 168,778	\$ (1,070,327)
Changes of assumptions	14,272,745	-
Changes in proportion	124,006	(156,557)
Net difference between projected and actual earnings on pension plan investments	-	(12,317,596)
Total	<u>\$ 14,565,529</u>	<u>\$ (13,544,480)</u>

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows (Inflows) of Resources
2022	\$ 1,472,398
2023	2,301,683
2024	(758,836)
2025	<u>(1,994,196)</u>
Total	<u>\$ 1,021,049</u>

Actuarial Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Valuation date	1/1/2020
Actuarial cost methods	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50%
Projected salary increases	Ranging from 6.00% decreasing to 3.75% for Group 1 Ranging from 6.00% decreasing to 4.00% for Group 2 Ranging from 7.00% decreasing to 4.25% for Group 3
Inflation rate	3.00%
Post-retirement cost-of-living adjustment	3% of the first \$14,000

Actuarial valuation of the ongoing Systems involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Mortality rates were based on:

- Pre-Retirement: RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2016
- Healthy: RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2016
- Disabled: RP-2000 Healthy Annuitant Mortality Table projected generationally from 2015 with Scale BB2D

Target Allocations

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 System's targeted asset allocation as of June 30, 2021, are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	22.00%	6.28%
International developed markets equity	12.00%	7.00%
International emerging markets equity	5.00%	8.82%
Core fixed income	15.00%	0.38%
High-yield fixed income	8.00%	2.97%
Real estate	10.00%	3.50%
Timber	4.00%	3.45%
Hedge fund, GTAA, risk parity	10.00%	2.35%
Private equity	14.00%	10.11%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
\$ 107,468,369	\$ 73,694,482	\$ 47,477,527

Pension Plan Fiduciary Net Position

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

18. Massachusetts Teachers' Retirement System (MTRS)

Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all 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 does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

Member contributions for MTRS vary depending on the most recent date of membership:

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of January 1, 2020 rolled forward to June 30, 2020. This valuation used the following assumptions:

- (a) 7.15% (changed from 7.25%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality through January 1, 2017.
- Mortality rates were as follows:
 - Pre-retirement – reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).
 - Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).
 - Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees Mortality Table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).

Target Allocation

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.80%
Core fixed income	15.00%	0.70%
Private equity	13.00%	8.20%
Portfolio completion strategies	11.00%	3.20%
Real estate	10.00%	3.50%
Value added fixed income	8.00%	4.20%
Timber/natural resources	4.00%	4.10%
Total	<u>100.00%</u>	

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 that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

<u>1% Decrease to 6.15%</u>	<u>Current Discount Rate 7.15%</u>	<u>1% Increase to 8.15%</u>
\$ 35,411,955	\$ 28,544,844	\$ 22,908,510

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and the Commonwealth is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2020 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was \$202,510,698 based on a proportionate share of 0.709448%. As required by GASB 68, the Town has recognized its portion of the Commonwealth's contribution as of \$11,020,792 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of \$25,012,972 as both a revenue and expense in the governmental activities.

19. Other Post-Employment Benefits (GASB 74 and 75)

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In prior years the Town established a single employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2021.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town's plan. The Town provides health insurance coverage through a variety of health plans through the West Suburban Health Group, a municipal joint purchase group organized under Massachusetts General Laws Chapter 32B §12. The benefits, benefit

levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws.

Benefits Provided

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

Funding Policy

The Town's funding policy includes funding the OPEB fund on a pay-as-you-go basis and making additional contributions based on actuarially determined amounts or annual budget limitations/authorizations.

Plan Membership

At June 30, 2020, the following employees were covered by the benefit terms:

Retirees/Disabled	933
Active employees	<u>1,342</u>
Total	<u><u>2,275</u></u>

Investments

The OPEB trust fund assets are invested with the Commonwealth's State Retirees Benefit Trust Fund.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 28.97 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.41%
Discount rate	6.50%
Healthcare cost trend rates	4.50% for 2021, based on the SOA Getzen Model of Long-Run Medical Cost Trends
Participation rate	80% of eligible employees
Retirees' share of benefit-related costs	26%-50%, depending on the retiree's plan

Mortality rates were based on:

- RP-2014 Employees Mortality Table projected generationally with scale MP-2016 for males and females, set forward 1 year for females
- RP-2014 Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females, set forward 1 year for females
- RP-2014 Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females, set forward 1 year

The actuarial assumptions used in the valuation primarily reflect the latest experience studies of the Massachusetts PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.

Target Allocations

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 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 target asset allocation as of June 30, 2020 are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity - Large Cap	14.50%	4.42%
Domestic equity - Small/Mid Cap	3.50%	4.81%
International developed markets equity	16.00%	4.91%
International emerging markets equity	6.00%	5.58%
Domestic Fixed Income	20.00%	1.00%
International Fixed Income	3.00%	1.04%
Alternatives	23.00%	5.98%
Real Estate	14.00%	6.25%
Total	<u>100.00%</u>	

Contributions

The Town's policy is to contribute the ADC.

Discount Rate

The discount rate used to measure the net OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2021, were as follows:

Total OPEB liability	\$ 129,196,503
Plan fiduciary net position	<u>60,176,478</u>
Net OPEB liability	<u>\$ 69,020,025</u>

The fiduciary net position has been determined on the same basis used by the OPEB Plan. For this purpose, the Plan recognizes benefit payments when due and payable.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 119,161,758	\$ 42,740,645	\$ 76,421,113
Changes for the year:			
Service cost	3,085,625	-	3,085,625
Interest	8,384,081	-	8,384,081
Contributions - employer	-	8,650,376	(8,650,376)
Net investment income	-	13,820,192	(13,820,192)
Differences between expected and actual experience	(293,339)	-	(293,339)
Changes in assumptions or other inputs	3,893,113	-	3,893,113
Benefit payments	<u>(5,034,735)</u>	<u>(5,034,735)</u>	<u>-</u>
Net Changes	<u>10,034,745</u>	<u>17,435,833</u>	<u>(7,401,088)</u>
Balances, end of year	\$ <u>129,196,503</u>	\$ <u>60,176,478</u>	\$ <u>69,020,025</u>

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 86,496,704	\$ 69,020,025	\$ 54,679,230

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 52,965,338	\$ 69,020,025	\$ 88,836,970

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized an OPEB expense of \$8,272,920. At June 30, 2021, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ 293,654	\$ (5,321,315)
Change in assumptions	17,090,309	(1,178,714)
Net difference between projected and actual OPEB investment earnings	436,457	(10,815,555)
Total	\$ 17,820,420	\$ (17,315,584)

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

<u>Year Ended June 30:</u>	
2022	\$ (547,718)
2023	606,120
2024	810,895
2025	(1,232,995)
2026	546,248
Thereafter	<u>322,286</u>
Total	\$ <u>504,836</u>

20. Self-Insurance

Workers' Compensation

The Town's personnel Department administers a self-insured workers' compensation program. In addition to in-house administration, the Town utilizes a third-party administrator, FutureComp, to process claims, produce workers' compensation vouchers, and conduct follow-up medical case management on individuals receiving workers compensation benefits.

As of June 30, 2021, the Town's workers' compensation fund had a balance of \$580,042 in net position (a component of Total Net Position). This amount is generated from the remainder of the workers compensation budget voted each year by Town Meeting, less accrual for outstanding claims. The Town appropriated \$746,833 for workers' compensation line item in fiscal year 2021. These funds are used to pay workers' compensation related expenses throughout the year, with the unexpended balance rolling into the trust fund noted above. The Town also purchases stop-loss reinsurance as part of its workers compensation program from Midwest Employers Casualty Company. Under the terms of its excess workers compensation coverage, the Town is liable for up to \$450,000 per accident per employee to an aggregate limit of \$1,000,000 per accident. The Town's maximum aggregate liability for all claims paid within one year is \$4,000,000. The Town has no excess liability coverage for public safety employees and no reasonable estimate of claims liability has been determined.

A liability for unpaid claims at June 30, 2021 has been recorded in the Internal Service Fund. This represents the Town's estimate of future payments based on historical information on active cases.

Changes in the aggregate liability for claims for the year ended June 30, 2021 are as follows:

	<u>Workers Compensation</u>
Claims liability, beginning of year	\$ 1,219,913
Claims incurred/recognized in fiscal year 2021	25,885
Claims paid in fiscal year 2021	<u>(313,349)</u>
Claims liability, end of year	<u>\$ 932,449</u>

21. Change in Accounting Principle

During the fiscal year 2021, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This required moving certain items previously recorded as fiduciary funds to the general fund and nonmajor governmental funds, as well as establishing new custodial funds that report additions and deductions.

22. Commitments and Contingencies

Outstanding Legal Issues

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

Grants

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

Abatements

There are several cases pending before the Appellate Tax Board in regard to alleged discrepancies in property assessments. According to the Town's counsel, the probable outcome of these cases at the present time is indeterminable, although the Town expects such amounts, if any, to be immaterial.

Encumbrances

At year-end, the Town's general fund has \$3,627,289 of encumbrances that will be honored in the next fiscal year.

23. Beginning Balance Restatement

The beginning, July 1, 2020, fund balance of the Town has been restated for the new GASB statement and to align OPEB measurement date with the reporting year. The restatements are as follows:

Governmental Funds:	General	Nonmajor
	Fund	Governmental
		Funds
As previously reported, June 30, 2020	\$ 48,669,479	\$ 15,014,524
Implementation of GASB 84	(19,279)	(485,440)
As restated, July 1, 2020	<u>\$ 48,650,200</u>	<u>\$ 14,529,084</u>

Government-Wide Financial Statements:

	Governmental	Business-Type Activities		
		Sewer	Water	Total
	Activities	Fund	Fund	
As previously reported, June 30, 2020	\$ 178,302,167	\$ 25,859,070	\$ 33,829,544	\$ 59,688,614
Implementation of GASB 84	(504,719)	-	-	-
OPEB restatement	(5,154,154)	(60,348)	(57,019)	(117,367)
As restated, July 1, 2020	<u>\$ 172,643,294</u>	<u>\$ 25,798,722</u>	<u>\$ 33,772,525</u>	<u>\$ 59,571,247</u>

24. Subsequent Events

Management has evaluated subsequent events through March 17, 2022, which is the date the financial statements were available to be issued.

25. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the Town beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements. Management is currently evaluating the impact of implementing this GASB pronouncement.

TOWN OF NEEDHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with
	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Property taxes	\$ 161,031,536	\$ 161,031,536	\$ 161,661,687	\$ 630,151
Excise taxes	5,000,000	5,000,000	5,129,306	129,306
Penalties, interest, and other taxes	740,000	740,000	1,282,028	542,028
Charges for services	2,845,000	2,845,000	4,080,388	1,235,388
Departmental	610,000	610,000	1,141,220	531,220
Licenses and permits	1,800,000	1,800,000	2,068,299	268,299
Intergovernmental	13,646,717	13,646,717	13,602,229	(44,488)
Investment income	264,710	264,710	228,969	(35,741)
Fines and forfeitures	50,000	50,000	60,974	10,974
Other revenue	600	600	596,279	595,679
Total Revenues	185,988,563	185,988,563	189,851,379	3,862,816
Expenditures				
General government	5,400,737	5,452,557	5,293,332	159,225
Land use	616,651	622,945	572,738	50,207
Public safety	17,048,542	17,563,880	16,438,609	1,125,271
Education	81,835,024	81,847,638	80,762,778	1,084,860
Public works	20,859,732	21,293,181	20,729,428	563,753
Building design and construction	544,659	557,616	472,986	84,630
Community services	5,246,694	5,301,936	4,781,012	520,924
Debt service	21,111,388	21,111,388	21,091,658	19,730
Employee benefits	33,586,497	33,586,497	33,237,762	348,735
Other appropriated expenses	3,997,886	2,910,172	667,584	2,242,588
Intergovernmental	1,485,423	1,485,423	1,521,825	(36,402)
Other amounts provided	12,500	12,500	-	12,500
Total Expenditures	191,745,733	191,745,733	185,569,712	6,176,021
Excess (deficiency) of revenues over expenditures	(5,757,170)	(5,757,170)	4,281,667	10,038,837
Other Financing Sources (Uses)				
Transfers in	2,755,058	2,755,058	3,153,458	398,400
Use of free cash primarily for capital	7,856,186	8,856,593	-	(8,856,593)
Use of bond premium	96,057	96,057	-	(96,057)
Use of overlay surplus for operating budget	1,350,000	1,350,000	-	(1,350,000)
Transfers out	(6,300,131)	(7,300,538)	(7,300,546)	(8)
Total Other Financing Sources (Uses)	5,757,170	5,757,170	(4,147,088)	(9,904,258)
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 134,579	\$ 134,579

See Independent Auditors' Report.

Notes to Required Supplementary Information for General Fund Budget

Budgetary Basis

The general fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

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

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

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 201,009,746	\$ 192,748,235
Other financing sources/uses (GAAP Basis)	<u>3,074,432</u>	<u>7,609,338</u>
Subtotal (GAAP Basis)	204,084,178	200,357,573
Reverse beginning of year appropriation carryforwards from expenditures	-	(2,879,279)
Add end-of-year appropriation carryforwards from expenditures	-	3,628,612
To reverse gross up for refunding activity	-	(33,101)
To reverse gross up for MTRS on behalf payment	(11,020,792)	(11,020,792)
Less nonbudgeted funds	<u>(58,549)</u>	<u>2,817,245</u>
Budgetary Basis	<u>\$ 193,004,837</u>	<u>\$ 192,870,258</u>

TOWN OF NEEDHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
(Unaudited)

Needham Contributory Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2021	December 31, 2020	98.47%	\$73,694,482	\$ 43,397,457	169.81%	73.09%
June 30, 2020	December 31, 2019	98.72%	\$84,371,092	\$ 41,193,710	204.82%	68.07%
June 30, 2019	December 31, 2018	98.43%	\$78,768,106	\$ 43,859,715	179.59%	66.48%
June 30, 2018	December 31, 2017	98.48%	\$64,280,887	\$ 44,684,936	143.85%	71.58%
June 30, 2017	December 31, 2016	98.41%	\$68,675,930	\$ 38,860,207	176.73%	67.10%
June 30, 2016	December 31, 2015	98.20%	\$63,877,775	\$ 39,406,655	162.10%	67.43%
June 30, 2015	December 31, 2014	98.27%	\$54,445,695	\$ 35,772,213	152.20%	71.09%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2021	June 30, 2020	0.71%	\$ -	\$ 202,510,698	\$ 202,510,698	\$ 48,375,608	0.00%	50.67%
June 30, 2020	June 30, 2019	0.70%	\$ -	\$ 175,678,243	\$ 175,678,243	\$ 50,620,405	0.00%	53.95%
June 30, 2019	June 30, 2018	0.69%	\$ -	\$ 163,330,397	\$ 163,330,397	\$ 44,888,988	0.00%	54.84%
June 30, 2018	June 30, 2017	0.68%	\$ -	\$ 156,266,130	\$ 156,266,130	\$ 46,022,868	0.00%	54.25%
June 30, 2017	June 30, 2016	0.67%	\$ -	\$ 148,771,539	\$ 148,771,539	\$ 44,621,329	0.00%	52.73%
June 30, 2016	June 30, 2015	0.66%	\$ -	\$ 135,373,423	\$ 135,373,423	\$ 39,867,330	0.00%	55.38%
June 30, 2015	June 30, 2014	0.63%	\$ -	\$ 100,708,775	\$ 100,708,775	N/A	0.00%	61.64%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

TOWN OF NEEDHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS

(Unaudited)

Needham Contributory Retirement System					
Fiscal 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, 2021	\$ 9,368,084	\$ 9,368,084	\$ -	\$ 43,397,457	21.59%
June 30, 2020	\$ 8,577,048	\$ 8,577,048	\$ -	\$ 41,193,710	20.82%
June 30, 2019	\$ 7,809,911	\$ 7,809,911	\$ -	\$ 43,859,715	17.81%
June 30, 2018	\$ 7,203,059	\$ 7,203,059	\$ -	\$ 44,684,936	16.12%
June 30, 2017	\$ 6,600,162	\$ 6,600,162	\$ -	\$ 38,860,207	16.98%
June 30, 2016	\$ 6,039,115	\$ 6,039,115	\$ -	\$ 39,406,655	15.33%
June 30, 2015	\$ 5,524,150	\$ 5,524,150	\$ -	\$ 35,772,213	15.44%

Massachusetts Teachers' Retirement System					
Fiscal Year	Actuarially Determined Contribution Provided by Commonwealth	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	\$ 11,020,792	\$ 11,020,792	\$ -	\$ 55,875,071	19.72%
June 30, 2020	\$ 10,059,024	\$ 10,059,024	\$ -	\$ 48,375,608	20.79%
June 30, 2019	\$ 9,056,616	\$ 9,056,616	\$ -	\$ 50,620,405	17.89%
June 30, 2018	\$ 8,436,349	\$ 8,436,349	\$ -	\$ 44,888,988	18.79%
June 30, 2017	\$ 7,483,070	\$ 7,483,070	\$ -	\$ 46,022,868	16.26%
June 30, 2016	\$ 6,751,809	\$ 6,751,809	\$ -	\$ 44,621,329	15.13%
June 30, 2015	\$ 5,938,614	\$ 5,938,614	\$ -	\$ 39,867,330	14.90%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

TOWN OF NEEDHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Schedule of Changes in the Net OPEB Liability

(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 3,085,625	\$ 2,915,612	\$ 2,797,907	\$ 2,573,887	\$ 2,486,847
Interest	8,384,081	7,382,923	6,347,733	6,913,177	6,544,745
Plan amendments	-	-	-	(4,090,587)	-
Differences between expected and actual experience	(293,339)	159,645	(21,193,711)	1,798,808	-
Changes of assumptions	3,893,113	8,438,164	31,054,380	(4,589,355)	-
Benefit payments	<u>(5,034,735)</u>	<u>(4,502,453)</u>	<u>(4,174,262)</u>	<u>(4,463,145)</u>	<u>(3,958,395)</u>
Net change in total OPEB liability	10,034,745	14,393,891	14,832,047	(1,857,215)	5,073,197
Total OPEB liability - beginning	<u>119,161,758</u>	<u>104,767,867</u>	<u>89,935,820</u>	<u>91,793,035</u>	<u>86,719,838</u>
Total OPEB liability - ending (a)	129,196,503	119,161,758	104,767,867	89,935,820	91,793,035
Plan fiduciary net position					
Contributions - employer	8,650,376	8,032,252	7,800,967	7,389,578	6,317,042
Net investment income	13,820,192	873,725	1,831,609	3,117,203	3,020,230
Benefit payments, including refunds of member contributions	<u>(5,034,735)</u>	<u>(4,502,453)</u>	<u>(4,174,262)</u>	<u>(4,463,145)</u>	<u>(3,958,395)</u>
Other	-	-	-	-	257,093
Net change in plan fiduciary net position	17,435,833	4,403,524	5,458,314	6,043,636	5,635,970
Plan fiduciary net position - beginning	<u>42,740,645</u>	<u>38,337,121</u>	<u>32,878,807</u>	<u>26,835,171</u>	<u>21,199,201</u>
Plan fiduciary net position - ending (b)	<u>60,176,478</u>	<u>42,740,645</u>	<u>38,337,121</u>	<u>32,878,807</u>	<u>26,835,171</u>
Net OPEB liability - ending (a-b)	<u>\$ 69,020,025</u>	<u>\$ 76,421,113</u>	<u>\$ 66,430,746</u>	<u>\$ 57,057,013</u>	<u>\$ 64,957,864</u>
Plan fiduciary net position as a percentage of the total OPEB liability	46.58%	35.87%	36.59%	36.56%	29.23%
Covered employee payroll	102,654,973	99,665,022	93,645,807	94,042,382	94,042,382
Net OPEB liability as a percentage of covered employee payroll	67.23%	76.68%	70.94%	60.67%	69.07%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF NEEDHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Schedules of OPEB Contributions and Investment Returns

(Unaudited)

Schedule of Contributions

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 7,197,713	\$ 6,906,705	\$ 6,906,705	\$ 6,072,283	\$ 5,568,923
Contributions in relation to the actuarially determined contribution	<u>7,197,713</u>	<u>6,906,705</u>	<u>6,906,705</u>	<u>6,115,455</u>	<u>5,568,923</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(43,172)</u>	\$ <u>-</u>
Covered employee payroll	102,654,973	99,665,022	93,645,807	94,042,382	94,042,382
Contributions as a percentage of covered employee payroll	7.01%	6.93%	7.38%	6.50%	5.92%

Schedule of Investment Returns

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Annual money weighted rate of return, net of investment expenses	28.97%	4.65%	4.93%	11.62%	14.25%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF NEEDHAM, MASSACHUSETTS

Schedule of Revenues and Other Sources, and
Expenditures and Other Uses -
Sewer Enterprise Fund Budget vs. Actual Comparison

For the Year Ended June 30, 2021

(Unaudited)

	<u>Budget</u>	<u>Adjusted Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Current service charges	\$ 8,373,447	\$ 9,514,050	\$ 1,140,603
Intergovernmental	-	496	496
Interest income	<u>15,000</u>	<u>7,289</u>	<u>(7,711)</u>
Total Revenues	8,388,447	9,521,835	1,133,388
Expenditures:			
Sewer expenditures	1,562,385	1,345,134	217,251
Intergovernmental	6,399,895	6,399,895	-
Debt service	<u>900,000</u>	<u>645,377</u>	<u>254,623</u>
Total Expenditures	<u>8,862,280</u>	<u>8,390,406</u>	<u>471,874</u>
Excess of revenues over expenditures	(473,833)	1,131,429	1,605,262
Other Financing Sources and Uses:			
Transfers in	544,698	544,698	-
Use of retained earnings	918,088	-	(918,088)
Transfers out	<u>(988,953)</u>	<u>(953,953)</u>	<u>35,000</u>
Total Other Financing Sources and Uses	<u>473,833</u>	<u>(409,255)</u>	<u>(883,088)</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>722,174</u>	\$ <u>722,174</u>

See Independent Auditors' Report.

TOWN OF NEEDHAM, MASSACHUSETTS

Schedule of Revenues and Other Sources, and
Expenditures and Other Uses -
Water Enterprise Fund Budget vs. Actual Comparison

For the Year Ended June 30, 2021

(Unaudited)

	<u>Budget</u>	<u>Adjusted Actual</u>	Variance Positive (Negative)
Revenues:			
Current service charges	\$ 6,135,530	\$ 7,435,729	\$ 1,300,199
Interest income	18,000	15,345	(2,655)
Other revenue	<u>-</u>	<u>1,105</u>	<u>1,105</u>
Total Revenues	6,153,530	7,452,179	1,298,649
Expenditures:			
Water expenditures	2,644,611	2,188,394	456,217
Intergovernmental	1,126,226	1,122,902	3,324
Debt service	<u>1,250,000</u>	<u>1,242,824</u>	<u>7,176</u>
Total Expenditures	<u>5,020,837</u>	<u>4,554,120</u>	<u>466,717</u>
Excess of revenues over expenditures	1,132,693	2,898,059	1,765,366
Other Financing Sources and Uses:			
Use of retained earnings	43,002	-	(43,002)
Transfers out	<u>(1,175,695)</u>	<u>(1,105,424)</u>	<u>70,271</u>
Total Other Financing Sources and Uses	<u>(1,132,693)</u>	<u>(1,105,424)</u>	<u>27,269</u>
Excess of revenues over expenditures and other uses	\$ <u><u>-</u></u>	\$ <u><u>1,792,635</u></u>	\$ <u><u>1,792,635</u></u>

See Independent Auditors' Report.



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/23

Agenda Item	Public Works Week Proclamation
Presenter(s)	Carys Lustig, Director of Public Works Shane Mark, Assistant Director of Public Works

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
	Carys Lustig, Director of Public Works and Shane Mark, Assistant Director of Public Works respectfully request the Select Board to vote to proclaim the week of May 21 st to the 27 th as National Public Works Week Proclamation following a brief presentation.
2.	VOTE REQUIRED BY SELECT BOARD
	<i>Suggested Motion:</i> That the Board vote to approve and sign the Public Works Week Proclamation
3.	BACK UP INFORMATION ATTACHED
	None.



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Sign Notice of Traffic Regulation – A Street
Presenter(s)	Carys Lustig, DPW Director

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
The Department of Public Works (DPW) has determined that traffic warrants are met requiring that A Street be designated a stopped street at First Avenue.	
2.	VOTE REQUIRED BY SELECT BOARD
<i>Suggested Motion:</i> That the Board vote to approve and sign the Notice of Traffic Regulation Permit #SS23-05-23 requiring that A Street southbound be designated as a stopped street at the intersection of First Avenue	
3.	BACK UP INFORMATION ATTACHED
1. Copy of Traffic Regulation SS23-05-23 2. Diagram of Stop Sign Location	

TOWN OF NEEDHAM
SELECT BOARD

NOTICE OF TRAFFIC REGULATION

By virtue of the authority vested in the Select Board of the Town of
Needham, it is hereby

VOTED: In accordance with the provisions of Chapter 89, Section 9 of the General
Laws, the following street is designated as a stop street at the intersection
and in the direction indicated:

Westbound drivers on A STREET at the intersection of FIRST
AVENUE

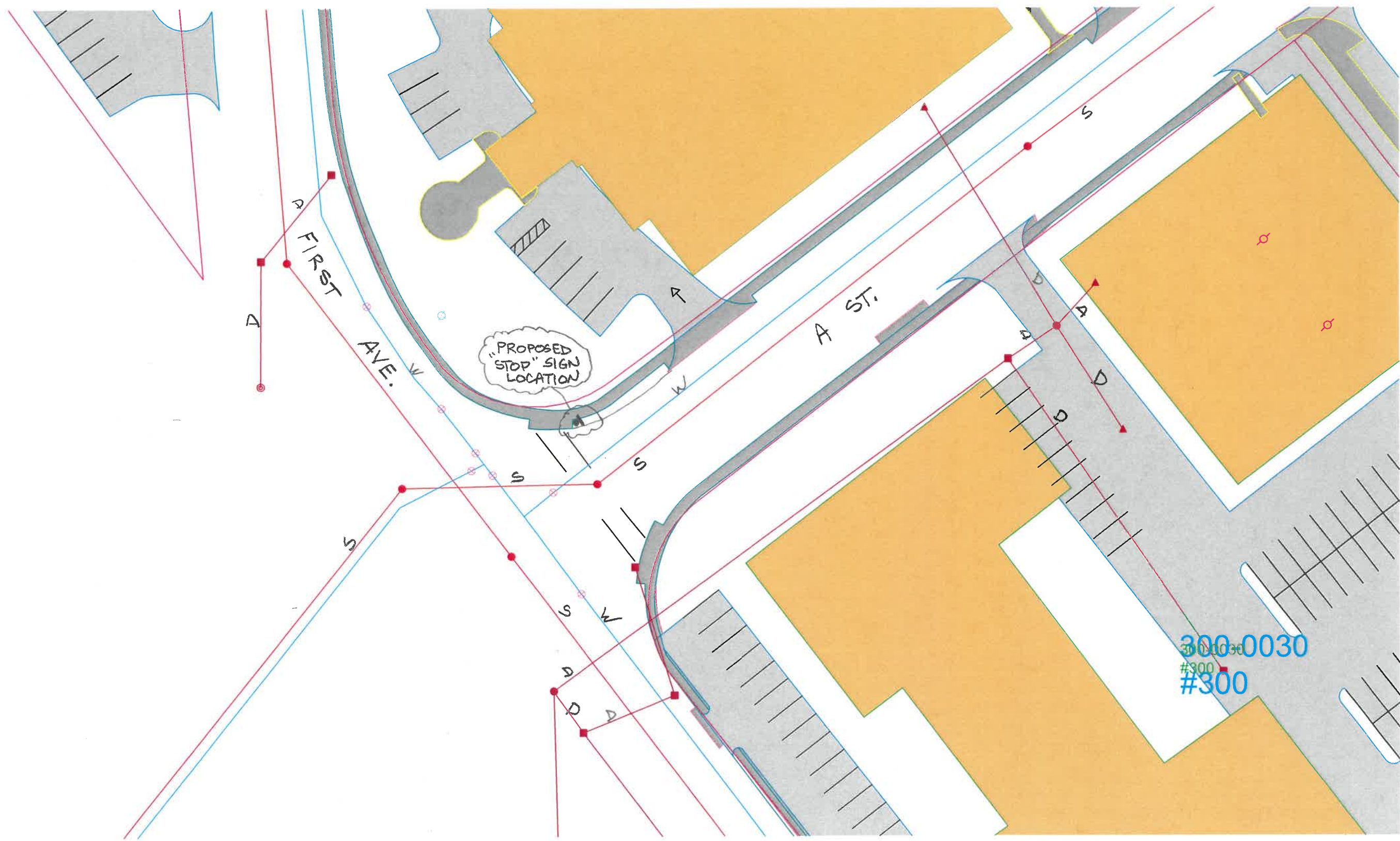
SELECT BOARD

Permit No. SS23-05-23

Date of Passage_____

Attest of Town Clerk_____

1"=40'
N





**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Sign Notice of Traffic Regulation – Central Avenue
Presenter(s)	Carys Lustig, Director of Public Works

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
The Traffic Management Advisory Committee (TMAC) requests that the speed zone on Central Avenue between Bess Road and Horace Street be rescinded in accordance with Chapter 90 Section 18 and as amended under the Chapter of the Acts of 2022, “An Act to Reduce Traffic Fatalities”. The DPW received such petition from North Hill and some residents on Central Avenue requesting measures be taken to make the roadway safer for drivers in the area identified above. At their regularly scheduled meeting on 4/12/23 the TMAC discussed and voted to recommend rescinding the speed zone (see attached diagram and speed regulation). The new amendment to the law allows the speed zone on Central Avenue, Speed Regulation No. 958 created August 13, 1974 be rescinded from 35 mph speed limit back to the 30 mph speed limit. No such action shall take effect unless the department (MassDOT) receives certified in writing that such regulation, amendment or rescission is consistent with the public interests, and that signs are erected conforming to the MassDOT standards.	
2.	VOTE REQUIRED BY SELECT BOARD
<i>Suggested Motion:</i> That the Board vote to approve and sign the Notice of Traffic Regulation Permit #SPEED23-05-23-2 for the amendment of an existing speed limit on Central Avenue between Bess Road and Horace Street, and to authorize the Town Manager to certify in writing to Massachusetts Department of Transportation that such regulation is consistent with the public interests.	
3.	BACK UP INFORMATION ATTACHED
1. Copy of Traffic Regulation SPEED23-05-23-2 2. Diagram of Speed Zone Amendment Location	

TOWN OF NEEDHAM

SPECIAL SPEED REGULATION NO. SPEED23-05-23-2

Highway Location: NEEDHAM
Authority in Control: TOWN OF NEEDHAM
Name of Highway: CENTRAL AVENUE

In accordance with the provisions of Chapter 90, Section 18, of the General Laws (Ter. Ed.)
as amended, Special Speed Regulation No. 958 is

hereby Amended
by the Select Board
of the Town of Needham

That the following speed limits are established at which motor vehicles may be operated
in the areas described:

CENTRAL AVENUE NORTHBOUND

Beginning 350 feet north of the Dover Town Line,
Thence northerly on Central Avenue
0.58 miles at 30 miles per hour
0.64 miles at 40 miles per hour
2.71 miles at 30 miles per hour
0.25 miles at 25 miles per hour
0.30 miles at 35 miles per hour
0.22 miles at 25 miles per hour ending at the Newton City Line;

The total distance being 4.70 miles.

CENTRAL AVENUE SOUTHBOUND

Beginning at the Newton City Line,
Thence southerly on Central Avenue
0.22 miles at 25 miles per hour
0.30 miles at 35 miles per hour
0.25 miles at 25 miles per hour
2.71 miles at 30 miles per hour

0.64 miles at 40 miles per hour

0.58 miles at 30 miles per hour

0.07 miles at 25 miles per hour ending at the Dover Town Line;

The total distance being 4.77 miles.

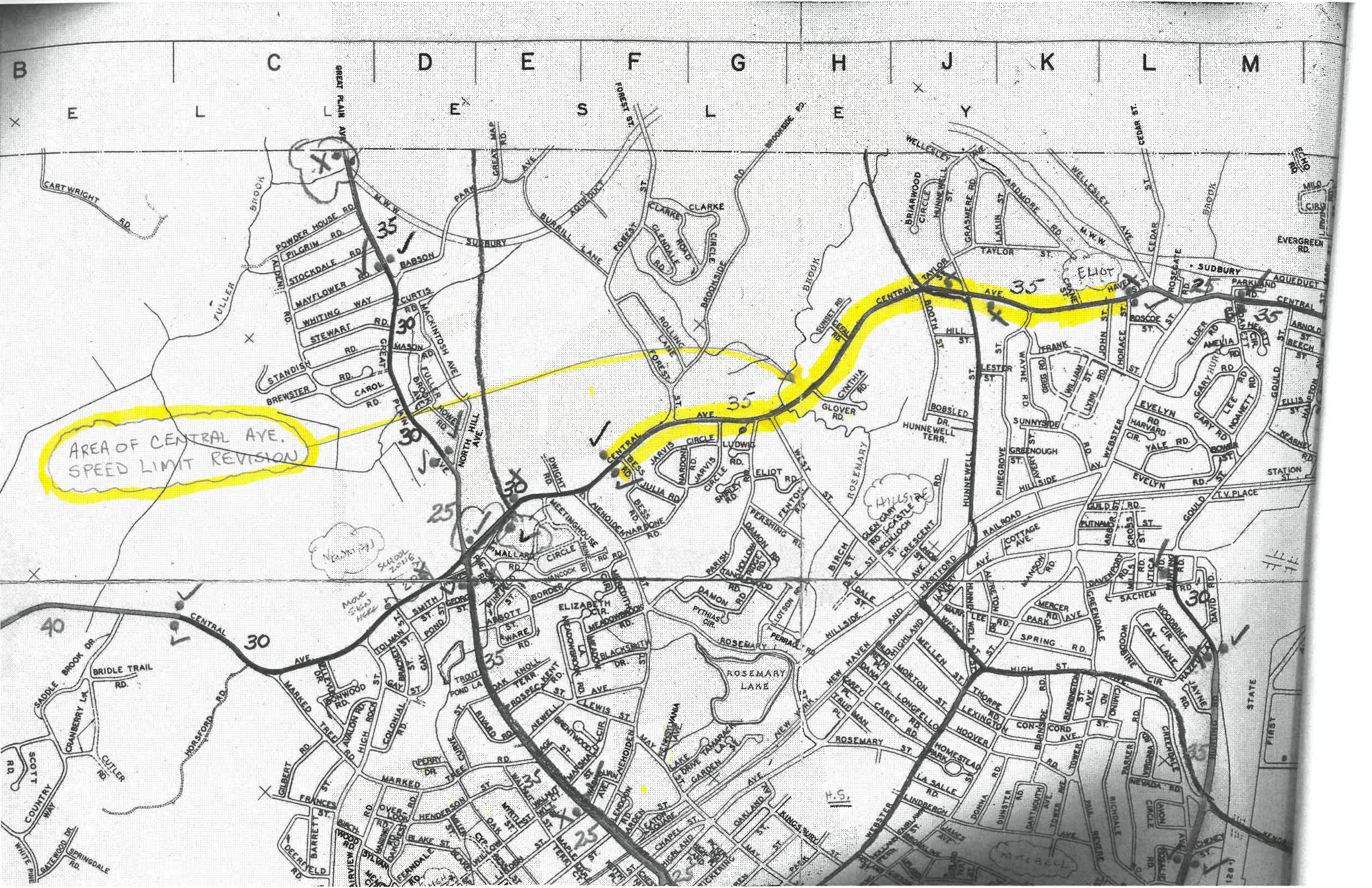
Operation of a motor vehicle at a rate of speed more than these limits shall be prima facie evidence that such speed is greater than is reasonable and proper.

The provisions of this regulation shall not, however, abrogate in any sense Chapter 90, Section 14, of the General Laws (Ter. Ed.).

Select Board

May 23,2023

Attest: _____



AREA OF CENTRAL AVE.
SPEED LIMIT REVISION

Northing

Hillside

H.S.



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Sign Notice of Traffic Regulation – Dedham Avenue
Presenter(s)	Carys Lustig, Director of Public Works

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
The Traffic Management Advisory Committee (TMAC) requests that the speed zone on Dedham Avenue between the Dedham Town Line and Bradford Street be rescinded in accordance with Chapter 90 Section 18 and as amended under the Chapter of the Acts of 2022, “An Act to Reduce Traffic Fatalities”. The TMAC received such petition from residents on Dedham Avenue and discussed recommendations to rescind the speed zone during their regularly scheduled meetings on 3/8/23 and 4/12/23. The new amendment to the law allows the speed zone on Dedham Avenue, Speed Regulation No. 734 created October 13, 1972 be rescinded from 40 mph speed limit back to the 30 mph speed limit. No such action shall take effect unless the department (MassDOT) receives certified in writing that such regulation, amendment or rescission is consistent with the public interests, and that signs are erected conforming to the MassDOT standards.	
2.	VOTE REQUIRED BY SELECT BOARD
<i>Suggested Motion:</i> That the Board vote to approve and sign the Notice of Traffic Regulation Permit #SPEED23-05-23-1 for the amendment of an existing speed limit on Dedham Avenue between the Dedham Town Line and Bradford Street, and to authorize the Town Manager to certify in writing to Massachusetts Department of Transportation that such regulation is consistent with the public interests.	
3.	BACK UP INFORMATION ATTACHED
1. Copy of Traffic Regulation SPEED23-05-23-1 2. Diagram of Speed Zone Amendment Location	

TOWN OF NEEDHAM

SPECIAL SPEED REGULATION NO. SPEED23-05-23-1

Highway Location: NEEDHAM
Authority in Control: TOWN OF NEEDHAM
Name of Highway: Route 135

In accordance with the provisions of Chapter 90, Section 18, of the General Laws (Ter. Ed.)
as amended, Special Speed Regulation No. 734 is

hereby Amended
by the Select Board
of the Town of Needham

That the following speed limits are established at which motor vehicles may be operated
in the areas described:

ROUTE 135 NORTHBOUND

Beginning at the Dedham Town Line,
Thence northerly on Route 135
1.15 miles at 30 miles per hour
0.38 miles at 25 miles per hour
0.57 miles at 35 miles per hour
0.34 miles at 25 miles per hour
0.48 miles at 30 miles per hour
0.27 miles at 35 miles per hour ending at the Wellesley Town Line;

The total distance being 3.19 miles.

ROUTE 135 SOUTHBOUND

Beginning at the Wellesley Town Line,
Thence southerly on Route 135
0.27 miles at 35 miles per hour
0.48 miles at 30 miles per hour
0.34 miles at 25 miles per hour
0.57 miles at 35 miles per hour

0.38 miles at 25 miles per hour

1.15 miles at 30 miles per hour

ending at the Dedham Town Line;

The total distance being 3.19 miles.

Operation of a motor vehicle at a rate of speed more than these limits shall be prima facie evidence that such speed is greater than is reasonable and proper.

The provisions of this regulation shall not, however, abrogate in any sense Chapter 90, Section 14, of the General Laws (Ter. Ed.).

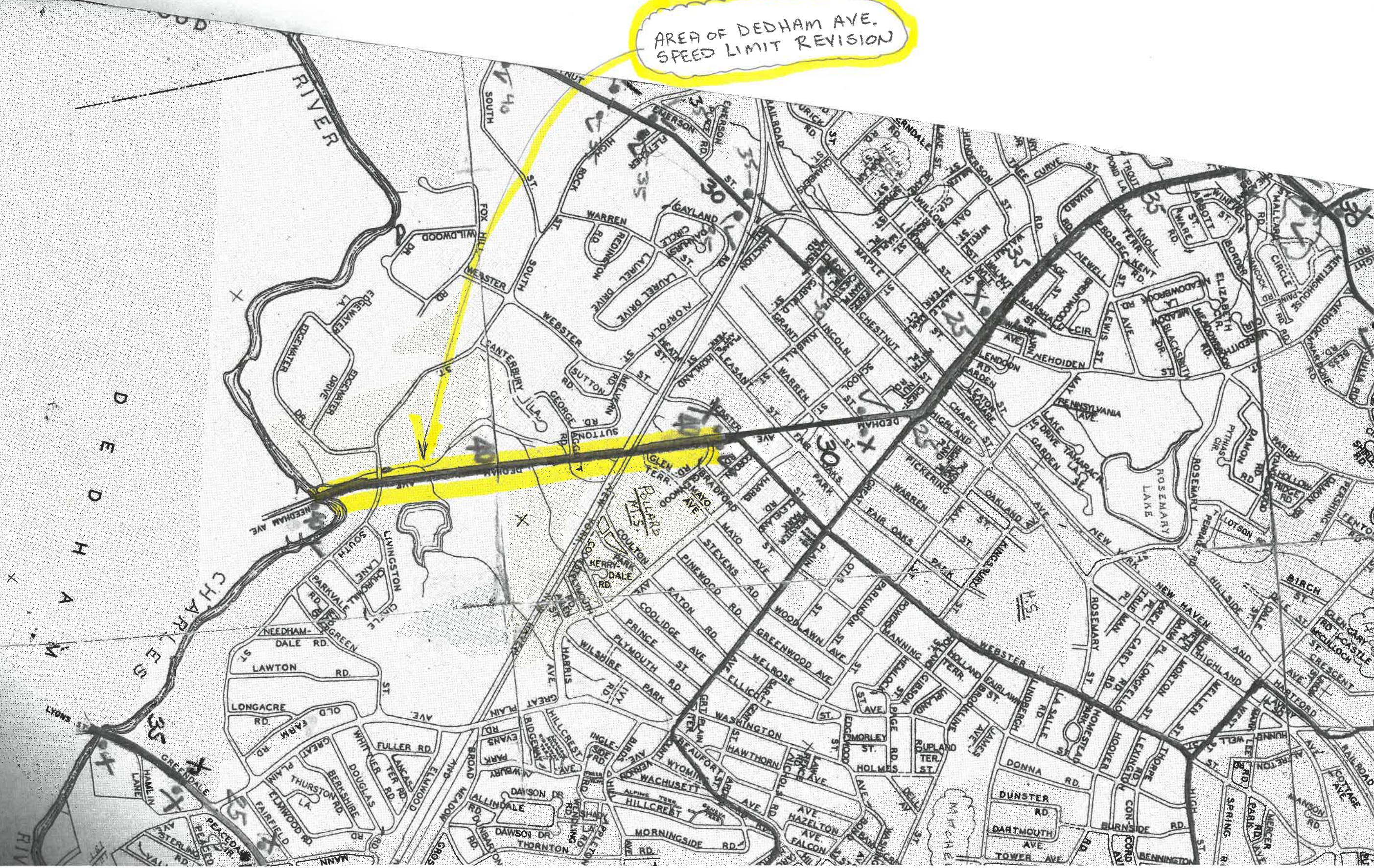
Select Board

May 23,2023

Attest: _____

AREA OF DEDHAM AVE.
SPEED LIMIT REVISION

C
D
E
F
G
H
J





**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 05/23/2023

Agenda Item	Sewer Rate Relief
Presenter(s)	David Davison, Assistant Town Manager/Director of Finance

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
The rate relief is offered to communities that have made sewer infrastructure improvements which were financed by debt. The State has distributed \$379 to the Town of Needham for this purpose. Our recommendation is a flat per account credit.	
2.	VOTE REQUIRED BY SELECT BOARD
<i>Move that Board approve a one-time flat sewer rate credit of \$0.04 per account billed during the months of June, July, and August to reflect the State sewer rate relief money received from the Commonwealth.</i>	
3.	BACK UP INFORMATION ATTACHED
Sewer Rate Relief Summary 2023	

Commonwealth Sewer Rate Relief Fund

Summary of Distributions

1	Massachusetts Water Resources Authority	\$ 1,187,297
3	Water & Sewer Commissions	\$ 65,933
2	Sewer Districts	\$ 11,538
43	Cities & Towns	\$ 235,232

Total Distributions

49	Governmental Units	\$ 1,500,000
----	--------------------	--------------

MASSACHUSETTS DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES
Sewer Rate Relief Fund for FY2023

<u>Governmental Unit</u>	<u>\$ Project Aid</u>
ANDOVER	\$5,630
BELLINGHAM	\$137
BLACKSTONE	\$1,945
BOSTON WATER AND SEWER COMMISSION	\$43,312
BRAINTREE	\$64
CAMBRIDGE	\$74,066
CANTON	\$985
CHELMSFORD	\$1,993
CHERRY VALLEY SEWER DISTRICT	\$499
DARTMOUTH	\$333
DRACUT	\$4,548
EASTON	\$886
FALL RIVER	\$4,444
FITCHBURG	\$3,806
GLOUCESTER	\$5,351
GRAFTON	\$614
GROTON	\$101
HARWICH	\$977
HINSDALE	\$161
HUDSON	\$1,417
HULL	\$7,882
LYNN WATER AND SEWER COMMISSION	\$4,951
MARION	\$72
MASSACHUSETTS WATER RESOURCES AUTHORITY	\$1,187,297

<u>Governmental Unit</u>	<u>\$ Project Aid</u>
MONSON	\$149
NEEDHAM	\$379
NEW BEDFORD	\$27,893
NEWBURYPORT	\$2,588
NORTH ATTLEBOROUGH	\$3,364
NORTHBOROUGH	\$1,252
OAK BLUFFS	\$965
PLYMOUTH	\$4,297
RAYNHAM	\$5,435
READING	\$1,484
ROCKPORT	\$1,015
ROYALSTON	\$175
SALISBURY	\$3,236
SCITUATE	\$1,656
SOUTH ESSEX SEWERAGE DISTRICT	\$11,039
SOUTHWICK	\$2,132
SPENCER	\$498
SPRINGFIELD WATER AND SEWER COMMISSION	\$17,670
STURBRIDGE	\$247
TEWKSBURY	\$24,994
WAREHAM	\$697
WAYLAND	\$1,183
WEBSTER	\$288
WESTBOROUGH	\$2,642
WORCESTER	\$33,251
 TOTAL AWARDS	 \$1,500,000
TOTAL RECIPIENTS	49



**SELECT BOARD
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 05/23/2023

Agenda Item	FY2022 Financial Audit
Presenter(s)	Marcum LLP (Independent Auditors) David Davison, Assistant Town Manager/Director of Finance

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
	Representatives of the audit firm Marcum LLP (formerly Melanson) will update the Board as to their work and audit of the Town's general purpose financial statements for fiscal year 2022.
2.	VOTE REQUIRED BY SELECT BOARD
	No Vote Required
3.	BACK UP INFORMATION ATTACHED
	1. Cover Memo Dated May 18, 2023 2. Annual Audit Report Available online at https://www.needhamma.gov/DocumentCenter/View/43686/FY2022-Independent-Financial-Audit-Report?bidId= 3. Management Letter

Memo

To: Members of the Select Board

From: David Davison, Assistant Town Manager/Director of Finance

CC: Kate Fitzpatrick, Town Manager; Daniel E. Gutekanst, Superintendent of Schools; Anne Gulati, Assistant Superintendent for Finance and Operations; Veronica Harvey, Treasurer/Collector; Louise Mizgerd, Finance Committee Executive Secretary; Michelle Vaillancourt, Town Accountant

Date: May 18, 2023

Re: Fiscal Year 2022 Annual Audit

FY2022 Audit

The independent audit firm Marcum LLP (formerly Melanson) is completing its audit of the Town's Financial Statements for the fiscal year ended June 30, 2022. Representatives from the firm are scheduled to meet with the Board on Tuesday, May 23, 2023. The Board will hear an overview of the audit process and comments the auditors may have regarding Town operations. We will be available to address questions that the Board may have.

An invitation will be extended to the members of the Finance Committee through the Executive Secretary and through School Superintendent to members of the School Committee to attend your meeting so that they will also have an opportunity to hear the report firsthand.

Please do not hesitate to contact me if you have any questions prior to the meeting.



TOWN OF NEEDHAM, MASSACHUSETTS

Management Letter
For the Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY LETTER	1
PRIOR YEAR RECOMMENDATION:	
1. Follow Through on Plans to Update Policies	3
CURRENT YEAR RECOMMENDATION:	
2. Prepare for Governmental Accounting Standards Board (GASB) Statements Number 94 and 96	3



To the Town Manager and Select Board
Town of Needham
Needham, Massachusetts

In planning and performing our audit of the basic financial statements of the Town of Needham, Massachusetts (the Town), as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Town's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Needham, Massachusetts's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible* – The chance of the future event or events occurring is more than remote but less than likely.
- *Probable* – The future event or events are likely to occur.

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

During our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

800.282.2440 | melansoncpas.com



The Town's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

A handwritten signature in black ink that reads "Melanson". The signature is enclosed within a thin yellow rectangular border.

Merrimack, New Hampshire
May 18, 2023

PRIOR YEAR RECOMMENDATION:

1. Follow Through on Plans to Update Policies

Our prior management letter included recommendations that the Town had planned to implement in the summer of 2021. We recommend that the Town re-establish timelines to complete implementation of the following prior recommendations:

- Ensure compliance with Uniform Guidance.
- Formalize IT policies.
- Improve departmental receipt internal controls.
- Ensure timely removal of terminated employees' access controls.

Current Year Status:

Implementation of the recommendation has been delayed. During review of compliance with the current or informal departmental policies and procedures, we noted a few departments that were out of compliance by either not reviewing the department's payroll, not using the treasurer receipt form, not stamping checks upon receipt, or not reconciling receipts to the general ledger.

Further Action Needed:

We continue to recommend that the Town update the above policies and procedures and provide training to the appropriate departments.

Town's Response:

Management agrees with the recommendations. Last year we reestablished the annual in person training refresher sessions on procurement, employee payroll and vendor payment processing, and receipts processing. However, turnover in staff coupled with vacancies has limited the amount of time available to revise and formalize policies. Some policy updates are reliant on the implementation of the new billing and collection software which will be completed during calendar year 2023.

CURRENT YEAR RECOMMENDATION:

2. Prepare for Governmental Accounting Standards Board (GASB) Statements Number 94 and 96

The GASB has issued Statement No. 94 "*Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*". The primary objective of this

Statement is to improve accounting and financial reporting of PPPs and APAs. PPP is an arrangement in which the Town contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. APA is an arrangement in which the Town compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The GASB has issued Statement No. 96 *"Subscription-Based Information Technology Arrangements"* (SBITAs). This Statement provides guidance on the accounting and financial reporting of SBITAs for the Town as an end user. GASB 96 results in a right-to-use subscription intangible asset, which is primarily offset by a corresponding subscription liability for accrual funds, as well as government wide financial statements, and requires new note disclosures. Example of SBITAs include School Learning Software, ERP Systems and software as a service.

These Statements are effective for fiscal 2023 and have similarities with Statement No. 87, *Leases*, that the Town implemented for fiscal year 2022.

Town's Response:

Currently based on our understanding of the requirements under Statement 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" the Town has limited reporting as there are no arrangements with private entities that give control of Town assets. We will seek further guidance on PPP as to applicability to joint service arrangements with other governmental entities and if any how to measure. The Town is taking steps to ensure that the requirements under Statement 96 reporting "Subscription-Based Information Technology Arrangements" are met. The Finance Department is working with the School Department to ensure education subscription arrangements are reviewed and if applicable reported.



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Housing Needham (HONE) Advisory Group
Presenter(s)	Katie King, Assistant Town Manager/Director of Operations

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
The MBTA Communities Act requires Needham to adopt a zoning district “of reasonable size in which multi-family housing is permitted as of right” by December 2024. The Town will embark on an 18-month community engagement process to shape this proposed zoning for Town Meeting’s consideration. Staff recommend the creation of a Housing Needham (HONE) Advisory Group to lead this effort and promote coordination amongst key Town Boards, with a composition aimed at reflecting a variety of perspectives and expertise.	
2.	VOTE REQUIRED BY SELECT BOARD
N/A – Discussion Only	
3.	BACK UP INFORMATION ATTACHED
a. HONE Advisory Group Composition and Charge Draft b. MBTA Communities Act Timeline Draft	

Town of Needham
Housing Needham (HONE) Advisory Group
for MBTA Communities Act Multi-Family Zoning

Type:	Ad Hoc
Legal Reference:	To achieve Town compliance with MGL c.40A Section 3A
Appointing Authority:	Select Board & Planning Board
Number of Voting Members:	Nine (9)
Term of Appointment	2023-2024
Special Municipal Employee	Yes
Staff Support	Assistant Town Manager/Director of Operations, Director of Planning & Community Development, Assistant Town Planner, Community Housing Specialist

Composition: Nine (9) voting members:

- Two (2) current Select Board Members* (one to serve as co-chair)
- Two (2) current Planning Board Members (one to serve as co-chair)
- One (1) current Finance Committee Member
- One (1) architect or land use planner, to be appointed by the Planning Board
- One (1) real estate developer, to be appointed by the Planning Board
- One (1) renter, to be appointed by the Select Board
- One (1) community member at-large, to be appointed by the Select Board

Purpose: The Housing Needham (HONE) Advisory Group will lead the community engagement process to create multi-family zoning that complies with the MBTA Communities Act (MGL c.40A Section 3A). The group will advise the Select Board and Planning Board on proposed zoning to bring to Town Meeting in 2024, informed by their individual expertise, group deliberations, and feedback received from the public.

Charge: The Housing Needham (HONE) Advisory Group will:

- Lead a broad public engagement effort for the Needham community to envision and shape zoning to allow multi-family housing that complies with the MBTA Communities Act.
- Utilize the recommendations in the Town of Needham's 2022 Housing plan as a starting point.
- Evaluate build-outs, projections, and analyses of fiscal, school enrollment, and infrastructure impacts provided by staff and consultants.
- Consider related zoning elements that are allowed, but not required under the MBTA Communities Act, including but not limited to inclusionary zoning (affordable housing requirements) and parking minimums.
- Update the Select Board, Planning Board and Finance Committee throughout the process on group deliberations and community feedback.
- Recommend draft zoning to the Select Board and Planning Board to submit to DHCD and Town Meeting.

Charge Adopted:

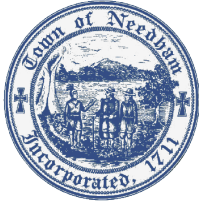
SME Status Voted:

** Per M.G.L. Ch. 268A Sec. 1(n), the Select Board Members serving on the HONE Advisory Group cannot claim SME status, even though the HONE Advisory Group, as an entity, is designated as such.*

Member	Designation	Appointed	Term Expiration
	Select Board Member (co-chair)		12/31/2024
	Planning Board Member (co-chair)		12/31/2024
	Select Board Member		12/31/2024
	Planning Board Member		12/31/2024
	Finance Committee Member		12/31/2024
	Architect or Land Use Planner		12/31/2024
	Real Estate Developer		12/31/2024
	Renter		12/31/2024
	Community Member At-Large		12/31/2024

Town of Needham
MBTA Community Multi-Family Zoning Compliance Timeline

May 2023 – August 2023	Foundational Work	• Coordinate between Select Board & Planning Board • Create, appoint, and launch advisory group • Finalize scope of work and secure consultant • Create website and listserv • Detail community engagement plans • Apply for grant funds • Test DHCD compliance model
September 2023 – March 2024	Community Engagement & Analysis	• Hold frequent meetings of advisory group • Lead broad public outreach and engagement efforts • Host multiple community workshops • Mail postcards to all residents • Utilize online surveys • Identify key partners • Build out models for each proposal, as they are refined via community input and the advisory group • Analyze fiscal impacts, school enrollment projections, infrastructure impacts, etc. • Ensure each proposal complies with state law • Update Select Board, Planning Board, Finance Committee regularly • Present zoning recommendation to both boards
April 2024 – June 2024	DHCD 90-day review period	• DHCD will review proposed multi-family zoning districts <i>before</i> they are submitted to Town Meeting to indicate compliance, but require 90-days for this review.
July 2024 – September 2024	Finalize Zoning language	• Follow statutory requirements for zoning articles: legal notices, public hearing before the Planning Board, finalize language
October 2024	Town Meeting	• Legislative branch discussion and vote
November – December 2024	Final DHCD & AGO review	• December 31, 2024 is the Town's deadline to comply with the MBTA Communities Act. DHCD will make this determination. • The Attorney General's Office reviews all local zoning changes.

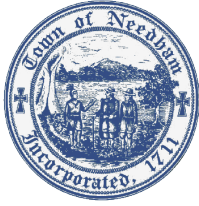


**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Committee Reports
Presenter(s)	Board Discussion

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
Board members may report on the progress and / or activities of their Committee assignments.	
2.	VOTE REQUIRED BY SELECT BOARD
N/A – Discussion Only	
3.	BACK UP INFORMATION ATTACHED
None	



**Select Board
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 5/23/2023

Agenda Item	Executive Session
Presenter(s)	

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED
	Exception 2: To conduct strategy sessions in preparation for negotiations with nonunion personnel
2.	VOTE REQUIRED BY SELECT BOARD
	Exception 2: To conduct strategy sessions in preparation for negotiations with nonunion personnel. Not to return to Open Session prior to adjournment
3.	BACK UP INFORMATION ATTACHED
	None.

**Town of Needham
Select Board Meeting Minutes
May 1, 2023
Needham Town Hall
Select Board Chambers**

6:55 p.m. Call to Order:

A special meeting of the Select Board was convened by Chair Marianne Cooley. Present were Marcus Nelson, Kevin Keane, Heidi Frail, Cathy Dowd, Assistant Town Manager Katie King, and Town Manager Kate Fitzpatrick.

The Board discussed the motion to amend Article 18 to remove detached ADUs from the zoning. The Board decided to delay making a recommendation on the amendment.

The Board discussed a potential motion to amend the plastic bag article by the proponents. It was agreed that no vote was required at this meeting.

7:15 p.m. **Motion: Mr. Keane moved that the Board adjourn its meeting simultaneously with the adjournment of Town Meeting. Second: Mr. Nelson. Unanimously approved 4-0.**

Note: The Annual Town Meeting adjourned for the evening at 10:55 p.m.

**Town of Needham
Select Board Meeting Minutes
May 3, 2023
Needham Town Hall
Select Board Chambers**

6:55 p.m. Call to Order:

A special meeting of the Select Board was convened by Chair Marianne Cooley. Present were Kevin Keane, Heidi Frail, Cathy Dowd, Assistant Town Manager Katie King, and Town Manager Kate Fitzpatrick. Mr. Nelson was not in attendance.

The Board discussed the proposed motion to amend the plastic bag article. The consensus was to support the amendment but not to speak to it.

Motion: Ms. Frail moved that the Board vote to support the amendment. Second: Mr. Keane. Unanimously approved: 4-0.

The Board discussed the motion to amend Article 18 to remove detached ADUs from the zoning. It was the consensus of the Board not to take a position on the amendment.

7:15 p.m. **Motion: Mr. Keane moved that the Board adjourn its meeting simultaneously with the adjournment of Town Meeting. Second: Ms. Frail. Unanimously approved 4-0.**

Note: The Annual Town Meeting adjourned for the evening at 11:00 p.m.

**Town of Needham
Select Board Meeting Minutes
May 8, 2023
Needham Town Hall
Select Board Chambers**

6:55 p.m. Call to Order:

A special meeting of the Select Board was convened by Chair Marianne Cooley. Present were Kevin Keane, Heidi Frail, Marcus Nelson, Cathy Dowd, Assistant Town Manager Katie King, and Town Manager Kate Fitzpatrick.

The Board discussed the order of the Annual and Special Town Meeting and individual members' presentations.

7:10 p.m. **Motion: Ms. Frail moved that the Board adjourn its meeting simultaneously with the adjournment of Town Meeting. Second: Mr. Keane. Unanimously approved 5-0.**

Note: The Annual Town Meeting adjourned at 9:00 p.m.