

BOARD OF SELECTMEN

April 7, 2015

Needham Town Hall

Revised Agenda

Note: Agenda subject to revision, start times are approximate and agenda items may be discussed at earlier or later times.

1.	7:00	Babson Scholarships • Melissa Shaak, Babson College
2.	7:05	Sale of Bonds • David Davison
3.	7:20	Town Manager • Mandatory Outdoor water Use Restriction • Close Special Town Meeting Warrant
4.	7:30	Executive Session- Exceptions 3 and 6

CONSENT AGENDA *=Backup attached

1.*	Approve a Special One Day All Alcoholic Beverages License for Stephen Pitocchelli of the Village Club to host the Broadmeadow School Fundraiser event on April 11, 2015 from 4:00 p.m. to 11:00 p.m. The event will be held at the Village Club, 83 Morton Street, Needham.
2.*	Approve a Special One Day All Alcoholic Beverages License for Stephen Pitocchelli of the Village Club to host a 50 th Birthday Party on April 24, 2015 from 6:00 p.m. to 11:00 p.m. The event will be held at the Village Club, 83 Morton Street, Needham.
3.*	Approve a Special One Day All Alcoholic Beverages License for Stephen Pitocchelli of the Village Club to host a 40 th Birthday Party on April 25, 2014 from 6:00 p.m. to 11:00 p.m. The event will be held at the Village Club, 83 Morton Street, Needham.
4.	Accept a donation of a small upright piano made to the Friends of the Center at the Heights from Maureen F. Carey of Needham. The estimated cost of the piano is \$300.
5.	Accept donation of 300 Hoodsie Ice Cream cups, and 300 spoons at a value of \$120 for the Memorial Day observation to be held on May 25, 2015 from Roche Brothers, Needham.
6.	Accept the following donation made to the Needham Park and Recreation Commission for its Arts in the Parks program: \$700 from the Needham Exchange Club.
7.*	Water and Sewer Abatement Order #1196
8.	Sign 4 copies of the NIPEA collective bargaining agreement and related MOA.



**Board of Selectmen
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 4/7/2015

Agenda Item	Babson College Scholarships
Presenter(s)	Melissa Shaak, Director of Financial Aid, Babson College

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED										
	The Board of Selectmen awards scholarships to local residents from a fund made available to the Town from Babson College. The number of scholarships and their size is determined by the Board of Selectmen and the Financial Aid Office of Babson College. Melissa Shaak and John Bulian met recently and reviewed all the applications.										
2.	VOTE REQUIRED BY BOARD OF SELECTMEN	YES	NO								
	<i>Suggested Motion:</i> That the Board of Selectmen votes to award the Town of Needham Babson Scholarships to the following applicants: <table><tr><td>Zachary Kohl</td><td>Current freshman</td></tr><tr><td>Jordan Cohen</td><td>Current junior</td></tr><tr><td>Matthew Leskanic</td><td>Current junior</td></tr><tr><td>Daniel Higgins</td><td>Admitted for 2015-16</td></tr></table>			Zachary Kohl	Current freshman	Jordan Cohen	Current junior	Matthew Leskanic	Current junior	Daniel Higgins	Admitted for 2015-16
Zachary Kohl	Current freshman										
Jordan Cohen	Current junior										
Matthew Leskanic	Current junior										
Daniel Higgins	Admitted for 2015-16										
3.	BACK UP INFORMATION ATTACHED	YES	NO								
	a. Listing of Awards (confidential)										



**Board of Selectmen
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 04/07/2015

Agenda Item	Approval of Sale of Bonds and Notes
Presenter(s)	David Davison, Assistant Town Manager/Finance Evelyn Poness, Town Treasurer/Collector

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED		
We will review the results of the bond and note sales and discuss the S&P rating with the Board.			
2.	VOTE REQUIRED BY BOARD OF SELECTMEN	YES	NO
Suggested Motions: (please note there are TEN motions to be acted upon by the Board)			
Motion A Move that in order to reduce interest costs, the Treasurer is authorized to issue refunding bonds, at one time or from time to time, pursuant to Chapter 44, Section 21A of the General Laws, or pursuant to any other enabling authority, to (i) current refund the Town's \$6,827,000 General Obligation Bonds dated June 1, 2005 and maturing on June 1 of the years 2016 through 2025, inclusive, in the aggregate principal amount of \$2,825,000 on June 1, 2015, (ii) advance refund the Town's \$11,970,000 General Obligation Bonds dated November 1, 2006 and maturing on May 1 of the years 2017 through 2026, inclusive, in the aggregate principal amount of \$5,150,000 on May 1, 2016, and (iii) advance refund the Town's \$4,470,000 General Obligation Municipal Purpose Loan of 2007 Bonds dated June 15, 2007 and maturing on November 15 of the years 2017, 2020 and 2022 in the aggregate principal amount of \$1,200,000 on November 15, 2016 (collectively, the "Refunded Bonds") and that the proceeds of any refunding bonds issued pursuant to this vote shall be used to pay the principal, redemption premium and interest on the Refunded Bonds and costs of issuance of the refunding bonds.			
Motion B Move that the sale of the \$13,425,000 General Obligation Municipal Purpose Loan of 2015 Bonds of the Town dated April 15, 2015 (the "Bonds"), to J.P. Morgan Securities LLC at the price of \$14,817,137.74 is hereby approved and confirmed. The Bonds shall be payable on November 15 of the years and in the principal amounts and bear interest at the respective rates, as follows: (Continues on Next Page)			



**Board of Selectmen
TOWN OF NEEDHAM
AGENDA FACT SHEET**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2015	\$860,000	2.00%	2025	\$610,000	4.00%
2016	1,390,000	3.00	2026	160,000	4.00
2017	1,560,000	4.00	2027	160,000	2.50
2018	1,535,000	4.00	2028	160,000	3.00
2019	1,110,000	4.00	2029	160,000	3.00
2020	1,100,000	4.00	2030	160,000	3.00
2021	1,100,000	4.00	2031	160,000	3.00
2022	1,090,000	4.00	2032	155,000	3.00
2023	900,000	4.00	2033	155,000	3.00
2024	900,000	4.00			

Motion C

Move to approve the sale of a \$795,000 0.40 percent General Obligation Bond Anticipation Note of the Town dated April 15, 2015, and payable June 15, 2015 (the "Note"), to Century Subsidiary Investments Inc. III at a price of 100% of par.

Motion D

Move that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated March 24, 2015, and a final Official Statement dated April 1, 2015 (the "Official Statement"), each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Motion E

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 March 24, 2015, and a final Official Statement dated April 1, 2015, each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Motion F

Move that the Bonds shall be subject to redemption, at the option of the Town, upon such terms and conditions as are set forth in the Official Statement.

Motion G

Move to authorize the execution and delivery of a Refunding Escrow Agreement to be dated April 15, 2015, between the Town and U.S. Bank National Association as Refunding Escrow Agent.

Motion H

Move that the Town Treasurer and the Board of Selectmen be, and hereby are, authorized to execute and deliver a continuing and Significant events disclosure undertakings in compliance with SEC Rule 15c2-12 in such forms as may be approved by bond counsel to



**Board of Selectmen
TOWN OF NEEDHAM
AGENDA FACT SHEET**

the Town, which undertakings shall be incorporated by reference in the Bonds and Notes, as applicable, for the benefit of the holders of the Bonds and Notes from time to time.

Motion I

Move that we authorize and direct the Town Treasurer to establish post issuance federal tax compliance procedures in such form 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 Bonds and Notes

Motion J

Move that each member of the Board of Selectmen, 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.

3. BACK UP INFORMATION

YES

NO

(Describe backup below)

- a. Cover Memo Dated April 3, 2015
- b. Standard and Poor's Rating March 31, 2015
- c. Preliminary Official Statement Dated March 24, 2015

dbd 04/03/2015

Memorandum

To: Board of Selectmen
From: David Davison, Assistant Town Manager/Director of Finance
CC: Kate Fitzpatrick, Town Manager; Evelyn Poness, Treasurer/Collector;
Michelle Vaillancourt, Town Accountant
Date: April 3, 2015
Re: Debt Sales

The Town maintained its "AAA" rating with Standard and Poor's (S&P), which has reaffirmed the rating, and still views Needham's outlook as stable after our review with them on Monday, March 23, 2015. The rating agency also assigned the highest short-term rating attainable (SP-1+) to the Town's Bond Anticipation Notes. The S&P March 31, 2015 rationale for the rating is attached.

In addition to issuing bonds to finance several capital projects in various stages of completion, we also determined that this was an opportunity to do advance refunding bonds on three debt issues. We have incorporated into the bond issue refunding amounts for the General Obligation Bonds dated June 1, 2005, General Obligation Bonds dated November 1, 2006, and General Obligation Bonds dated June 15, 2007, which will lower interest costs and keep the same principal amortization amounts. The refunding bond will save the Town over \$1,000,000 and because a significant amount of the debt is excluded debt (Eliot School and High School projects) the amount that will be raised on the tax levy will be less. This means the taxpayers will pay less than they would have had to pay on the remaining debt for the Eliot School and High School.

The Town received five competitive bids for the 19-year \$13,590,000 bond offering. Because the bond structure was inclusive of refunding debt, the actual principal amount is \$14,425,000. This is due to the premium which a prorata amount is deposited into the refunding escrow along with other proceeds. The lowest bidder, **J.P. Morgan Securities LLC**, offered a coupon rate that ranges from a low of 2.000% to a high of 4.000%, which after accounting for the premium results in an average interest rate of 1.87%. I have attached the advance refunding statistical analysis. A complete financing summary will be available the night of meeting.

The Town is also issuing a Bond Anticipation Note (BAN), which will mature on June 15, 2015. The Note is for \$795,000 will be paid in full when it matures. The Town received two bids, and the winning bid was made by **Century Bank**, which offered the Town a Net Interest Cost (NIC) of 0.40%. The total interest expense is \$530.

The table on the next page provides a breakout of the projects and the amounts being financed with the new money portion of the bond and the bond anticipation note.

Project	Amount	Bond	Note
Central Avenue/Elliot Street Bridge	250,000	250,000	
DPW Complex - Garage Bays	65,000		65,000
Property Acquisition	1,330,000	1,330,000	
Public Works Infrastructure Program	190,000	190,000	
Public Works Infrastructure Program	500,000	500,000	
Public Works Infrastructure Program	580,000	580,000	
RTS Remediation	10,000		10,000
Senior Center	50,000		50,000
Sewer Pump Station Design	40,000		40,000
St Mary's Pumping Station	2,000,000	1,700,000	300,000
Stormwater Drainage Improvements	115,000		115,000
Town Hall	40,000		40,000
Water Main Improvements	575,000	400,000	175,000
Totals	5,745,000	4,950,000	795,000

The Board will be asked to approve the debt refunding and the sale of the bonds and the note. Upon approval, the Board will need to execute several documents that will be brought to the meeting. Please do not hesitate to contact me if you have any questions prior to the meeting.

Town of Needham

Bond Sale

\$13,590,000*

Notice Date	3/23/2015	Rating	AAA	3/31/2015
Date of Sale	4/1/2015			
Date of Board Action	4/7/2015			
Settlement	4/15/2015			
Maturity	11/15/2033			

By Standard & Poor's Public Finance

Bidder	Amount	Range	Interest	Premium	Net Interest	True Interest Cost Rate
J.P. Morgan Securities LLC	\$13,590,000	2.000% - 4.000%	\$3,060,508.33	\$1,413,308.75	\$1,647,199.58	1.869914%
Morgan Stanley & Co, LLC	\$13,590,000	2.250% - 4.000%	\$3,057,758.33	\$1,381,441.77	\$1,676,316.56	1.909849%
Robert W Baird & Co., Inc.	\$13,590,000	2.000% - 4.000%	\$2,733,616.67	\$1,060,012.80	\$1,673,603.87	1.918320%
Roosevelt and Cross, Inc.	\$13,590,000	2.000% - 4.000%	\$2,710,916.67	\$1,027,831.95	\$1,683,084.72	1.941315%
Hutchinson, Shockey, Erley & Co	\$13,590,000	2.000% - 4.000%	\$2,662,997.29	\$877,833.65	\$1,785,163.64	2.737540%

Prepared by Asst Town Manager/Director of Finance April 3, 2015

Town of Needham

Note Sale

\$795,000

Notice Date 3/23/2015
 Date of Sale 4/1/2015
 Date of Board Action 4/7/2015
 Settlement 4/15/2015
 Maturity 6/15/2015

Bidder	Amount	Rate	Interest	Premium	Net Interest	NIC
Century Bank	\$795,000	0.4000%	\$530.00	\$0.00	\$530.00	0.4000%
Eastern Bank	\$795,000	0.6000%	\$795.00	\$0.00	\$795.00	0.6000%

Prepared by Asst Town Manager/Director of Finance April 3, 2015

SOURCES AND USES OF FUNDS

Town of Needham, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Sources:	New Money	Refund June 1, 2005 Elliot School (IE)	Refund November 1, 2006 High School (IE)	Refund June 15, 2007 Water 2 (O)	Refund June 15, 2007 Sewer (I)	Total
Bond Proceeds:						
Par Amount	4,950,000.00	2,562,000.00	4,775,000.00	638,000.00	500,000.00	13,425,000.00
Net Premium/OID	374,080.62	290,807.17	617,171.60	82,945.83	61,754.35	1,426,759.57
	5,324,080.62	2,852,807.17	5,392,171.60	720,945.83	561,754.35	14,851,759.57
Other Sources of Funds:						
cash contribution	-	55,546.88	103,625.00	14,018.75	10,881.25	184,071.88
	5,324,080.62	2,908,354.05	5,495,796.60	734,964.58	572,635.60	15,035,831.45
Uses:	New Money	Refund June 1, 2005 Elliot School (IE)	Refund November 1, 2006 High School (IE)	Refund June 15, 2007 Water 2 (O)	Refund June 15, 2007 Sewer (I)	Total
Project Fund Deposits:						
Project Fund	4,950,000.00	-	-	-	-	4,950,000.00
Refunding Escrow Deposits:						
cash contribution	-	55,546.88	103,625.00	14,018.75	10,881.25	184,071.88
Bond Proceeds	-	2,824,664.18	5,341,523.21	713,888.84	555,181.99	9,435,258.22
	-	2,880,211.06	5,445,148.21	727,907.59	566,063.24	9,619,330.10
Delivery Date Expenses:						
Cost of Issuance	35,139.47	20,652.29	38,059.41	5,298.71	4,152.62	103,302.50
Underwriter's Discount	12,765.60	6,607.16	12,314.28	1,645.34	1,289.45	34,621.83
	47,905.07	27,259.45	50,373.69	6,944.05	5,442.07	137,924.33
Other Uses of Funds:						
Additional Proceeds	326,175.55	883.54	274.70	112.94	1,130.29	328,577.02
	5,324,080.62	2,908,354.05	5,495,796.60	734,964.58	572,635.60	15,035,831.45

BOND SUMMARY STATISTICS

Town of Needham, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Dated Date	04/15/2015
Delivery Date	04/15/2015
Last Maturity	11/15/2033
Arbitrage Yield	1.805671%
True Interest Cost (TIC)	1.872142%
Net Interest Cost (NIC)	2.013663%
All-In TIC	2.001902%
Average Coupon	3.734450%
Average Life (years)	6.026
Duration of Issue (years)	5.454
Par Amount	13,425,000.00
Bond Proceeds	14,851,759.57
Total Interest	3,021,216.66
Net Interest	1,629,078.92
Total Debt Service	16,446,216.66
Maximum Annual Debt Service	1,963,900.00
Average Annual Debt Service	884,998.21
Underwriter's Fees (per \$1000)	
Average Takedown	-
Other Fee	2.578907
Total Underwriter's Discount	2.578907
Bid Price	110.369741

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	13,425,000.00	110.628	3.734%	6.026
	13,425,000.00			6.026

	TIC	All-In TIC	Arbitrage Yield
Par Value	13,425,000.00	13,425,000.00	14,220,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	1,426,759.57	1,426,759.57	1,426,759.57
- Underwriter's Discount	(34,621.83)	(34,621.83)	
- Cost of Issuance Expense		(103,302.50)	
- Other Amounts	-	-	-
Target Value	14,817,137.74	14,713,835.24	15,646,759.57
Target Date	04/15/2015	04/15/2015	04/15/2015
Yield	1.872142%	2.001902%	1.805671%

SUMMARY OF REFUNDING RESULTS

Town of Needham, Massachusetts
 General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
 Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

	Refund June 1, 2005 Elliot School (IE)	Refund November 1, 2006 High School (IE)	Refund June 15, 2007 Water 2 (O)	Refund June 15, 2007 Sewer (I)	Total
Dated Date	04/15/2015	04/15/2015	04/15/2015	04/15/2015	04/15/2015
Delivery Date	04/15/2015	04/15/2015	04/15/2015	04/15/2015	04/15/2015
Arbitrage Yield	1.805671%	1.805671%	1.805671%	1.805671%	1.805671%
Escrow Yield	0.285087%	0.285087%	0.285087%	0.285087%	0.285087%
Value of Negative Arbitrage	1,782.49	82,733.08	16,583.24	12,888.71	113,987.52
Bond Par Amount	2,562,000.00	4,775,000.00	638,000.00	500,000.00	8,475,000.00
True Interest Cost	1.571031%	1.686867%	1.458859%	1.393382%	1.623778%
Net Interest Cost	1.701021%	1.832029%	1.571791%	1.498004%	1.760551%
Average Coupon	3.939963%	3.970058%	4.000000%	4.000000%	3.965578%
Average Life	4.955	5.925	5.248	4.833	5.516
Par amount of refunded bonds	2,825,000.00	5,150,000.00	675,000.00	525,000.00	9,175,000.00
Average coupon of refunded bonds	3.991647%	4.039726%	4.167695%	4.160676%	4.039924%
Average life of refunded bonds	5.535	6.443	5.250	4.869	5.985
PV of prior debt	3,185,733.89	5,933,180.16	765,798.62	591,138.72	10,475,851.39
Net PV Savings	315,170.39	484,066.87	44,433.34	31,092.41	874,763.01
Percentage savings of refunded bonds	11.156474%	9.399357%	6.582717%	5.922364%	9.534202%
Percentage savings of refunding bonds	12.301733%	10.137526%	6.964473%	6.218482%	10.321687%

SAVINGS

Town of Needham, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Date	Prior Debt Service	Cash Contribution	Prior Net Cash Flow	Refunding Debt Service	Non-Called Debt Service	Refunding Net Cash Flow	Savings	Annual Savings
04/15/2015	-	184,071.88	(184,071.88)	-	-	-	(184,071.88)	-
05/01/2015	675,625.00	-	675,625.00	-	572,000.00	572,000.00	103,625.00	-
05/15/2015	34,900.00	-	34,900.00	-	10,000.00	10,000.00	24,900.00	-
06/01/2015	360,796.88	-	360,796.88	-	305,250.00	305,250.00	55,546.88	-
11/01/2015	114,625.00	-	114,625.00	-	11,000.00	11,000.00	103,625.00	-
11/15/2015	234,900.00	-	234,900.00	469,758.34	210,000.00	679,758.34	(444,858.34)	-
12/01/2015	55,546.88	-	55,546.88	-	-	-	55,546.88	-
05/01/2016	664,625.00	-	664,625.00	-	561,000.00	561,000.00	103,625.00	-
05/15/2016	29,900.00	-	29,900.00	159,850.00	5,000.00	164,850.00	(134,950.00)	-
06/01/2016	355,546.88	-	355,546.88	-	-	-	355,546.88	-
06/30/2016	-	-	-	-	-	-	-	38,535.42
11/01/2016	103,625.00	-	103,625.00	-	-	-	103,625.00	-
11/15/2016	229,900.00	-	229,900.00	969,850.00	205,000.00	1,174,850.00	(944,950.00)	-
12/01/2016	49,921.88	-	49,921.88	-	-	-	49,921.88	-
05/01/2017	653,625.00	-	653,625.00	-	-	-	653,625.00	-
05/15/2017	24,900.00	-	24,900.00	147,700.00	-	147,700.00	(122,800.00)	-
06/01/2017	349,921.88	-	349,921.88	-	-	-	349,921.88	-
06/30/2017	-	-	-	-	-	-	-	89,343.76
11/01/2017	92,625.00	-	92,625.00	-	-	-	92,625.00	-
11/15/2017	224,900.00	-	224,900.00	1,127,700.00	-	1,127,700.00	(902,800.00)	-
12/01/2017	44,296.88	-	44,296.88	-	-	-	44,296.88	-
05/01/2018	642,625.00	-	642,625.00	-	-	-	642,625.00	-
05/15/2018	20,850.00	-	20,850.00	128,100.00	-	128,100.00	(107,250.00)	-
06/01/2018	344,296.88	-	344,296.88	-	-	-	344,296.88	-
06/30/2018	-	-	-	-	-	-	-	113,793.76
11/01/2018	81,625.00	-	81,625.00	-	-	-	81,625.00	-
11/15/2018	220,850.00	-	220,850.00	1,083,100.00	-	1,083,100.00	(862,250.00)	-
12/01/2018	38,671.88	-	38,671.88	-	-	-	38,671.88	-
05/01/2019	631,625.00	-	631,625.00	-	-	-	631,625.00	-
05/15/2019	16,700.00	-	16,700.00	109,000.00	-	109,000.00	(92,300.00)	-
06/01/2019	313,671.88	-	313,671.88	-	-	-	313,671.88	-
06/30/2019	-	-	-	-	-	-	-	111,043.76
11/01/2019	70,625.00	-	70,625.00	-	-	-	70,625.00	-
11/15/2019	216,700.00	-	216,700.00	1,019,000.00	-	1,019,000.00	(802,300.00)	-
12/01/2019	33,171.88	-	33,171.88	-	-	-	33,171.88	-
05/01/2020	570,625.00	-	570,625.00	-	-	-	570,625.00	-
05/15/2020	12,550.00	-	12,550.00	90,800.00	-	90,800.00	(78,250.00)	-
06/01/2020	308,171.88	-	308,171.88	-	-	-	308,171.88	-
06/30/2020	-	-	-	-	-	-	-	102,043.76
11/01/2020	60,625.00	-	60,625.00	-	-	-	60,625.00	-
11/15/2020	212,550.00	-	212,550.00	990,800.00	-	990,800.00	(778,250.00)	-
12/01/2020	27,671.88	-	27,671.88	-	-	-	27,671.88	-
05/01/2021	560,625.00	-	560,625.00	-	-	-	560,625.00	-
05/15/2021	8,400.00	-	8,400.00	72,800.00	-	72,800.00	(64,400.00)	-
06/01/2021	302,671.88	-	302,671.88	-	-	-	302,671.88	-
06/30/2021	-	-	-	-	-	-	-	108,943.76
11/01/2021	50,625.00	-	50,625.00	-	-	-	50,625.00	-
11/15/2021	208,400.00	-	208,400.00	972,800.00	-	972,800.00	(764,400.00)	-
12/01/2021	22,171.88	-	22,171.88	-	-	-	22,171.88	-
05/01/2022	550,625.00	-	550,625.00	-	-	-	550,625.00	-
05/15/2022	4,200.00	-	4,200.00	54,800.00	-	54,800.00	(50,600.00)	-
06/01/2022	297,171.88	-	297,171.88	-	-	-	297,171.88	-
06/30/2022	-	-	-	-	-	-	-	105,593.76
11/01/2022	40,625.00	-	40,625.00	-	-	-	40,625.00	-
11/15/2022	204,200.00	-	204,200.00	944,800.00	-	944,800.00	(740,600.00)	-
12/01/2022	16,671.88	-	16,671.88	-	-	-	16,671.88	-
05/01/2023	540,625.00	-	540,625.00	-	-	-	540,625.00	-
05/15/2023	-	-	-	37,000.00	-	37,000.00	(37,000.00)	-
06/01/2023	291,671.88	-	291,671.88	-	-	-	291,671.88	-
06/30/2023	-	-	-	-	-	-	-	111,993.76
11/01/2023	30,625.00	-	30,625.00	-	-	-	30,625.00	-
11/15/2023	-	-	-	737,000.00	-	737,000.00	(737,000.00)	-
12/01/2023	11,171.88	-	11,171.88	-	-	-	11,171.88	-
05/01/2024	530,625.00	-	530,625.00	-	-	-	530,625.00	-
05/15/2024	-	-	-	23,000.00	-	23,000.00	(23,000.00)	-
06/01/2024	286,171.88	-	286,171.88	-	-	-	286,171.88	-
06/30/2024	-	-	-	-	-	-	-	98,593.76
11/01/2024	20,625.00	-	20,625.00	-	-	-	20,625.00	-
11/15/2024	-	-	-	723,000.00	-	723,000.00	(723,000.00)	-
12/01/2024	5,671.88	-	5,671.88	-	-	-	5,671.88	-
05/01/2025	520,625.00	-	520,625.00	-	-	-	520,625.00	-
05/15/2025	-	-	-	9,000.00	-	9,000.00	(9,000.00)	-
06/01/2025	280,671.88	-	280,671.88	-	-	-	280,671.88	-
06/30/2025	-	-	-	-	-	-	-	95,593.76
11/01/2025	10,312.50	-	10,312.50	-	-	-	10,312.50	-
11/15/2025	-	-	-	459,000.00	-	459,000.00	(459,000.00)	-
05/01/2026	510,312.50	-	510,312.50	-	-	-	510,312.50	-
06/30/2026	-	-	-	-	-	-	-	61,625.00
	13,429,284.48	184,071.88	13,245,212.60	10,328,858.34	1,879,250.00	12,208,108.34	1,037,104.26	1,037,104.26

Savings Summary

Dated Date	04/15/2015
Delivery Date	04/15/2015
Savings PV rate	1.805671%
PV of savings from cash flow	872,361.53
Plus: Refunding funds on hand	2,401.47
Net PV Savings	874,763.00

BOND PRICING

Town of Needham, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	11/15/2015	860,000	2.000%	0.200%	101.048
	11/15/2016	1,390,000	3.000%	0.400%	104.099
	11/15/2017	1,560,000	4.000%	0.710%	108.406
	11/15/2018	1,535,000	4.000%	1.000%	110.533
	11/15/2019	1,110,000	4.000%	1.220%	112.354
	11/15/2020	1,100,000	4.000%	1.380%	114.031
	11/15/2021	1,100,000	4.000%	1.560%	115.208
	11/15/2022	1,090,000	4.000%	1.750%	115.912
	11/15/2023	900,000	4.000%	1.870%	116.817
	11/15/2024	900,000	4.000%	1.970%	117.647
	11/15/2025	610,000	4.000%	2.070%	116.697 C
	11/15/2026	160,000	4.000%	2.190%	115.568 C
	11/15/2027	160,000	2.500%	2.620%	98.719
	11/15/2028	160,000	3.000%	2.830%	101.416 C
	11/15/2029	160,000	3.000%	2.880%	100.997 C
	11/15/2030	160,000	3.000%	2.950%	100.413 C
	11/15/2031	160,000	3.000%	3.010%	99.868
	11/15/2032	155,000	3.000%	3.060%	99.187
	11/15/2033	155,000	3.000%	3.100%	98.593
		13,425,000			

Dated Date	04/15/2015	
Delivery Date	04/15/2015	
First Coupon	11/15/2015	
Par Amount	13,425,000.00	
Premium	1,426,759.57	
Production	14,851,759.57	110.627632%
Underwriter's Discount	(34,621.83)	(0.257891%)
Purchase Price	14,817,137.74	110.369741%
Accrued Interest	-	
Net Proceeds	14,817,137.74	

BOND DEBT SERVICE

Town of Needham, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/15/2015	860,000	2.000%	288,166.66	1,148,166.66	-
05/15/2016	-	-	238,400.00	238,400.00	-
06/30/2016	-	-	-	-	1,386,566.66
11/15/2016	1,390,000	3.000%	238,400.00	1,628,400.00	-
05/15/2017	-	-	217,550.00	217,550.00	-
06/30/2017	-	-	-	-	1,845,950.00
11/15/2017	1,560,000	4.000%	217,550.00	1,777,550.00	-
05/15/2018	-	-	186,350.00	186,350.00	-
06/30/2018	-	-	-	-	1,963,900.00
11/15/2018	1,535,000	4.000%	186,350.00	1,721,350.00	-
05/15/2019	-	-	155,650.00	155,650.00	-
06/30/2019	-	-	-	-	1,877,000.00
11/15/2019	1,110,000	4.000%	155,650.00	1,265,650.00	-
05/15/2020	-	-	133,450.00	133,450.00	-
06/30/2020	-	-	-	-	1,399,100.00
11/15/2020	1,100,000	4.000%	133,450.00	1,233,450.00	-
05/15/2021	-	-	111,450.00	111,450.00	-
06/30/2021	-	-	-	-	1,344,900.00
11/15/2021	1,100,000	4.000%	111,450.00	1,211,450.00	-
05/15/2022	-	-	89,450.00	89,450.00	-
06/30/2022	-	-	-	-	1,300,900.00
11/15/2022	1,090,000	4.000%	89,450.00	1,179,450.00	-
05/15/2023	-	-	67,650.00	67,650.00	-
06/30/2023	-	-	-	-	1,247,100.00
11/15/2023	900,000	4.000%	67,650.00	967,650.00	-
05/15/2024	-	-	49,650.00	49,650.00	-
06/30/2024	-	-	-	-	1,017,300.00
11/15/2024	900,000	4.000%	49,650.00	949,650.00	-
05/15/2025	-	-	31,650.00	31,650.00	-
06/30/2025	-	-	-	-	981,300.00
11/15/2025	610,000	4.000%	31,650.00	641,650.00	-
05/15/2026	-	-	19,450.00	19,450.00	-
06/30/2026	-	-	-	-	661,100.00
11/15/2026	160,000	4.000%	19,450.00	179,450.00	-
05/15/2027	-	-	16,250.00	16,250.00	-
06/30/2027	-	-	-	-	195,700.00
11/15/2027	160,000	2.500%	16,250.00	176,250.00	-
05/15/2028	-	-	14,250.00	14,250.00	-
06/30/2028	-	-	-	-	190,500.00
11/15/2028	160,000	3.000%	14,250.00	174,250.00	-
05/15/2029	-	-	11,850.00	11,850.00	-
06/30/2029	-	-	-	-	186,100.00
11/15/2029	160,000	3.000%	11,850.00	171,850.00	-
05/15/2030	-	-	9,450.00	9,450.00	-
06/30/2030	-	-	-	-	181,300.00
11/15/2030	160,000	3.000%	9,450.00	169,450.00	-
05/15/2031	-	-	7,050.00	7,050.00	-
06/30/2031	-	-	-	-	176,500.00
11/15/2031	160,000	3.000%	7,050.00	167,050.00	-
05/15/2032	-	-	4,650.00	4,650.00	-
06/30/2032	-	-	-	-	171,700.00
11/15/2032	155,000	3.000%	4,650.00	159,650.00	-
05/15/2033	-	-	2,325.00	2,325.00	-
06/30/2033	-	-	-	-	161,975.00
11/15/2033	155,000	3.000%	2,325.00	157,325.00	-
06/30/2034	-	-	-	-	157,325.00
	13,425,000		3,021,216.66	16,446,216.66	16,446,216.66

ESCROW REQUIREMENTS

Town of Needham, Massachusetts
 General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
 Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Period Ending	Interest	Principal Redeemed	Total
05/01/2015	103,625.00	-	103,625.00
05/15/2015	24,900.00	-	24,900.00
06/01/2015	55,546.88	2,825,000.00	2,880,546.88
11/01/2015	103,625.00	-	103,625.00
11/15/2015	24,900.00	-	24,900.00
05/01/2016	103,625.00	5,150,000.00	5,253,625.00
05/15/2016	24,900.00	-	24,900.00
11/15/2016	24,900.00	1,200,000.00	1,224,900.00
	466,021.88	9,175,000.00	9,641,021.88

ESCROW DESCRIPTIONS

Town of Needham, Massachusetts
 General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
 Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Type of Security	Maturity Date	First Int Pmt Date	Par Amount	Rate	Yield	Price	Dated Date	Interest Class	Interest Frequency	Interest Day Basis	Cost	Accrued Interest	Total Cost
Apr 15, 2015:													
TSTRIP-P	04/30/2015	-	2,811,000	-	(0.048%)	100.001980	04/30/2010	Periodic	Semiannual	ACT/ACT	2,811,055.66	-	2,811,055.66
TNote	10/31/2015	04/30/2011	94,000	1.250%	0.146%	100.597090	10/31/2010	Periodic	Semiannual	ACT/ACT	94,561.26	538.81	95,100.07
TNote	11/15/2015	05/15/2006	20,000	4.500%	0.173%	102.519660	11/15/2005	Periodic	Semiannual	ACT/ACT	20,503.93	375.41	20,879.34
TNote	04/30/2016	10/30/2014	5,243,000	0.375%	0.256%	100.144326	04/30/2014	Periodic	Semiannual	ACT/ACT	5,250,567.03	9,015.93	5,259,582.96
TNote	05/15/2016	11/15/2013	21,000	0.250%	0.511%	99.933560	05/15/2013	Periodic	Semiannual	ACT/ACT	20,986.05	21.90	21,007.95
TNote	11/15/2016	05/15/2014	1,221,000	0.625%	0.448%	100.279050	11/15/2013	Periodic	Semiannual	ACT/ACT	1,224,407.20	3,183.20	1,227,590.40
											9,422,081.13	13,135.25	9,435,216.38

ESCROW COST

Town of Needham, Massachusetts
 General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
 Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
TSTRIP-P	04/30/2015	2,811,000	-	(0.047783%)	100.00198000	2,811,055.66	-	2,811,055.66
TNote	10/31/2015	94,000	1.250%	0.146339%	100.59709000	94,561.26	538.81	95,100.07
TNote	11/15/2015	20,000	4.500%	0.172893%	102.51966000	20,503.93	375.41	20,879.34
TNote	04/30/2016	5,243,000	0.375%	0.236156%	100.14432642	5,250,567.03	9,015.93	5,259,582.96
TNote	05/15/2016	21,000	0.250%	0.311494%	99.93356000	20,986.05	21.90	21,007.95
TNote	11/15/2016	1,221,000	0.625%	0.447853%	100.27905000	1,224,407.20	3,183.20	1,227,590.40
		9,410,000				9,422,081.13	13,135.25	9,435,216.38

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
04/15/2015	9,435,216.38	184,113.72	9,619,330.10
	9,435,216.38	184,113.72	9,619,330.10

ESCROW CASH FLOW

Town of Needham, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Date	Principal	Interest	Net Escrow Receipts
04/30/2015	2,811,000.00	10,418.13	2,821,418.13
05/15/2015	-	4,291.88	4,291.88
10/31/2015	94,000.00	10,418.13	104,418.13
11/15/2015	20,000.00	4,291.88	24,291.88
04/30/2016	5,243,000.00	9,830.63	5,252,830.63
05/15/2016	21,000.00	3,841.88	24,841.88
11/15/2016	1,221,000.00	3,815.63	1,224,815.63
	9,410,000.00	46,908.16	9,456,908.16

Escrow Cost Summary

Purchase date	04/15/2015
Purchase cost of securities	9,435,216.38

ESCROW SUFFICIENCY

Town of Needham, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds dated April 15, 2015
Current Refunding of June 1, 2005 & Advance Refunding of November 1, 2006 & June 15, 2007

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/15/2015	-	184,113.72	184,113.72	184,113.72
04/30/2015	-	2,821,418.13	2,821,418.13	3,005,531.85
05/01/2015	103,625.00	-	(103,625.00)	2,901,906.85
05/15/2015	24,900.00	4,291.88	(20,608.12)	2,881,298.73
06/01/2015	2,880,546.88	-	(2,880,546.88)	751.85
10/31/2015	-	104,418.13	104,418.13	105,169.98
11/01/2015	103,625.00	-	(103,625.00)	1,544.98
11/15/2015	24,900.00	24,291.88	(608.12)	936.86
04/30/2016	-	5,252,830.63	5,252,830.63	5,253,767.49
05/01/2016	5,253,625.00	-	(5,253,625.00)	142.49
05/15/2016	24,900.00	24,841.88	(58.12)	84.37
11/15/2016	1,224,900.00	1,224,815.63	(84.37)	-
	9,641,021.88	9,641,021.88	0.00	

RatingsDirect®

Summary:

Needham, Massachusetts; General Obligation; Note

Primary Credit Analyst:

Victor M Medeiros, Boston (1) 617-530-8305; victor.medeiros@standardandpoors.com

Secondary Contact:

Karl Jacob, Boston (1) 617-530-8134; karl.jacob@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Needham, Massachusetts; General Obligation; Note

Credit Profile

US\$13.590mil GO mun purp loan bnds ser 2015 due 04/15/2035

<i>Long Term Rating</i>	AAA/Stable	New
-------------------------	------------	-----

US\$0.795 mil GO BANs dtd 04/15/2015 due 06/15/2015

<i>Short Term Rating</i>	SP-1+	New
--------------------------	-------	-----

Needham GO

<i>Long Term Rating</i>	AAA/Stable	Affirmed
-------------------------	------------	----------

Needham GO BANs dtd 04/15/2015 due 06/15/2015

<i>Short Term Rating</i>	SP-1+	Affirmed
--------------------------	-------	----------

Rationale

Standard & Poor's Ratings Services assigned its 'AAA' long-term rating to Needham, Mass.' series 2015 general obligation (GO) municipal purpose loan bonds. At the same time, Standard & Poor's assigned its 'SP-1+' short-term rating to Needham's series 2015 GO bond anticipation notes (BANs), payable on June 15, 2015. Finally, Standard & Poor's affirmed its 'AAA' long-term rating on the town's GO debt. The outlook is stable.

The 'SP-1+' rating reflects our view of the town's strong ability to pay principal and interest when the notes come due. Needham's market risk profile is low, in our view, as it maintains strong legal authority to issue long-term debt to take out the BANs, and is a frequent issuer, providing regular disclosure to market participants.

The town's full-faith-and-credit pledge secures the bonds. The proceeds will be used to fund various capital projects. A portion of the proceeds will be used to refund a portion of the town's series 2005, 2006, and 2007 bonds for interest rate savings and no extension of maturities.

The rating reflects our assessment of the town's:

- Very strong economy, benefiting from its participation in the broad and diverse Boston metropolitan statistical area (MSA);
- Very strong budgetary flexibility, with 2014 audited available reserves exceeding 15% of general fund expenditures;
- Strong budgetary performance due to conservative estimating and a stable revenue profile;
- Very strong liquidity, providing very strong cash to cover both debt service and operating expenditures;
- Strong management environment and good financial policies;
- Strong debt and contingent liability profile, bolstered by its low debt to market value and aggressive amortization; and
- Strong institutional framework.

Very strong economy

With an estimated population of 29,000, Needham is roughly 10 miles southwest of Boston in one of the nation's wealthiest regions. Its location along Interstate 95 provides convenient access to jobs throughout the Boston MSA. The town's economy is stable and diverse, in our view, with very strong economic indicators. Its projected per capita effective buying income is 265% of the U.S. level. County unemployment remains favorable, in our view, averaging 6% in fiscal 2013. Needham's per capita market value is \$297,000 as of fiscal 2014. Its taxable assessed values (AVs) are up 10% since 2013, reflecting recent construction. The town's projected fiscal 2015 AV is \$8 billion, and roughly 87% of the base is residential and 10% commercial.

Very strong budget flexibility

In our opinion, the town's budgetary flexibility is very strong. Needham closed fiscal 2014 with \$28.5 million in available reserves (including unassigned, assigned, and committed fund balance), representing 18% of expenditures, and recurring transfers out. We note this is down from previous years, as management has purposefully appropriated fund balance to finance capital projects. While reserves are down, we don't anticipate many further declines. Additionally, we acknowledge that the town has shown the willingness to raise revenues in excess of Proposition 2-½ limits. Most recently, voters approved a \$1.5 million operating override to support new services within the schools.

Strong budgetary performance

We believe the town's budgetary performance is strong overall. It closed with a 2.4% general fund surplus in fiscal 2013, and near break-even operations in fiscal 2014 (negative 0.8%). As noted above, the town spent in excess of \$1.1 million of general fund monies for additional capital items in fiscal 2014. Across all governmental funds, however, after adjusting for capital spent by bond proceeds, the town realized a surplus of \$9.1 million, or 6.2% of expenditures.

For fiscal 2015, officials are projecting a balanced budget; a winter with particularly heavy snow and ice totals, however, could complicate matters. Currently, we expect revenue performance to remain in line with years past, but we acknowledge budgeting challenges will test management. Ultimately, we believe proactive budget management will likely allow for stable operations. We also believe Needham maintains a stable and predictable revenue profile that is largely independent of commonwealth and federal revenue. Property taxes constituted 75% of 2014 revenues, while intergovernmental aid accounted for 17%.

Very strong liquidity

Supporting the town's finances is what we consider very strong liquidity, with total governmental cash at 18.6% of total governmental fund expenditures and 269% of debt service. Reinforcing Needham's liquidity position, in our view, is the town's strong access to external liquidity. Needham is a regular market participant, having frequently issued bonds (including GO bonds and short-term BANs) in recent years.

Strong management conditions

We view the town's management conditions as strong, with good financial practices and policies.

Very strong debt and contingent liability profile

Needham has roughly \$107.3 million in total direct debt, with the BANs accounting for a \$795,000 of that amount. The town's total governmental funds debt service is 6% of total governmental funds expenditures, and net direct debt is 62% of total governmental funds revenue. Net debt is a low 1.1% of market value, further bolstering the town's strong

debt profile. Amortization is rapid, with roughly 82% of debt scheduled to be retired in 10 years.

Needham is one of the few communities in Massachusetts that fully funds its other postemployment benefit (OPEB) obligation, an aspect we view favorably. The town has a 24% (\$15.4 million) funded ratio, based on a \$46.8 million unfunded actuarial accrued liability as of July 1, 2014. The town also administers a contributory pension system with a 68% funding ratio as of Jan. 1, 2014. Total 2014 pension and OPEB costs equal 7% of total governmental expenditures.

Strong institutional framework

We consider Institutional Framework score for Massachusetts towns strong.

Outlook

The stable outlook reflects our view that Needham's strong underlying economy, strong management, and predictable operating profile should translate into continued strong available reserves over the next two years. We also expect Needham to maintain a strong debt and contingent liability profile since we do not foresee debt service, pension, and OPEB costs posing budgetary challenges in the near future. For these reasons, we do not expect to lower the long-term GO debt rating within the two-year outlook period.

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- USPF Criteria: Bond Anticipation Note Rating Methodology, Aug. 31, 2011

Related Research

- U.S. State And Local Government Credit Conditions Forecast, Dec. 10, 2014
- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Massachusetts Local Governments

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2015 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MARCH 24, 2015

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986. Interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. **The Town will not designate the Notes as "qualified tax-exempt obligations" for purposes of section 265(b)(3) of the Internal Revenue Code of 1986, as amended.** Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Exemption" herein.

TOWN OF NEEDHAM, MASSACHUSETTS \$795,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

The Town of Needham, Massachusetts (the "Town") will receive telephone and electronic bids at First Southwest Company, LLC (617-619-4400) in the case of telephone bids and via PARITY in the case of electronic bids until 11:00 AM, Eastern Time, Wednesday, April 1, 2015, for the purchase of the following described General Obligation Bond Anticipation Notes (the "Notes").

\$795,000 General Obligation Bond Anticipation Notes (new money) dated April 15, 2015 and payable June 15, 2015. Interest will be computed on a 30 day month, 360-day year basis (60/360).

Bids for the Notes may be submitted electronically via **PARITY** pursuant to this Notice of Sale until 11:00 AM, Eastern Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact the First Southwest Company, LLC or **PARITY** at (212) 404-8102.

Bids may be submitted for all or part of the Notes at a single or various rates of interest in multiples of one-hundredth (1/100) of one percent (1%). No bid for less than par and accrued interest to the date of delivery will be considered. No coupon rate greater than 2.00% will be considered. The Notes will be awarded on the basis of lowest net interest cost to the Town.

An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

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 First Southwest Company, LLC by not later than 12:00 PM, Eastern Time, on the date of sale.

The award of the Notes to the winning bidder will not be effective until the bid has been approved by the Treasurer and the Board of Selectmen of the Town.

The Notes will be awarded on the basis of lowest net interest cost to the Town. Such cost will be determined by computing the total amount of interest payable on the Notes, at the rate or rates stated, from April 15, 2015 until the maturity of the Notes and deducting therefrom the sum, if any, by which the amount bid for the Notes exceeds the aggregate principal amount of the Notes. In the event a bidder offering a premium for the Notes is awarded a lesser amount of notes than bid, the premium shall be reduced proportionately. The right is reserved to reject any and all bids not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid.

A successful bidder for all of the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of The Depository Trust Company ("DTC"). The successful bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have the Notes issued in the form of fully registered physical certificates, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the winning bid. The Town reserves the right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests.

On or prior to the date of delivery of the Notes, the successful bidder shall furnish to the Town a certificate acceptable to Bond Counsel to the effect that (a) as of March 31, 2015 (the "Sale Date"), the purchaser had offered or reasonably expected to offer all of the Notes to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the price set forth in such certificate, plus accrued interest, if any, (b) such price represents the fair market price of the Notes as of the Sale Date, and (c) as of the date of such certificate, all of the Notes have been offered to the general public in a bona fide offering at the price set forth in such certificate, and at least 10% of the principal amount of the Notes actually has been sold to the general public at such price. To the extent the certifications described in the preceding sentence are not factually accurate with respect to the reoffering of the Notes, Bond Counsel should be consulted by the bidder as to alternative certifications that will be suitable to establish the "issue price" of the Notes for federal tax law purposes. If the purchaser is purchasing the Notes for its own account and not on behalf of another party, and the purchaser does not presently intend to resell the Notes, the successful bidder will be required to so certify.

Principal of and interest on the Notes will be payable upon maturity in federal reserve funds at the U.S. Bank National Association, Boston, Massachusetts. The Notes will not be subject to redemption prior to maturity. The Notes will be issued by means of a book-entry system evidencing ownership, in principal amounts of \$1,000, or integral multiples thereof with transfer of the Notes on the records of DTC and its Participants pursuant to the rules and procedures adopted by DTC, unless the issuance of a fully registered note certificate is requested by the winning bidder and the issuance of such certificate is approved by the Town. (See Preliminary Official Statement, "Book-Entry Transfer System").

The purchaser(s) of the Notes will be furnished the opinion of Locke Lord LLP, Boston, Massachusetts approving the legality of the Notes. The opinion will also indicate that the Notes and the enforceability thereof may also be subject to the exercise of judicial discretion in appropriate cases. Payment of principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source. The Notes will be valid and binding general obligations of the Town of Needham, Massachusetts, and unless paid from the bond proceeds in anticipation of which they are issued or from other sources, the principal of and interest on the Notes are payable from taxes which may be levied upon all taxable property in the Town subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

In order to assist bidders in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will undertake to provide notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

It shall be a condition of the successful bidder's obligation to accept delivery of and pay for the Notes that, contemporaneously with or before accepting Notes and paying therefor, it shall be furnished, without costs, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, with respect to the Notes, (b) a certificate in form satisfactory to said firm, dated as of the date of delivery such Notes and receipt of payment therefor, to the effect that there is no litigation pending, or to the knowledge of the signer or signers thereof, threatened affecting the validity of such Notes or the power of the Town to levy and collect taxes to pay them, and (c) a certificate of the Town Treasurer to the effect that, to the best of her knowledge and belief, both the Preliminary Official Statement as of the date of sale and the Final Official Statement as of the date of delivery of such Notes referred to below, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

It is anticipated that CUSIP identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on said Notes shall be paid for by the Town, however, the Town assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such number.

The Notes in definitive form will be delivered to DTC, or to the office of its custodial agent, or to the registered owner if a fully registered certificate is requested by the winning bidder and approved by the Town, on or about April 15, 2015, against payment to the Town in federal reserve funds.

Additional information concerning the Town of Needham and the Notes is contained in the Preliminary Official Statement dated March 24, 2015 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. 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 underwriters, but is subject to change without notice and to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from the First Southwest Company, LLC, 54 Canal Street, Suite 320, Boston, Massachusetts 02114 (Telephone: 617-619-4400). Within seven business days following the award of the Notes and receipt of necessary information from the successful bidder, 5 copies of the Final Official Statement will be made available to the successful bidder. Upon request, additional copies will be provided at the expense of the successful bidder.

TOWN OF NEEDHAM, MASSACHUSETTS
/s/ Ms. Evelyn M. Poness, Treasurer

March 24, 2015

**PRELIMINARY OFFICIAL STATEMENT
TOWN OF NEEDHAM, MASSACHUSETTS
\$795,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Needham, Massachusetts (the "Town") in connection with the sale of \$795,000 principal amount of General Obligation Bond Anticipation Notes (the "Notes"). The information contained herein has been furnished by the Town except information attributed to another governmental agency or official as the source.

The Notes

The Notes will be dated April 15, 2015 and will be payable by U.S. Bank National Association, Boston, Massachusetts, or its successor, as Paying Agent, on June 15, 2015. The Notes will bear interest payable at maturity, calculated on the basis of 30 day months and on a 360-day year, at the rate or rates determined upon their sale in accordance with the Notice of Sale dated March 24, 2015. The Notes will be issued by means of a book-entry-only system, evidencing ownership of the Notes in principal amounts of \$1,000, or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC), unless the delivery of a fully registered physical note certificate is requested by the winning bidder of the Notes and the issuance of such certificate is approved by the Town. (See "Book-Entry Transfer System" herein.)

Authorization of the Notes and Use of Proceeds

The following table sets forth the principal amounts, purposes, statutory references and other relevant details for the current offering of Notes.

This Issue	Purpose	Amount Originally Authorized	Date of Authorization	Law Cite	Article
115,000	Drainage Improvements	200,000	5/4/2009	Ch. 44, Section 7(1)	48
40,000	Town Hall Improvements	4,100,000	5/18/2009	Ch. 44, Section 7(3A)	35
50,000	Senior Center Construction	8,051,808	11/7/2011	Ch. 44, Section 7(3)	14
65,000	DPW Complex Renovations	1,100,000	5/13/2013	Ch. 44, Section 7(3A)	42
10,000	Recycling/Transfer Station Remediation Planning	400,000	11/13/2012	Ch. 44, Section 7(22)	16
40,000	Sewer Pump Station Design	577,500	5/4/2009	Ch. 44, Section 8(4)	54
175,000	Water Mains	1,900,000	5/19/2008	Ch. 44, Section 8	47
300,000	Water Pumping Station	5,565,100	5/13/2013	Ch. 44, Section 8(4)	47
<u>\$ 795,000</u>					

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In the opinion of Bond Counsel, the Notes will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes and

the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

To the extent the issue price of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of the Notes is the first price at which a substantial amount of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes ("Premium Notes"), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder's basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Prospective Noteholders should be aware that from time to time legislation is or may be proposed which, if enacted into law, could result in interest on the Notes being subject directly or indirectly to federal income taxation, or otherwise prevent Noteholders from realizing the full benefit provided under current federal tax law of the exclusion of interest on the Notes from gross income. To date, no such legislation has been enacted into law. However, it is not possible to predict whether any such legislation will be enacted into law.

Further, no assurance can be given that pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the market value and marketability of, or the tax status of interest on, the Notes. Prospective holders of the Notes are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income, deduction or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

Book-Entry Transfer System

This section shall only apply to the Notes, if they are issued in book-entry form through the facilities of The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for each interest rate, each in the aggregate principal amount bearing such interest rate, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to the Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described above (see "TYPES OF OBLIGATIONS - Serial Bonds and Notes" under "INDEBTEDNESS" below) and setoffs of state distributions as described below (see "State Distributions" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "Tax Limitations" Under "PROPERTY TAXATION" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "DEBT LIMITS" below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See "Tax Limitations" under "PROPERTY TAXATION" below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on "qualified bonds" (See "*Serial Bonds and Notes*" under "TYPES OF OBLIGATIONS" below) and any other sums due and payable by the city or town to The Commonwealth of Massachusetts (the "Commonwealth") or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority ("MBTA") or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority ("MWRA") if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority ("MSBA"), or for charges necessary to meet obligations under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of Federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

Opinion of Bond Counsel

The unqualified approving opinion as to the validity of the Notes will be rendered by Locke Lord LLP, Boston, Massachusetts, Bond Counsel. The opinion will be dated the date of the original delivery of the Notes and will speak only as of such date.

Bond counsel are not passing upon and do not assume any responsibility for the accuracy or adequacy of the information contained herein other than matters set forth as the opinion of bond counsel, and make no representation that they have independently verified the same.

Bank Eligibility

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

Financial Advisory Services of First Southwest Company

First Southwest Company, LLC, Boston, Massachusetts serves as financial advisor to the Town of Needham.

Disclosure of Significant Events

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the "MSRB"), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) optional contingent or unscheduled calls of bonds, if material; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the Town to comply with any provision of the certificate shall be an action for specific performance of the Town's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

For the past five years the Town has not failed to comply in all material respects with any previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.

TOWN OF NEEDHAM, MASSACHUSETTS

General

The Town of Needham 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 28,886 and occupies a land area of 12.6 square miles. Established as a town in 1711, Needham is governed by a limited form of town meeting and by a five-member Board of Selectmen. School affairs are administered by a seven-member School Committee and a Superintendent of Schools.

PRINCIPAL TOWN OFFICIALS

Title	Name	Selection/Term	Term Expires
Selectman, Chairman	John A. Bulian	Elected	2015
Selectman, Vice-Chair	Maurice P. Handel	Elected	2015
Selectman, Clerk	Matthew D. Borrelli	Elected	2017
Selectman	Marianne B. Cooley	Elected	2017
Selectman	Daniel P. Matthews	Elected	2016
Town Manager	Kate Fitzpatrick	Appointed	2016
Director of Finance	David Davison	Appointed	Indefinite
Treasurer/Collector	Evelyn M. Poness	Appointed	Indefinite
Town Accountant	Michelle Vaillancourt	Appointed	Indefinite
Town Clerk	Theodora K. Eaton	Elected	2016
Town Counsel	David S. Tobin	Appointed	Indefinite
Superintendent of Schools	Daniel E. Gutekanst	Appointed	2015

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 currently operates 1 pre-school, 5 elementary schools, 2 middle schools (High Rock and Pollard), and a senior high school. Total capacity is sufficient to meet current enrollment. The Town's capital plan reflects the need for further renovations. The Town has recently completed the construction and/or reconstruction of 3 elementary schools, the middle school, and the high school. A portion of the debt service on such borrowings has been exempted from the limits of Proposition 2 1/2. The following table sets forth the trend in public school enrollments. This does not include pre-school or out of district students.

PUBLIC SCHOOL ENROLLMENTS - OCTOBER 1,

	Actual					
	2009	2010	2011	2012	2013	2014
Elementary (Pre-K and K-5)	2,617	2,585	2,568	2,601	2,613	2,604
Middle/Junior High(6-8)	1,183	1,261	438	1,313	1,317	1,312
Senior High(9-12)	1,490	1,412	1,522	1,562	1,606	1,631
Totals	5,290	5,258	4,528	5,476	5,536	5,547

The Town is a member of the Minuteman Regional Vocational Technical School District, which is located in Lexington, and includes 16 member towns.

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				
	2009	2010	2011	2012	2013
Construction	754	686	689	607	681
Manufacturing	994	950	974	905	845
Trade, Transportation and Utilities	2,266	2,128	2,198	2,104	2,171
Information	1,534	1,355	1,063	1,159	1,351
Financial Activities	1,236	1,273	1,278	1,423	1,372
Professional and Business Services	5,144	5,021	5,096	5,280	5,735
Education and Health Services	4,457	4,511	4,741	5,277	5,643
Leisure and Hospitality	933	1,197	1,241	1,143	1,214
Other Services	801	847	879	921	867
Total Employment	18,119	17,968	18,159	18,819	19,879
Number of Establishments	1,295	1,370	1,405	1,381	1,383
Average Weekly Wages	\$ 1,574	\$ 1,659	\$ 1,675	\$ 1,698	\$ 1,656
Total Wages	\$ 1,514,865,471	\$ 1,583,284,580	\$ 1,612,703,181	\$ 1,696,831,400	\$ 1,747,794,340

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

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

LARGEST EMPLOYERS

Name	Product/Function	No. of Employees Approximate
Parametric Technology Corp.	Software Development	1,000+
Coca Cola Of Boston	Bottling & Distributing	500-999
Bitpipe Inc.	Information Technology	250-499
Charles River Associates	Consulting	250-499
Community Newspaper Co.	Publishing	250-499
Dialogic Inc.	Wireless Communications	250-499
Newton Tab	Publishing	250-499
North Hill Living Care Center	Retirement Center	250-499
WCVB Channel 5	Television	250-499
Briarwood Healthcare	Health Care	100-249
Olin College of Engineering	Education	100-249
Partners Community Health Care	Health Care	100-249
Beth Israel Deaconess Hospital	Health Care	100-249

SOURCE: Individual Employers listed.

Needham Crossing (formerly the Needham Business Center) is a multi-million dollar business park located approximately 3 miles northeast of downtown Needham. The business park offers proximity to both Routes 9 and 128 (Interstate 95). Needham Crossing receives a consistent demand for space from both local and outside industry. The business park originally contained primarily warehouses and offices and now, over 20 years later, is a site for both manufacturing and research. Present occupants include Coca Cola and a Sheraton Hotel. Construction of a 100,000 square foot Marriott Residence Inn hotel has completed and it is open for business. Trip Advisors is moving its Headquarters to Needham in 2015. The new corporate office building boasts approximately 280,000 square feet which will open in the summer of 2015.

A state highway project is currently underway to widen Route 95/128 through Needham. The project will expand the highway from three lanes to four lanes and add an additional ramp in Needham. The project is expected to be completed by 2018, and the Town anticipates that the roadway improvement will have an overall positive effect and economic benefit for the Needham Business Center, as well as the community.

Labor Force, Employment and Unemployment

According to the Massachusetts Department of Employment and Training preliminary data, in August 2014, the Town had a total labor force of 14,844 of which 14,227 were employed and 617 or 4.2% were unemployed as compared with 5.8% for the Commonwealth and 6.1% for the United States (unadjusted).

The following table sets forth the Town's average labor force and unemployment rates for each of the last five calendar years and the unemployment rate for the Commonwealth and country as a whole for the same period.

Calendar Year	Town of Needham				Massachusetts	United States
	Labor Force	Employment	Unemployment Rate		Unemployment Rate	Unemployment Rate
2013	14,423	13,736	4.8	%	7.1	% 7.4
2012	14,424	13,786	4.4		6.7	7.8
2011	14,242	13,555	4.8		6.8	8.9
2010	14,250	13,418	5.8		8.3	9.4
2009	14,234	13,350	6.2		9.3	10.1

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 2010 through 2014. Permits are filed for both private constructions 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
2014	128	\$ 55,233,407	2	\$ 7,098,527	866	\$ 34,165,215	117	\$ 56,433,250	1,113	\$ 152,930,399
2013	104	43,260,044	9	87,468,435	901	29,704,213	254	37,865,698	1,268	198,298,390 (1)
2012	65	29,309,250	6	70,092,432	933	45,019,656	198	40,324,037	1,202	184,745,375 (2)
2011	87	35,456,868	2	10,065,007	1,065	29,860,259	170	44,925,785	1,324	120,307,919 (3)
2010	107	33,088,039	9	9,595,896	892	28,827,786	94	21,936,216	1,102	93,447,937

SOURCE: Report of the Building Inspector.

- (1) Includes Trip Advisor (\$34.5 million office building and \$13.2 million parking garage), 865 Central Ave. North Hill (\$25 million), Beth Israel Hospital (\$2.2 million) and 50 Dedham Ave (\$3.4 million).
- (2) Includes Senior Center (\$5,548,000) and Charles River Pump Station (\$5,391,706) and one new non-residential building permit for the Marriott Residence Inn Motel, (\$9.4 million).
- (3) Includes Pollard Middle School (\$3,842,500), Hillside Elementary School (\$31,524,000) and Newman Elementary School (\$18,014,745).

Transportation

The principal highways serving the Town are State Routes 9, 135 and 128 (I-95). There are three exits off Interstate 95 that provide direct access to Needham. A project is currently underway to widen Route 128 through Needham. This add-a-lane project is expected to be completed by 2016. 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 Boston, as well as to 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.

Population and Income

The table below illustrates the Town's changes in median age, median family income, and per capita income according to the federal census.

POPULATION AND INCOME

	Needham	Massachusetts	United States
Median Age:			
2010	43.0	39.1	37.2
2000	40.8	36.5	35.3
1990	38.6	33.6	32.9
1980	35.1	31.2	30.9
Median Family Income:			
2010	\$114,365	\$81,165	\$51,144
2000	107,570	61,664	50,046
1990	69,515	44,367	35,225
1980	31,793	21,166	19,908
Per Capita Income:			
2010	\$57,716	\$33,966	\$27,334
2000	44,549	25,952	21,587
1990	27,935	17,224	14,420
1980	11,580	7,459	7,313

SOURCE: Federal Bureau of the Census.

On the basis of the 2010 Federal census, the Town has a population density of approximately 2,290 persons per square mile.

POPULATION TRENDS

<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>
28,886	28,911	27,557	27,901	29,748

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 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Total Appropriations(1)	\$ 130,345,271	\$ 133,196,506	\$ 141,800,888	\$ 151,203,653	\$ 151,350,572
Additions:					
State & County Assessments	1,080,311	1,198,244	1,238,429	1,273,564	1,274,075
Overlay Reserve	1,584,557	2,135,466	1,876,905	2,151,633	3,258,232
Other Additions	109,559	176,784	74,736	508,749	272,954
Total Additions	2,774,427	3,510,494	3,190,070	3,933,946	4,805,261
Gross Amount to be Raised	133,119,698	136,707,000	144,990,958	155,137,599	156,155,833
Deductions:					
Local Estimated Receipts: (2)	25,683,741	26,968,184	27,362,876	29,353,230	27,393,362
State Aid:					
Current Year	8,972,394	9,323,654	10,059,745	10,296,504	10,661,337
Available Funds (3)	1,823,780	788,442	1,759,346	1,344,380	4,797,374
Free Cash Used to Reduce Tax Rate	3,566,037	3,380,269	5,366,720	8,135,372	-
Total Deductions	40,045,952	40,460,549	44,548,687	49,129,486	42,852,073
Net Amount to be Raised	\$ 93,073,746	\$ 96,246,451	\$ 100,442,271	\$ 106,008,113	\$ 113,303,760

(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 three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). 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 20 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 three years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, 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. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

A revaluation of all real and personal property in the Town to full and fair cash value was completed for use in fiscal years 2012 and 2015.

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)
2015	(2)	\$ 8,556,759,236	\$ 181,968,510	\$ 8,738,727,746	\$ 113,303,760	\$ 3,922
2014		7,886,696,905	182,036,090	8,068,732,995	106,008,113	3,670
2013		7,746,219,400	177,770,530	7,923,989,930	100,442,271	3,477
2012	(2)	7,672,492,080	160,657,470	7,833,149,550	96,246,451	3,332
2011		7,409,432,738	166,825,350	7,576,258,088	93,071,746	3,222

(1) 2010 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
2015	\$11.29	\$23.43
2014	11.64	22.99
2013	11.30	22.18
2012	10.95	21.50
2011	10.90	21.50

Classification of Property

The following is a breakdown of the Town's assessed valuation in fiscal years 2013, 2014 and 2015.

Property Type	2013		2014		2015 (1)	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Residential	\$6,922,042,800	87.4 %	\$7,003,705,577	86.8 %	\$7,625,574,778	87.3 %
Commercial	703,067,800	8.9	741,516,228	9.2	881,392,158	10.1
Industrial	121,108,800	1.5	141,475,100	1.8	49,792,300	0.6
Personal	177,770,530	2.2	182,036,090	2.3	181,968,510	2.1
Total Real Estate	<u>\$7,923,989,930</u>	<u>100.0 %</u>	<u>\$8,068,732,995</u>	<u>100.0 %</u>	<u>\$8,738,727,746</u>	<u>100.0 %</u>

(1) Revaluation year.

LARGEST TAXPAYERS

The following table lists the ten largest taxpayers in the Town based upon assessed valuation for fiscal 2014. All of the largest taxpayers are current in their tax payments.

Name	Nature of Business	Total Assesed Valuation for Fiscal 2014	% of Total Assessed Value
Digital 128 First Avenue, LLC	Data Storage Facility	\$81,153,000	1.02 %
Lofts at Charles River Landing	Residential Apartments Complex	70,862,700	0.89
General Dynamics C4 Systems, Inc.	Data Communications	55,331,400	0.70
Babson College	Assisted Living	45,150,000	0.57
BP 140 Kendrick Street Property	Software Design	44,164,100	0.56
Intercontinental Fund III	Office Complex	24,886,200	0.31
Digital Cabot, LLC	Data Storage Facility	23,343,200	0.29
Starwood Needham CMBS	Hotel	22,874,700	0.29
Coca-Cola Bottling Co.	Bottling & Distributing	21,223,000	0.27
Teacher's Insurance & Annuity	Office Complex	18,348,700	0.23
Total		<u>\$407,337,000</u>	<u>5.14 %</u>

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
2014	\$8,293,426,000	1.9 %
2012	8,141,495,500	5.3
2010	7,730,432,400	1.2
2008	7,637,636,300	4.5
2006	7,307,708,400	16.3
2004	6,285,224,900	22.3
2002	5,139,824,700	28.7

Abatements 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. Abatements 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, 2014.

Fiscal Year	Net Tax Levy (1)	Overlay Reserve		Abatements and Exemptions Granted Through June 30, 2014
		Dollar Amount	As a % of Net Levy	
2014	\$ 103,856,480	\$ 2,151,633	2.07 %	\$ 226,897
2013	98,565,366	1,876,905	1.90	422,323
2012	94,110,985	2,135,466	2.27	320,189
2011	91,487,189	1,584,557	1.73	306,902
2010	86,871,501	960,626	1.11	319,158

(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 current and each of the previous five fiscal years, exclusive of the surcharge of property tax levied under the CPA.

Fiscal Year	Gross Tax Levy (2)	Overlay Reserve for Abatements	Net Tax Levy	Collections During Fiscal Year Payable (1)		Collections as of 6/30/2014 (2)(3)	
				Dollar Amount	% of Net Levy	Dollar Amount	% of Net Levy
2014	\$ 106,008,113	\$ 2,151,633	\$ 103,856,480	\$ 104,450,422	100.57 %	\$ 104,450,422	100.57 %
2013	100,442,271	1,876,905	98,565,366	99,107,154	100.55	99,454,593	100.90
2012	96,246,451	2,135,466	94,110,985	94,677,572	100.60	95,250,780	101.21
2011	93,071,746	1,584,557	91,487,189	91,812,299	100.36	92,147,798	100.72
2010	87,832,127	960,626	86,871,501	86,254,089	99.29	87,105,055	100.27

(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 the current fiscal year are comparable to previous 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
2014	\$ 1,184,252	\$ 537,255
2013	1,016,567	619,572
2012	904,840	561,509
2011	938,247	538,488
2010	801,305	591,918

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. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

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, and \$27,412,128 principal and the interest thereon for the Newman School renovation project.

Unused Levy Capacity (1)

	Fiscal Year				
	2015	2014	2013	2012	2011
Primary Levy Limit (2)	\$ 220,968,194	\$ 201,718,325	\$ 198,099,748	\$ 195,828,739	\$ 189,406,452
Prior Fiscal Year Levy Limit	98,925,881	93,756,886	89,636,531	85,836,102	82,052,951
2.5% Levy Growth	2,473,147	2,343,970	2,240,913	2,146,015	2,051,324
New Growth (3)	3,922,530	2,825,025	1,879,442	1,654,414	1,731,827
Overrides	1,548,410	-	-	-	-
Growth Levy Limit	106,869,968	98,925,881	93,756,886	89,636,531	85,836,102
Debt Exclusions	6,551,850	7,109,986	6,705,439	6,626,235	7,255,895
Capital Expenditure Exclusions	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Tax Levy Limit	113,421,818	106,035,867	100,462,325	96,262,766	93,091,997
Tax Levy	113,303,760	106,008,113	100,442,271	96,246,451	93,071,746
Unused Levy Capacity (4)	118,058	27,754	20,054	16,315	20,251
Unused Primary Levy Capacity (5)	\$ 114,098,226	\$ 102,792,444	\$ 104,342,862	\$ 106,192,208	\$ 103,570,350

(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 affordable 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 dedication of revenue and 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 affordable 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 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, including a \$19.2 million town hall preservation/restoration project financed, in part, with bonds in 2011 and 2012.

Community Preservation Fund Revenues

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>State Contribution</u>	<u>Total</u>
2014	\$ 1,739,641	\$ 886,498	\$ 2,626,139
2013	1,697,455	437,167	2,134,622
2012	1,614,398	417,271	2,031,669
2011	1,566,385	401,199	1,967,584
2010	1,472,781	481,111	1,953,892

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" 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.

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 2011 through 2015, as voted at the town meeting. As such, said budgets reflect neither revenues nor certain mandatory items.

BUDGET COMPARISON (1)

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
General Government	\$3,539,581	\$3,625,375	\$3,807,723	\$3,943,011	\$4,036,311
Land Use and Development	343,203	369,378	385,926	411,156	423,211
Public Safety	11,812,664	12,030,242	12,145,898	13,027,952	13,714,066
Education(2)	46,483,339	48,999,008	51,892,719	54,729,548	58,854,499
Public Works & Facilities	12,822,796	12,790,755	12,916,949	13,313,148	13,497,982
Health & Human Services	1,024,791	1,026,923	1,077,278	1,187,497	1,247,688
Culture & Recreation	1,889,547	1,918,356	1,945,917	1,994,757	2,073,654
Employee Benefits(3)	18,177,878	18,402,953	19,778,577	20,523,425	21,095,270
Other Operating Expenses	955,000	1,177,000	1,266,000	1,017,550	1,247,252
Debt Service(4)	11,379,319	10,843,572	11,288,276	12,108,851	11,587,884
Reserve Fund	1,251,363	1,059,763	1,199,821	1,373,243	1,464,490
Total Expenditures	<u>\$109,679,481</u>	<u>\$112,243,325</u>	<u>\$117,705,084</u>	<u>\$123,630,138</u>	<u>\$129,242,307</u>

- (1) Budget reflects only the amount appropriated by Town Meeting and thus does not include overlay or State assessments.
- (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.

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:

<u>Fiscal Year</u>	<u>Property Taxes</u>
2014	\$ 105,364,496
2013	99,390,107
2012	95,268,408
2011	92,580,193
2010	86,639,841

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:

<u>Fiscal Year</u>	<u>State Aid</u>
2015 (est)	\$ 9,966,189
2014	9,647,448
2013	9,212,185
2012	8,542,051
2011	8,332,661

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:

<u>Fiscal Year</u>	<u>Motor Vehicle Excise</u>
2014	\$ 4,923,980
2013	4,620,449
2012	4,357,996
2011	4,256,790
2010	3,879,790

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 Board of Selectmen. The Town has an ascending block rate schedule ranging from \$3.00 to \$5.06 per 100 cubic feet for water and from \$8.40 to \$10.67 per 100 cubic feet for sewer. Water irrigation rates range from \$5.06 to \$8.01 per 100 cubic feet for water. In fiscal year 2011, water and sewer revenues totaled \$14,833,214 and expenditures totaled \$12,048,070 including debt service, retirement costs and overhead. In fiscal year 2012, water and sewer revenues totaled \$13,819,336, which includes \$469,610 general fund receipt, and expenditures totaled \$13,112,987 including debt service, retirement costs and overhead. In fiscal year 2013, water and sewer revenues totaled \$14,923,190, which includes \$493,392 general funds, and expenditures totaled \$13,682,552 including debt service, retirement costs and overhead. In fiscal year 2014, water and sewer revenues totaled \$15,183,031 including \$858,439 general funds, and expenditures totaled \$14,196,763 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>
2014	\$ 471,830
2013	443,716
2012	404,409
2011	393,957

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>
2014	\$ 816,498
2013	539,026
2012	454,378
2011	408,883

Interest and Dividends: Fiscal year 2010 interest and dividends totaled \$496,885. Fiscal year 2011 interest and dividends totaled \$275,705. Fiscal year 2012 interest and dividends totaled \$103,130. Fiscal year 2013 interest and dividends totaled \$84,802. Fiscal year 2014 interest and dividends totaled \$77,523.

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, both the State Legislature (by statute, repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

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 MSBA to finance and administer the school building assistance program. The MSBA 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 MSBA to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the MSBA based on the approved project cost and reimbursement rate applicable under the prior law. The MSBA has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the MSBA based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the MSBA is required to fund the grants for such projects in the order in which they appeared on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the MSBA in lump sum payments, thereby eliminating the need for the MSBA to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the MSBA's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the MSBA as project costs are incurred by the municipality pursuant to a project funding agreement between the MSBA and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the MSBA's share of the project costs in most cases.

The maximum of reimbursement rate for new project grant applications submitted to the MSBA on or after July 1, 2007 is 80% of approved project costs. The MSBA promulgated regulations with respect to the application and approval process for projects submitted after July 1, 2007. The MSBA pays grants for such projects as project costs are incurred pursuant to project funding agreements between the MSBA and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects are 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 term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in 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 Town's financial statements are audited by Melanson, Heath & Company, P.C., Nashua, New Hampshire. A copy of the fiscal 2014 audit is attached hereto as Appendix A.

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, 2014, June 30, 2013 and June 30, 2012, the Statement of Revenues, Expenditures and Changes in Fund Balance for the fiscal year ended June 30, 2014, 2013, 2012 and 2011 and a Comparative Statement of Revenues, Expenditures and Changes in Fund Balance--General Fund, for fiscal years ended June 30, 2010, June 30, 2009 and June 30, 2008. All said financial statements have been extracted from the Town's audited financial statements.

TOWN OF NEEDHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2014 (1)

	General	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 17,219,039	\$ 442,653	\$ 8,795,450	\$ 26,457,142
Investments	16,957,683	6,612,103	2,457,922	26,027,708
Receivables:				
Property Taxes	3,752,853	13,706	-	3,766,559
Excises	857,407	-	-	857,407
Departmental	1,069,181	-	21,175	1,090,356
Intergovernmental	6,256,332	-	869,172	7,125,504
Other	46,390	-	-	46,390
Total Assets	<u>\$ 46,158,885</u>	<u>\$ 7,068,462</u>	<u>\$ 12,143,719</u>	<u>\$ 65,371,066</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Warrants and Accounts Payable	\$ 884,602	\$ 8,441	\$ 615,196	\$ 1,508,239
Accrued liabilities	4,373,846	1,811	104,733	4,480,390
Refunds payable	402,764	-	-	402,764
Notes payable	-	-	1,607,000	1,607,000
Other Liabilities	200,191	-	1,581	201,772
Total Liabilities	<u>5,861,403</u>	<u>10,252</u>	<u>2,328,510</u>	<u>8,200,165</u>
Deferred Inflows of Resources	11,732,710	13,706	21,175	11,767,591
Fund Balance:				
Nonspendable	-	-	188,478	188,478
Restricted	869,983	7,044,504	7,762,480	15,676,967
Committed	9,561,267	-	4,325,665	13,886,932
Assigned	4,888,245	-	-	4,888,245
Unassigned	13,245,277	-	(2,482,589)	10,762,688
Total Fund Balances	<u>28,564,772</u>	<u>7,044,504</u>	<u>9,794,034</u>	<u>45,403,310</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 46,158,885</u>	<u>\$ 7,068,462</u>	<u>\$ 12,143,719</u>	<u>\$ 65,371,066</u>

(1) Extracted from the audited financial statements of the Town.

TOWN OF NEEDHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013 (1)



	General	Community Preservation Fund	Senior Center Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 18,265,436	\$ -	\$ 2,150,773	\$ 10,514,923	\$ 30,931,132
Investments	17,064,150	5,756,285	-	2,141,813	24,962,248
Receivables:					-
Property Taxes	3,262,683	10,891	-	-	3,273,574
Excises	737,908	-	-	-	737,908
Departmental	978,294	-	-	7,015	985,309
Intergovernmental	7,453,818	-	-	1,007,626	8,461,444
Other	66,900	-	-	-	66,900
Total Assets	<u>\$ 47,829,189</u>	<u>\$ 5,767,176</u>	<u>\$ 2,150,773</u>	<u>\$ 13,671,377</u>	<u>\$ 69,418,515</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Warrants and Accounts Payable	\$ 2,200,633	\$ -	\$ 745,361	\$ 665,717	\$ 3,611,711
Accrued liabilities	3,130,387	138	-	125,164	3,255,689
Refunds payable	344,885	-	-	-	344,885
Notes payable	-	-	6,500,000	4,017,125	10,517,125
Other Liabilities	199,824	-	-	-	199,824
Total Liabilities	<u>5,875,729</u>	<u>138</u>	<u>7,245,361</u>	<u>4,808,006</u>	<u>17,929,234</u>
Deferred Inflows of Resources	12,357,601	10,891	-	7,015	12,375,507
Fund Balance:					
Nonspendable	-	-	-	188,478	188,478
Restricted	1,076,293	5,756,147	-	7,553,134	14,385,574
Committed	6,638,948	-	-	2,312,078	8,951,026
Assigned	6,730,461	-	-	-	6,730,461
Unassigned	15,150,157	-	(5,094,588)	(1,197,334)	8,858,235
Total Fund Balances	<u>29,595,859</u>	<u>5,756,147</u>	<u>(5,094,588)</u>	<u>8,856,356</u>	<u>39,113,774</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 47,829,189</u>	<u>\$ 5,767,176</u>	<u>\$ 2,150,773</u>	<u>\$ 13,671,377</u>	<u>\$ 69,418,515</u>

(1) Extracted from the audited financial statements of the Town.

TOWN OF NEEDHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2012 (1)

	General	Community Preservation Fund	Newman School Repaid Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 13,884,305	\$ -	\$ -	\$ 7,374,046	\$ 21,258,351
Investments	13,363,633	4,339,413	-	1,858,981	19,562,027
Due to Newman School Fund	4,289,304	-	-	-	4,289,304
Receivables:					
Property Taxes	3,178,645	16,655	-	-	3,195,300
Excises	578,901	-	-	-	578,901
Departmental	820,241	-	-	14,054	834,295
Intergovernmental	8,199,192	-	448,832	384,592	9,032,616
Other	54,182	-	-	-	54,182
Total Assets	\$ 44,368,403	\$ 4,356,068	\$ 448,832	\$ 9,631,673	\$ 58,804,976
LIABILITIES AND FUND BALANCES					
Liabilities:					
Warrants and Accounts Payable	\$ 1,912,497	\$ 2,443	\$ 1,054,973	\$ 1,084,293	\$ 4,054,206
Due to General Fund	-	-	4,289,304	-	4,289,304
Deferred Revenue	12,562,923	16,655	-	14,066	12,593,644
Taxes collected in advance	3,102	-	-	-	3,102
Accrued Liabilities	3,213,014	135	-	115,741	3,328,890
Refunds Payable	846,316	-	-	-	846,316
Notes Payable	-	-	4,734,200	3,580,800	8,315,000
Other Liabilities	206,141	-	-	4,585	210,726
Total Liabilities	18,743,993	19,233	10,078,477	4,799,485	33,641,188
Fund Balance:					
Nonspendable	-	-	-	188,478	188,478
Restricted	448,175	4,336,835	-	7,307,657	12,092,667
Committed	5,744,220	-	-	1,542,872	7,287,092
Assigned	8,585,173	-	-	-	8,585,173
Unassigned	10,846,842	-	(9,629,645)	(4,206,819)	(2,989,622)
Total Fund Balances	25,624,410	4,336,835	(9,629,645)	4,832,188	25,163,788
Total Liabilities and Fund Balances	\$ 44,368,403	\$ 4,356,068	\$ 448,832	\$ 9,631,673	\$ 58,804,976

(1) Extracted from the audited financial statements of the Town.

TOWN OF NEEDHAM, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
AS OF JUNE 30, 2014 (1)

REVENUES:	General	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes	\$ 105,482,632	\$ 1,791,323	\$ -	\$ 107,273,955
Excise Taxes	4,923,980	-	-	4,923,980
Penalties, Interest & Other Taxes	1,642,864	1,860	-	1,644,724
Charges for Services	975,393	-	6,268,448	7,243,841
Departmental	695,239	-	-	695,239
Licenses and Permits	2,306,750	-	-	2,306,750
Intergovernmental	22,891,596	886,498	6,906,632	30,684,726
Investment Income	166,796	56,252	329,361	552,409
Fines and Forfeitures	196,181	-	-	196,181
Contributions	-	-	484,046	484,046
Other	165,670	-	82,353	248,023
Total Revenues	\$ 139,447,101	\$ 2,735,933	\$ 14,070,840	\$ 156,253,874
EXPENDITURES:				
General Government	4,699,929	790,054	95,935	5,585,918
Public Safety	14,678,174	-	44,317	14,722,491
Education	73,372,843	-	10,329,315	83,702,158
Public Works	6,842,282	-	109,866	6,952,148
Maintenance	7,957,103	-	12,483,541	20,440,644
Health and Human Services	1,253,052	-	434,590	1,687,642
Culture and Recreation	2,109,233	-	843,280	2,952,513
Employee Benefits	10,638,023	-	-	10,638,023
Other	507,278	-	-	507,278
Debt Service				-
Principal	7,786,979	-	-	7,786,979
Interest	2,800,219	-	-	2,800,219
Intergovernmental	1,270,948	-	-	1,270,948
Total Expenditures	133,916,063	790,054	24,340,844	159,046,961
Excess (Deficiency) of Revenues				
Over Expenditures	5,531,038	1,945,879	(10,270,004)	(2,793,087)
Other Financing Sources (Uses)				
Issuance of Bonds	-	-	8,912,000	8,912,000
Bond Premium	146,553	-	-	146,553
Transfers In	2,553,023	53,478	7,627,396	10,233,897
Transfers out	(9,261,701)	(711,000)	(237,126)	(10,209,827)
Total Other Financing Sources - Net	(6,562,125)	(657,522)	16,302,270	9,082,623
Net Change in Fund Balances	(1,031,097)	1,288,357	3,761,768	4,019,028
Fund Balances, at Beginning of Year	29,595,859	5,756,147	3,761,768	39,113,774
Fund Balances, at End of Year	\$ 28,564,762	\$ 7,044,504	\$ 7,523,536	\$ 43,132,802

(1) Extracted from the audited financial statements of the Town.

TOWN OF NEEDHAM, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
AS OF JUNE 30, 2013 (1)

REVENUES:	General	Community Preservation Fund	Senior Center Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes	\$ 99,970,554	\$ 1,697,565	\$ -	\$ -	\$ 101,668,119
Excise Taxes	4,620,449	-	-	-	4,620,449
Penalties, Interest & Other Taxes	1,330,634	2,429	-	-	1,333,063
Charges for Services	887,648	-	-	5,762,393	6,650,041
Departmental	851,889	-	-	-	851,889
Licenses and Permits	1,869,446	-	-	-	1,869,446
Intergovernmental	22,193,047	437,167	-	5,619,279	28,249,493
Investment Income	161,042	40,751	-	268,009	469,802
Fines and Forfeitures	220,952	-	-	-	220,952
Contributions	-	-	-	917,571	917,571
Other	479,326	-	-	64,425	543,751
Total Revenues	\$ 132,584,987	\$ 2,177,912	\$ -	\$ 12,631,677	\$ 147,394,576
EXPENDITURES:					
General Government	4,718,884	208,600	-	56,941	4,984,425
Public Safety	13,445,757	-	-	209,889	13,655,646
Education	69,546,442	-	-	9,927,443	79,473,885
Public Works	6,498,065	-	-	22,451	6,520,516
Maintenance	8,043,322	-	5,473,672	10,396,722	23,913,716
Health and Human Services	1,191,925	-	-	325,825	1,517,750
Culture and Recreation	2,112,052	-	-	588,124	2,700,176
Employee Benefits	8,742,496	-	-	-	8,742,496
Other	480,929	-	-	-	480,929
Debt Service					-
Principal	7,117,979	-	-	-	7,117,979
Interest	2,339,358	-	-	-	2,339,358
Intergovernmental	1,181,083	-	-	-	1,181,083
Total Expenditures	125,418,292	208,600	5,473,672	21,527,395	152,627,959
Excess (Deficiency) of Revenues Over Expenditures	7,166,695	1,969,312	(5,473,672)	(8,895,718)	(5,233,383)
Other Financing Sources (Uses)					
Issuance of Bonds	-	-	1,000,000	16,959,000	17,959,000
Bond Premium	811,162	-	-	-	811,162
Transfers In	2,402,361	-	267,500	5,403,459	8,073,320
Transfers out	(6,408,769)	(550,000)	-	(701,344)	(7,660,113)
Total Other Financing Sources - Net	(3,195,246)	(550,000)	1,267,500	21,661,115	19,183,369
Net Change in Fund Balances	3,971,449	1,419,312	(4,206,172)	12,765,397	13,949,986
Fund Balances, at Beginning of Year	25,624,410	4,336,835	(888,416)	(3,909,041)	25,163,788
Fund Balances, at End of Year	\$ 29,595,859	\$ 5,756,147	\$ (5,094,588)	\$ 8,856,356	\$ 39,113,774

(1) Extracted from the audited financial statements of the Town.

TOWN OF NEEDHAM, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
AS OF JUNE 30, 2012 (1)

REVENUES:	General	Community Preservation Fund	Town Hall Renovation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes	\$ 95,321,535	\$ 1,619,595	\$ -	\$ -	\$ 96,941,130
Excise Taxes	4,357,996	-	-	-	4,357,996
Penalties, Interest & Other Taxes	1,253,898	2,225	-	-	1,256,123
Charges for Services	937,946	-	-	5,781,445	6,719,391
Departmental	654,886	-	-	-	654,886
Licenses and Permits	1,950,768	-	-	-	1,950,768
Intergovernmental	20,983,554	417,271	6,067,548	6,481,766	33,950,139
Investment Income	257,434	52,255	-	12,535	322,224
Fines and Forfeitures	235,632	-	-	-	235,632
Contributions	-	-	-	482,130	482,130
Other	625,721	-	-	79,912	705,633
Total Revenues	\$ 126,579,370	\$ 2,091,346	\$ 6,067,548	\$ 12,837,788	\$ 147,576,052
EXPENDITURES:					
General Government	4,488,463	172,862	-	71,279	4,732,604
Public Safety	13,408,932	-	-	69,349	13,478,281
Education	66,722,685	-	-	10,350,310	77,072,995
Public Works	5,567,194	-	-	79,832	5,647,026
Maintenance	7,414,663	-	19,884,378	13,230,234	40,529,275
Health and Human Services	1,218,079	-	-	323,466	1,541,545
Culture and Recreation	2,043,808	-	-	899,221	2,943,029
Employee Benefits	7,725,321	-	-	-	7,725,321
Other	455,170	-	-	-	455,170
Debt Service					
Principal	7,203,678	-	-	-	7,203,678
Interest	2,659,206	-	-	-	2,659,206
Intergovernmental	1,165,155	-	-	-	1,165,155
Total Expenditures	120,072,354	172,862	19,884,378	25,023,691	165,153,285
Excess (Deficiency) of Revenues Over Expenditures	6,507,016	1,918,484	(13,816,830)	(12,185,903)	(17,577,233)
Other Financing Sources (Uses)					
Issuance of Bonds	-	-	-	2,460,000	2,460,000
Issuance of Refunded Debt	10,995,000	-	-	-	10,995,000
Payment to Refunding Escrow Agent	(11,065,000)	-	-	-	(11,065,000)
Bond Premium	207,238	-	-	-	207,238
Transfers In	2,500,159	-	276,005	2,594,553	5,370,717
Transfers out	(4,458,706)	(300,000)	-	(724,931)	(5,483,637)
Total Other Financing Sources - Net	(1,821,309)	(300,000)	276,005	4,329,622	2,484,318
Net Change in Fund Balances	4,685,707	1,618,484	(13,540,825)	(7,856,281)	(15,092,915)
Fund Balances, at Beginning of Year as Reclassified	20,938,703	2,718,351	3,911,180	12,688,469	40,256,703
Fund Balances, at End of Year	\$ 25,624,410	\$ 4,336,835	\$ (9,629,645)	\$ 4,832,188	\$ 25,163,788

(1) Extracted from the audited financial statements of the Town.

TOWN OF NEEDHAM, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
AS OF JUNE 30, 2011(1)

REVENUES:	General	Community Preservation Fund	Town Hall Renovation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes	\$ 93,024,263	\$ 1,564,254	\$ -	\$ -	\$ 94,588,517
Excise Taxes	4,256,790	-	-	-	4,256,790
Penalties, Interest & Other Taxes	1,230,729	2,653	-	-	1,233,382
Charges for Services	946,196	-	-	5,506,410	6,452,606
Departmental	842,350	-	-	-	842,350
Licenses and Permits	1,441,264	-	-	-	1,441,264
Intergovernmental	20,712,707	401,199	-	6,523,234	27,637,140
Investment Income	164,820	36,536	-	338,487	539,843
Fines and Forfeitures	260,862	-	-	-	260,862
Contributions	-	-	-	423,032	423,032
Other	130,218	-	-	32,748	162,966
Total Revenues	\$ 123,010,199	\$ 2,004,642	\$ -	\$ 12,823,911	\$ 137,838,752
EXPENDITURES:					
General Government	4,376,308	740,075	-	149,499	5,265,882
Public Safety	14,331,213	-	-	105,004	14,436,217
Education	64,720,506	-	-	9,747,801	74,468,307
Public Works	5,956,425	-	-	39,377	5,995,802
Maintenance	7,961,342	-	8,591,910	7,833,374	24,386,626
Health and Human Services	1,205,738	-	-	370,447	1,576,185
Culture and Recreation	2,078,044	-	-	707,447	2,785,491
Employee Benefits	7,069,136	-	-	-	7,069,136
Debt Service					-
Principal	8,426,975	-	-	-	8,426,975
Interest	2,579,079	-	-	-	2,579,079
Intergovernmental	1,099,885	-	-	-	1,099,885
Total Expenditures	119,804,651	740,075	8,591,910	18,952,949	148,089,585
Excess (Deficiency) of Revenues Over Expenditures	3,205,548	1,264,567	(8,591,910)	(6,129,038)	(10,250,833)
Other Financing Sources (Uses)					
Issuance of Bonds	-	-	6,000,000	9,349,697	15,349,697
Bond Premium	302,525	-	-	-	302,525
Operating Transfers In	1,807,490	-	-	2,066,564	3,874,054
Operating Transfers Out	(2,846,999)	-	-	(315,616)	(3,162,615)
Total Other Financing Sources - Net	(736,984)	-	6,000,000	11,100,645	16,363,661
Net Change in Fund Balances	2,468,564	1,264,567	(2,591,910)	4,971,607	6,112,828
Beginning Fund Balance	18,470,139	1,453,784	4,461,254	9,758,698	34,143,875
Ending Fund Balance	20,938,703	2,718,351	1,869,344	14,730,305	40,256,703

(1) Extracted from the audited financial statements of the Town.

**TOWN OF NEEDHAM, MASSACHUSETTS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND (1)**

	June 30,		
	2008	2009	2010
REVENUES:			
Property Taxes, net of Prov. For Abate.	\$ 77,308,742	\$ 81,525,742	\$ 87,242,948
Motor Vehicle Excise	4,392,444	4,129,367	3,879,790
Intergovernmental	18,600,195	19,172,726	19,337,306
Interest and Dividends	1,269,189	718,000	497,129
Departmental and Other	993,553	920,588	974,413
Charges for Services	846,261	948,713	958,007
Licenses and Permits	2,086,461	1,192,088	1,150,532
Fines and Forfeitures	253,127	264,567	250,588
Penalties, Interest & Other Income	649,643	713,231	813,967
Contributions	-	-	-
Other	298,934	67,043	96,818
Total Revenues	<u>\$ 106,698,549</u>	<u>\$ 109,652,065</u>	<u>\$ 115,201,498</u>
EXPENDITURES:			
General Government	3,756,182	4,157,763	4,072,409
Public Safety	13,185,701	13,559,276	14,199,625
Education	56,049,800	58,723,273	62,159,816
Public Works	4,968,015	5,751,399	5,248,762
Building Maintenance	6,770,648	7,468,136	7,288,825
Human Services	1,009,242	1,115,610	1,168,426
Culture and Recreation	1,912,175	1,955,017	2,003,985
Employee Benefits	6,897,381	6,911,134	6,863,095
Other	1,032,441	-	-
State and County Assessment	-	-	1,064,984
Debt Service	7,283,298	8,361,650	6,636,977
Intergovernmental	-	1,043,179	2,422,598
Total Expenditures	<u>102,864,883</u>	<u>109,046,437</u>	<u>113,129,502</u>
Excess (Deficiency) of Revenues Over Expenditures	3,833,666	605,628	2,071,996
Other Financing Sources (Uses)			
Refunding	-	-	-
Bond Premium	109,318	207,033	244,378
Payments to Escrow	-	-	-
Operating Transfers In	1,709,696	1,735,496	1,942,584
Operating Transfers Out	<u>(4,442,527)</u>	<u>(5,961,813)</u>	<u>(3,381,509)</u>
Total Other Financing Sources - Net	(2,623,513)	(4,019,284)	(1,194,547)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	1,210,153	(3,413,656)	877,449
Beginning Fund Balance	<u>15,476,037</u>	<u>16,686,190</u>	<u>13,272,534</u>
Ending Fund Balance	<u>\$16,686,190</u>	<u>\$13,272,534</u>	<u>\$14,149,983</u>

(1) Extracted from the audited financial statements of the Town.

Free Cash and Unassigned/Undesignated 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/Undesignated General Fund balance.

Fiscal Year	Free Cash (July 1)	Unassigned/Undesignated General Fund Balance
2014	\$ 6,207,875	\$ 13,245,277
2013	10,133,912 (1)	15,150,157
2012	2,153,808 (1)	10,846,842
2011	5,366,720	8,863,948
2010	3,380,269	6,184,718

(1) Free Cash was reduced in 2012 by the Massachusetts Department of Revenue by the amount of a capital project advance. The general fund was reimbursed in FY2013 with proceeds from a borrowing.

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)
2014	\$ 3,815,322
2013	3,729,614
2012	3,718,000
2011	3,656,504
2010	3,628,348

Capital Improvement Fund

The Town continues to provide additional funding to its newly established 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)
2014	\$ 650,177
2013	648,940
2012	649,000
2011	597,549
2010	561,002

Capital Facility Fund

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

<u>Fiscal Year</u>	<u>Capital Facility Fund Balance (June 30)</u>
2014	\$ 1,295,691
2013	1,293,383
2012	1,150,251
2011	733,221

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 Town appropriated \$283,133 to the Fund in fiscal year 2013 and appropriated an additional \$901,333 for fiscal year 2014.

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 2½ (see "Tax Limitations" under "PROPERTY TAXATION" above.)

Although not a development district as defined above, in December 2012, the Town established a tax increment district in connection with the relocation of Trip Advisors LLC, an internet based travel agency, with approximately 450 employees to Needham from Newton, Massachusetts. The economic opportunity area was created pursuant to Chapter 23A of the Massachusetts General Laws in conjunction with the Massachusetts Office of Business Development's Economic Assistance Coordinating Council. The 13-year agreement exempts 76% of Trip Advisors' growth in assessed value for the first five years and exempts 1% of the growth in years 6 through 13.

INDEBTEDNESS

Authorization Procedure and Limitations

Serial bonds and notes are authorized by a two-thirds vote of the town meeting. Provision is made 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 selectmen. 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 debt in anticipation of the 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 a city or 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. A city or 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 ("MFOB") composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, bonds for water (limited to 10 percent of equalized valuation), housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems (subject to a separate limit). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other 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" under "PROPERTY TAXATION" 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. 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 first principal payment of any of the bonds or notes being refunded thereby, 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 MFOB, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the MFOB. 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 five 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. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) 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. The Town has not issued revenue anticipation notes during the past twenty fiscal years.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. 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, for projects financed under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

DIRECT DEBT SUMMARY (1) **As of June 30, 2014**

(Excludes the effects of the pending issue of Refunding Bonds)

Long-Term Debt Outstanding:		
Within the General Debt Limit:		
Schools	\$ 56,366,000	
Sewers & Drains	9,061,131	
Other Inside General	28,671,000	
Recycling & Transfer Station	210,000	
Total Within the General Debt Limit		\$ 94,308,131
Outside the General Debt Limit:		
Water	6,587,712	
Sewer	712,300	
Other Outside General	28,430	
Total Outside the General Debt Limit		7,328,442
Pending Issue of Bonds to be Dated 4/15/15 (New Money)		4,950,000
Total Bonded Debt (after pending issue of bonds - New Money)		106,586,574
Short-Term Debt Outstanding:		
Bond Anticipation Notes Outstanding (2)	1,330,000	
Bond Anticipation Notes (3)	795,000	
Less:		
To Be Retired with Bond Proceeds	(1,330,000)	
Total Short-Term Debt Outstanding (after this Issue)		795,000
Total Direct Debt		\$ 107,381,574

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

(2) Payable April 15, 2015.

(3) This issue, payable June 15, 2015. The Town expects to retire the notes at maturity.

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 (2010 Federal Census)	Local Assessed Valuation	Per Capita Debt	Debt as a % of Assessed Valuation
2014	\$ 101,636,574	28,886	\$ 8,068,732,995	\$ 3,519	1.26 %
2013	100,315,626	28,886	7,923,989,930	3,473	1.27
2012	85,101,441	28,886	7,833,149,500	2,946	1.09
2011	91,953,197	28,886	7,576,258,088	3,183	1.21
2010	85,433,027	28,886	7,431,763,903	2,958	1.15

Principal Payments by Purpose

The following table sets forth the principal payments by purpose for the Town's outstanding bonds as of June 30, 2014.

GENERAL OBLIGATION BONDS Principal Payments by Purpose as of June 30, 2014

Fiscal Year	General	School	Water	Sewer	Recycling & Transfer Station	Total (1)
2015	\$ 3,524,810	\$ 4,852,000	\$ 859,835	\$ 1,048,003	\$ 70,000	\$ 10,354,648
2016	3,202,724	4,617,000	735,535	880,941	70,000	9,506,200
2017	3,162,724	4,402,000	746,249	868,257	70,000	9,249,230
2018	2,502,724	4,382,000	763,978	841,217	-	8,489,920
2019	2,117,724	4,322,000	785,722	839,399	-	8,064,845
2020	2,107,724	4,262,000	273,480	460,506	-	7,103,710
2021	1,328,000	4,147,000	294,253	398,739	-	6,167,992
2022	1,328,000	4,132,000	295,043	404,906	-	6,159,949
2023	1,253,000	4,057,000	295,848	411,207	-	6,017,055
2024	1,238,000	3,967,000	171,669	342,644	-	5,719,313
2025	1,123,000	3,337,000	172,506	349,222	-	4,981,728
2026	1,047,000	2,533,000	148,361	355,942	-	4,084,303
2027	1,042,000	2,033,000	149,233	362,809	-	3,587,042
2028	722,000	1,753,000	150,121	394,825	-	3,019,946
2029	712,000	1,348,000	156,029	391,993	-	2,608,022
2030	522,000	558,000	146,953	344,317	-	1,571,270
2031	522,000	558,000	147,898	351,800	-	1,579,698
2032	472,000	553,000	100,000	359,446	-	1,484,446
2033	472,000	553,000	100,000	367,258	-	1,492,258
2034	300,000	-	95,000	-	-	395,000
TOTAL	\$ 28,699,430	\$ 56,366,000	\$ 6,587,712	\$ 9,773,431	\$ 210,000	\$ 101,636,574

(1) \$58,874,430 principal and \$13,887,134 interest has been voted exempt from Proposition 2½.

Debt Service Requirements

The following table sets forth the required principal and interest payments on this issue of Bonds (new money only) and on the outstanding general obligation bonds of the Town as of June 30, 2014, including debt service subsidies expected to be received from the MSBA and Massachusetts Clean Water Trust, but excluding the effects of the Refunding Bond.

GENERAL OBLIGATION DEBT As of June 30, 2014 (1) (Excludes the Effects of the Pending Issue of Refunding Bonds)

Fiscal Year	Outstanding		This Issue of Bonds Dated April 15, 2015 (New Money)		Less MSBA Subsidies	Less MCWT Subsidies	Total Net Debt Service	Cumulative % Retired
	Principal	Interest	Principal	Interest (2)				
2015	\$ 10,354,648	\$ 3,200,402	\$ -	\$ -	\$ (695,148)	\$ (62,190)	\$ 12,797,711	9.7 %
2016	9,506,200	2,890,453	580,000	163,100	(695,148)	(57,718)	12,386,887	19.2
2017	9,249,230	2,619,731	580,000	142,800	(695,148)	(54,353)	11,842,260	28.4
2018	8,489,920	2,346,672	580,000	122,500	(695,148)	(49,722)	10,794,222	36.9
2019	8,064,845	2,081,997	580,000	102,200	(695,148)	(45,857)	10,088,037	45.0
2020	7,103,710	1,803,525	200,000	88,550	(695,148)	(9,583)	8,491,054	51.9
2021	6,167,992	1,571,312	200,000	81,550	(695,148)	-	7,325,706	57.8
2022	6,159,949	1,354,391	200,000	74,550	(695,148)	-	7,093,742	63.8
2023	6,017,055	1,140,868	200,000	67,550	(695,148)	-	6,730,325	69.6
2024	5,719,313	931,969	200,000	60,550	(695,148)	-	6,216,684	75.2
2025	4,981,728	744,218	200,000	53,550	-	-	5,979,496	80.1
2026	4,084,303	585,800	160,000	47,250	-	-	4,877,353	84.0
2027	3,587,042	447,727	160,000	41,650	-	-	4,236,419	87.6
2028	3,019,946	337,027	160,000	36,050	-	-	3,553,023	90.5
2029	2,608,022	243,750	160,000	30,450	-	-	3,042,222	93.1
2030	1,571,270	181,440	160,000	24,850	-	-	1,937,561	94.8
2031	1,579,698	137,287	160,000	19,250	-	-	1,896,234	96.4
2032	1,484,446	91,584	160,000	13,650	-	-	1,749,680	97.9
2033	1,492,258	44,945	155,000	8,138	-	-	1,700,341	99.5
2034	395,000	10,075	155,000	2,713	-	-	562,788	100.0
Total	<u>\$ 101,636,574</u>	<u>\$ 22,765,173</u>	<u>\$ 4,950,000</u>	<u>\$ 1,180,900</u>	<u>\$ (6,951,480)</u>	<u>\$ (279,423)</u>	<u>\$ 123,301,744</u>	

(1) \$58,874,430 principal and \$13,887,134 in interest has been voted exempt from Proposition 2½.

(2) Interest estimated at 3.50%.

Authorized Unissued Debt and Prospective Financing

Currently, the Town has the following authorized unissued debt:

Amount	Purpose	Original Authorization
\$ 7,500	Recreation Plans	\$ 100,000
338,093	Sewer (1)	1,806,800
200,294	Water Mains (1)	1,900,000
49,000	Administration Building	5,725,000
45,197	Sewer Pump Station (1)	577,500
157,000	Drainage (1)	200,000
1,675,000	Town Hall Renovations	11,300,000
12,000	RTS Construction Equipment	86,000
152,000	Semi-Tractor Purchase	152,000
383,808	Senior Center Construction	8,051,808
90,706	Sewer Pump Station (1)	6,300,000
168,000	Soil Remediation & Removal	400,000
89,400	RTS Construction Equipment	324,400
140,000	Pollard School Boiler Replacement	800,000
300,000	DPW Facility Remodeling	1,100,000
1,265,100	Water (1)	5,565,100
220,000	Public Works	800,000
650,000	Bridge	900,000
<u>\$ 5,943,098</u>		

(1) Debt service on water and sewer authorizations is expected to be paid entirely from the Water and Sewer Enterprise Fund.

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 2015 dollar assessment for each.

Overlapping Entity	Outstanding Debt	Needham's Estimated Share (1)	Fiscal 2015 Dollar Assessment (2)
Norfolk County (3)	\$ 12,625,000	6.500 %	\$ 383,296
Massachusetts Water Resources Authority (4)			
Water	2,111,387,000	0.625	695,884
Sewer	3,998,585,000	1.337	3,708,059
Massachusetts Bay Transportation Authority (5)	5,499,988,000	0.510	624,938
Minuteman Regional Vocational Technical School District (6)	-	N/A	

(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, 2014. 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, 2014. The MWRA provides wholesale drinking water services in whole or in part to 48 cities, towns and special purpose entities and provides wastewater, collection and treatment services to 43 cities, towns and

special purpose entities. Under its enabling legislation, as amended, the MWRA may borrow up to \$6.1 billion for its corporate purposes. 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 special purpose 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, 2014. 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, other than refunding bonds, and for certain specified purposes to an outstanding amount, which does not exceed the aggregate principal amount of \$3,556,300,000. 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 its weighted percentage of the total population of the authority 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.
- (6) SOURCE: Minuteman Regional Vocational Technical School District. Debt as of June 30, 2014. 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 expiring June 30, 2028 for transportation and disposal of solid waste. The tipping fee rate is \$74.81 per ton as of July 1, 2013 for fiscal year 2014. The amount for this contract in fiscal 2013 was \$606,543 and \$595,396 in fiscal 2014. The amount budgeted for fiscal year 2015 is \$640,513.

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. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that the payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule.

Pursuant to recent legislation, 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, 2015 (budgeted)	\$ 5,621,400	\$ 34,800
June 30, 2014	5,420,454	34,100
June 30, 2013	4,997,421	33,400
June 30, 2012	4,722,775	32,700
June 30, 2011	4,552,978	59,400
June 30, 2010	4,271,094	89,000
June 30, 2009	4,121,326	119,000
June 30, 2008	3,979,000	117,000

The unfunded actuarial accrued liability of the System as of January 1, 2014 was approximately \$57,749,760. The System is currently 71.53% funded according to the last actuarial study. The Town's current funding schedule amortizes the unfunded actuarial accrued liability to zero by 2030 as shown below.

<u>Fiscal Year End</u>	<u>Amortization of Unfunded Actuarial Accrued Liability (with interest)</u>	<u>Total Plan Cost</u>
2015	\$ 3,926,101	\$ 5,621,400
2016	4,395,178	6,149,812
2017	4,911,848	6,727,894
2018	5,480,708	7,360,316
2019	5,727,909	7,673,303
2020	5,985,664	7,999,147
2021	6,255,019	8,338,974
2022	6,536,495	8,693,388
2023	6,830,638	9,063,022
2024	7,138,016	9,448,533
2025	7,459,227	9,850,612
2026	7,794,892	10,269,975
2027	8,145,662	10,707,373
2028	8,512,217	11,163,588
2029	8,895,267	11,639,436
2030	9,295,554	12,135,769
2031		2,939,623

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 five 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 (1)</u>
June 30, 2015	\$ 4,930,038
June 30, 2014	4,727,462
June 30, 2013	4,523,887
June 30, 2012	3,906,275
June 30, 2011	3,626,375
June 30, 2010	3,446,556

(1) Represents the Annual Required Contributions (ARC). The Town appropriated additional amounts of \$500,000 and \$400,000 in fiscal years, 2012 and 2013, respectively.

The Governmental Accounting Standards Board ("GASB") Statement Nos. 43 and 45 require public sector entities to report the future costs of 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 total liability for the Town is \$46,848,062 as of July 1, 2013 (net of the balance in the OPEB Trust Fund). The ARC in fiscal year 2013 is \$4,523,887. The actuarial assumptions included an 8% investment rate of return and an initial annual healthcare cost trend rate of 7% which decreases to a 4.5% long term rate for all healthcare benefits after five years.

In fiscal year 2002 the Town began funding its post-retirement health insurance liability. The approximate balance in the OPEB Trust Fund as of August 31, 2014 was \$18,269,336.

EMPLOYEE RELATIONS

The Town employs approximately 1,144 full-time equivalent employees (FTE), 781 FTE's employed by the School Department, 87 by the Public Works Department, 57 by the Police Department, 72 by the Fire Department, 56 by Public Facilities, 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 800 Town employees are represented by unions including public works, general government, police, fire, teachers, and school administrators. The police patrolman and the superior officers' contracts expire on June 30, 2015. The public works union contract expires June 30, 2017 and the firefighters' contract expires on June 30, 2016. The building maintenance and custodial contracts expire on June 30, 2015. The teachers' union contract expires August 31, 2016 and the administrators' union contract expires on June 30, 2016. The cafeteria workers contract expires on June 30, 2017. The assistants & specialists and secretarial & clerical contracts all expire on June 30, 2016. The other Town union contract expires on June 30, 2018.

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, none of the pending litigation 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/ Ms. Evelyn M. Poness, Treasurer

March 24, 2015

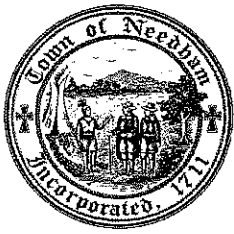


**Board of Selectmen
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 4/7/2015

Agenda Item	Non-essential Outdoor Water Use Restriction – Calendar Year 2015
Presenter(s)	Kate Fitzpatrick, Town Manager

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED		
The Town Manager will recommend that the Board vote to maintain the two-day per week calendar-triggered non-essential water use restriction for calendar year 2015. Properties with even street numbers may water lawns (and perform other allowed non-essential outdoor water uses) only before 9:00 a.m. or after 5:00 p.m. on Mondays and Thursdays. Properties with odd street numbers may water lawns (and perform other non-essential outdoor water uses) only before 9:00 a.m. or after 5:00 p.m. on Tuesdays and Fridays. No lawn watering via sprinklers or automatic irrigations system is allowed on Saturday, Sunday or Wednesday. Watering of lawns, gardens, flowers and ornamental plants by means of a hand held hose is allowed at all hours during the restricted period.			
2.	VOTE REQUIRED BY BOARD OF SELECTMEN	YES	NO
Suggested Motion: that the Board vote to maintain the two-day per week calendar-triggered non-essential water use restriction for calendar year 2015.			
3.	BACK UP INFORMATION ATTACHED	YES	NO
a. Public Notice, Mandatory Odd/Even Non-essential Outdoor Water Use Restriction for Residential and Commercial Customers			



Public Notice
Mandatory ODD/EVEN Non-essential
Outdoor Water Use Restriction
For Residential & Commercial Customers

The Town of Needham's mandatory non-essential outdoor water use restriction is effective May 1, 2015 through September 30, 2015. Non-essential water use is allowed two days per week before 9:00 a.m. and after 5:00 p.m. This restriction is in accordance with the Town's Department of Environmental Protection (DEP) Water Management Act Permit, and is in keeping with regional water conservation efforts.

Odd/Even Outdoor Water Use Restriction

Properties with **even** street numbers may water lawns (and perform other allowed non-essential outdoor water uses) only before 9:00 a.m. or after 5:00 p.m. on **Mondays and Thursdays**.

Properties with **odd** street numbers may water lawns (and perform other non-essential outdoor water uses) only before 9:00 a.m. or after 5:00 p.m. on **Tuesdays and Fridays**.

No lawn watering via sprinklers or automatic irrigations system is allowed on Saturday, Sunday or Wednesday.

Watering of lawns, gardens, flowers and ornamental plants by means of a **hand held hose is allowed at all hours** during the restricted period.

The policy of the Commonwealth is to reduce residential water use to 65 gallons per person per day to ensure a sustainable drinking water supply and to protect natural resources and stream flow for aquatic life. Residential use in Needham has fluctuated between 65 and 66 gallons for the last few years. Accordingly, the Town is seeking the cooperation of all residents in achieving the required standard. Failure to comply with the provisions of the mandatory restriction may result in a fine in accordance with Section 2.2.5.5 of the General By-laws.

In the event that the Massachusetts Drought Management Task Force declares a drought advisory (or higher), non-essential outdoor water use will be allowed only one day per week before 9:00 a.m. and after 5:00 p.m.

April 7, 2015

Non-essential outdoor water uses that are subject to the mandatory Odd/Even restriction are:

- Irrigation of lawns and landscaping via sprinklers or automatic irrigation systems;
- Washing of vehicles, except in a commercial car wash or as necessary for operator safety; and
- Washing of exterior building surfaces, parking lots, driveways or sidewalks, except as necessary to apply surface treatments such as paint, preservatives, stucco, pavement or cement.

The following uses are allowed while the mandatory restriction is in place:

- Watering of lawns, gardens, flowers and ornamental plants by means of a hand-held hose.
- Irrigation to establish a new lawn and new plantings during the months of May and September. Please contact the Town if you intend to do so, so that we may ensure you do not receive an enforcement notice.
- Irrigation of public parks and recreation fields by means of automatic sprinklers outside the hours of 9:00 a.m. and 5:00 p.m.

Water uses NOT subject to the mandatory restrictions are those required for health or safety reasons, by regulation, for the production of food and fiber, for the maintenance of livestock, or to meet the core functions of a business (e.g. irrigation by golf courses as necessary to maintain tees, greens, and limited fairway watering, or irrigation by plant nurseries as necessary to maintain stock).

Under typical weather conditions, lawns require only one inch of water per week to remain healthy. Further information about the mandatory water use restriction and on efforts to reduce outdoor water use is available at <http://needhamma.gov/waterrestriction>. Questions about the mandatory non-essential outdoor water restriction should be directed to the Department of Public Works, Water & Sewer Division at (781) 455-7550 – select option 2 then 1 on the automated telephone system - between 8:30 a.m. and 5:00 p.m., Monday – Friday or by email at dpwadmin@needhamma.gov.

The Town of Needham thanks you for your cooperation.

April 7, 2015



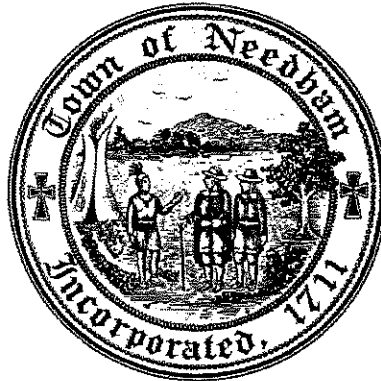
**Board of Selectmen
TOWN OF NEEDHAM
AGENDA FACT SHEET**

MEETING DATE: 4/7/2015

Agenda Item	Close Special Town Meeting Warrant
Presenter(s)	Kate Fitzpatrick, Town Manager

1.	BRIEF DESCRIPTION OF TOPIC TO BE DISCUSSED		
	The Town Manager will recommend that the Board vote to close the warrant for the May 11, 2015 Special Town Meeting.		
2.	VOTE REQUIRED BY BOARD OF SELECTMEN	YES	NO
	<i>Suggested Motion:</i> That the Board vote to close the warrant for the May 11, 2015 Special Town Meeting, subject to minor technical corrections to be made by the Town Manager, Town Counsel and Bond Counsel.		
3.	BACK UP INFORMATION ATTACHED	YES	NO
	a. Draft Warrant dated April 3, 2015		

TOWN OF NEEDHAM



SPECIAL TOWN MEETING WARRANT

MONDAY, MAY 11, 2015

7:30 P.M.

JAMES HUGH POWERS HALL, NEEDHAM TOWN HALL

1471 HIGHLAND AVENUE

DRAFT 4.3.15

Additional information on particular warrant articles will be made available from time to time at www.needhamma.gov/townmeeting during the weeks leading up to the Special Town Meeting.

COMMONWEALTH OF MASSACHUSETTS

Norfolk, ss.

To either of the constables in the Town of Needham in said County, Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby required to notify and warn the inhabitants of the Town of Needham qualified to vote in elections and in Town affairs to meet at the Town Hall:

MONDAY, THE ELEVENTH DAY OF MAY, 2015

At 7:30 in the afternoon, then and there to act upon the following articles, viz:

ARTICLE 1: AMEND ZONING BY-LAW – RETAINING WALLS

To see if the Town will vote to amend the Needham Zoning By-Law, as follows:

- (a) Amend Section 1.3 Definitions, by adding the following term and definition in the appropriate alphabetical location as follows:

“Retaining Wall - A wall or terraced combination of walls used at a grade change to hold soil and other earth material at a higher position. Retaining walls may be attached to or independent from other structures. The exposed side of a retaining wall shall be known as a “face”. The area between a lower wall and a successive higher wall shall be known as a “terrace.”

- (b) Amend Section 1.3 Definitions, by revising the existing definition of the term “Structure”, so that the entire definition shall now read as follows: (new language underlined):

“Structure – anything constructed or erected, the use of which requires a fixed location on the ground or attached to something located on the ground including an artificial or a constructed swimming pool having a depth of water of two (2) feet or more or a water surface area of at least one hundred (100) square feet when filled to capacity, but excluding a fence, boundary wall, retaining wall, public utility pole, public utility supporting device or a structure with less than one hundred square foot ground coverage and a height of less than eight (8) feet.”

- (c) Amend Section 6, Special Regulations, by inserting a new Subsection 6.11, Retaining Walls, to read as follows:

“6.11 Retaining Walls

6.11.1 Purpose and Intent

The Town of Needham adopts this section to accomplish and ensure the following:

- (a) To allow for the review of retaining walls of a size that may impact surrounding buildings, land, and uses;
- (b) To require the construction of retaining walls in a manner consistent with engineering and construction best practices; and
- (c) To lessen the impact of large retaining walls on abutting properties and the public by encouraging the use of landscaping and aesthetically pleasing design elements.

6.11.2 Applicability

The regulations and requirements contained herein shall apply to all retaining walls erected in the Town of Needham.

6.11.3 General Provisions

- (a) Determining Retaining Wall Height - The height of a retaining wall shall be the distance from the grade at the base of the face of the wall to the top of the finished wall. Terraced walls shall be measured in the same manner.
- (b) Walls Within Yard Setbacks - No retaining wall shall be built within the required yard setback except a retaining wall (i) with a face not greater than four (4) feet in height at any point that does not exceed forty (40) percent of the lot's perimeter, or (ii) as allowed by a Special Permit issued in accordance with Subsection 6.11.5 of this Section. Notwithstanding the above, a retaining wall attached to the house and located within the driveway for access to the garage is permitted at a height of 7 feet with up to 8 linear feet of said wall permitted to encroach into the required setback.
- (c) Walls Outside Yard Setbacks. No retaining wall with a face greater than twelve (12) feet in height shall be built except as allowed by Special Permit issued in accordance with Subsection 6.11.5 of this Section.
- (d) Fall Protection - All retaining walls over four (4) feet in height shall be required to provide fall protection if so determined by the Building Inspector. Fall protection systems may include, but shall not be limited to, permanent landscaping or fencing as approved by the Building Inspector.
- (e) Terracing - Terracing of retaining walls is allowed and encouraged. In a terraced retaining wall system, if two (2) retaining walls are separated by a distance at least one times (1x) the height of the higher of the two (2) walls, the walls shall be considered as separate walls; if two (2) retaining walls are separated by a distance

less than one times (1x) the height of the higher of the two (2) walls, the walls shall be considered as a single wall.

- (f) Nonconforming Retaining Walls - Retaining walls legally constructed prior to the adoption of these regulations shall be allowed to remain in their existing state; however, significant changes or alterations to such walls shall be made in conformity with these regulations. The repair and routine maintenance, as determined by the Building Inspector, of nonconforming retaining walls shall be allowed without requiring conformity with these regulations.

6.11.4 Design Review and Permitting

- (a) Design Review - Design Review shall be required for all retaining walls requiring a permit, as determined by the Building Inspector, and having a height of more than (four) 4 feet. The Design Review Board shall review retaining walls in accordance with Section 7.7, Design Review, and shall consider such requests under those criteria contained in Subsection 7.7.4, Design Criteria, of Section 7.7. The Design Review Board shall submit an advisory recommendation to the Building Inspector prior to the issuance of a permit and to the Board of Appeals and applicant prior to the issuance of a special permit.
- (b) Permitting - A building permit shall be required, consistent with the requirements of the Town of Needham Building Department, for all retaining walls that retain four (4) or more feet of unbalanced fill.

6.11.5 Special Permit Provisions

The Board of Appeals shall consider requests for special permits in accordance with this Section and Section 7.5 of the Zoning Bylaw and a Special Permit for a retaining wall may be issued provided the Board of Appeals finds:

- (a) That the retaining wall will not cause an increase of water flow off the property;
- (b) That the requested retaining wall will not adversely impact adjacent property or the public;
- (c) That the report of the Design Review Board has been received and considered.
- (d) Amend Section 7.7 Design Review, Subsection 7.7.2, Design Review Board, Subparagraph 7.7.2.2, Authority and Specific Powers, by revising the first paragraph, so that the entire paragraph shall now read as follows: (new language underlined):

“The Design Review Board shall review requests for site plan review and approval submitted in accordance with Section 7.4 Site Plan Review and requests for special permits in accordance with Section 4.2.5 Planned Residential Development, Section 4.2.4 Flexible Development and Section 6.11 Retaining Walls and, for a minor project that

only involves a change in the exterior façade of a building in the Center Business District, shall review and may approve such façade change.”

- (e) Amend Section 7.7 Design Review, Subsection 7.7.2, Design Review Board, Subparagraph 7.7.2.2, Authority and Specific Powers, by adding a new sentence at the end of the fourth paragraph, so that the entire paragraph shall now read as follows: (new language underlined):

“It shall evaluate such requests based on Subsection 7.7.4 Design Criteria below. Its findings and recommendations, along with any suggested restrictions and conditions, shall be transmitted to the applicant and Planning Board, acting as a special permit granting authority for “Major Projects” under Site Plan Review, Planned Residential Developments and Flexible Developments and to the applicant and Board of Appeals, acting as a special permit granting authority, under Section 6.11 Retaining Walls. Such advisory reports of the Design Review Board shall be transmitted to the Building Inspector and applicant in all other instances as described in the two paragraphs above for “Minor Projects” under Site Plan Review, building permits in all non-residential districts, retaining wall permits and sign permits. For a minor project that only involves a change in the exterior of a building in the Center Business District, the Design Review Board shall be the review and approval entity for such façade changes.”

Or take any other action relative thereto.

INSERTED BY: Planning Board
FINANCE COMMITTEE RECOMMENDS THAT:

Article Information:

ARTICLE 2: APPROPRIATE FOR PLANNING CONSULTING ASSISTANCE

To see if the Town will vote to raise and/or transfer and appropriate the sum of \$45,000 for the purpose of funding professional services for planning, zoning, and other land use initiatives, said sum to be spent under the direction of the Town Manager, and to meet this appropriation that \$45,000 be transferred from Free Cash; or take any other action relative thereto.

INSERTED BY: Board of Selectmen
FINANCE COMMITTEE RECOMMENDS THAT:

Article Information:

ARTICLE 3: AMEND THE FY2015 OPERATING BUDGET

To see if the Town will vote to amend and supersede certain parts of the fiscal year 2015 Operating Budget adopted under Article 11 of the May 2014 Annual Town Meeting, and amended under Article 3 of October 27, 2014 Special Town Meeting by deleting the amounts of money appropriated under some of the line items and appropriating the new amounts as follows:

<u>Line Item</u>	<u>Appropriation</u>	<u>Changing From</u>	<u>Changing To</u>
3	Group Health Insurance	\$10,398,872	\$10,198,872
4	Retiree Insurance & Insurance Liability Fund	\$4,940,198	\$5,140,198
10	Reserve Fund	\$1,489,657	\$1,642,157
28A	Public Facilities Salary & Wages	\$3,508,080	\$3,468,080
28B	Public Facilities Expenses	\$4,559,068	\$4,599,068
29A	Health Department Salary & Wages	\$589,840	\$581,340
29B	Health Department Expenses	\$131,841	\$140,341

and that \$152,500 be transferred from Overlay Surplus; or take any other action relative thereto.

INSERTED BY: Finance Committee
FINANCE COMMITTEE RECOMMENDS THAT:

Article Information:

ARTICLE 4: RESCIND DEBT AUTHORIZATIONS

To see if the Town will vote to rescind a portion of certain authorizations to borrow, which were approved at prior town meetings, where the purposes of the borrowing have been completed, and/or it was unnecessary to borrow the full authorization:

<u>Project</u>	<u>Town Meeting</u>	<u>Article</u>	<u>Authorized</u>	<u>Rescind</u>
Town Hall (GF Portion)	2009 ATM	35	\$4,100,000	\$425,000
Senior Center	2011 STM (Nov)	14	\$8,051,808	\$300,000
DPW Complex Renovation	2013 ATM	42	\$1,100,000	\$235,000
RTS Construction Equipment	2013 ATM	44	\$324,400	\$89,400

or take any other action relative thereto.

INSERTED BY: Board of Selectmen
FINANCE COMMITTEE RECOMMENDS THAT:

Article Information:

ARTICLE 5: APPROPRIATE FOR OIL TANK REPLACEMENT

To see if the Town will vote to raise and/or transfer and appropriate the sum of \$73,000 for the removal and replacement of the oil fuel tank at the Emery Grover building, to be spent under the direction of the Town Manager, and to meet this appropriation that \$73,000 be transferred from Article 1 of the 2013 November Special Town Meeting; or take any other action relative thereto.

INSERTED BY: Board of Selectmen
FINANCE COMMITTEE RECOMMENDS THAT:

Article Information:

ARTICLE 6: APPROPRIATE TO CAPITAL IMPROVEMENT FUND

To see if the Town will vote to raise, and/or transfer and appropriate \$17,475 to the Capital Improvement Fund, as provided under M.G.L., Ch. 40, Sec. 5B as recently amended by Section 14 of Chapter 46 of the Acts of 2003 and Section 19 of Chapter 140 of the Acts of 2003, and meet this appropriation that \$8,380 be transferred from Article 38 of the 2003 Annual Town Meeting and that \$9,095 be transferred from Article 38 of the 2004 Annual Town Meeting; or take any other action relative thereto.

INSERTED BY: Board of Selectmen
FINANCE COMMITTEE RECOMMENDS THAT:

Article Explanation: Under Article 58 of the May 2004 Annual Town Meeting, the Town voted to establish the General Fund Cash Capital Equipment and Facility Improvement Fund for the purpose of setting aside funds for future capital investment. Over time, as the fund grows and is supported, it will be one of the tools in the overall financial plan of the Town. Maintaining and supporting such funds is looked upon favorably by the credit rating industry.

ARTICLE 7: APPROPRIATE TO CAPITAL FACILITY FUND

To see if the Town will vote to raise and/or transfer and appropriate \$9,113 to the Capital Facility Fund as provided under the provisions of M.G.L. Chapter 40, Section 5B as amended by Section 14 of Chapter 46 of the Acts of 2003, and as further amended by Section 19 of Chapter 140 of the Acts of 2003 and meet this appropriation that \$9,113 be transferred from Article 60 of the 2006 Annual Town Meeting; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT:

Article Information: Established at the 2007 Annual Town meeting, this fund is intended to be part of the Town's planning strategy for addressing capital facility maintenance needs by providing a reserve to address extraordinary building repairs and related expenses at times when other resources are unavailable. The purpose of this fund is to allow the Town, from time to time, by appropriation, to reserve funds for design, maintenance, renovation or reconstruction relating to the structural integrity, building envelope or MEP (mechanical, electrical, plumbing) systems of then existing capital facilities.

And you are hereby directed to serve this Warrant by posting copies thereof in not less than twenty public places in said town at least fourteen (14) days before said meeting.

Hereof fail not and make due return of this warrant with your doings thereon unto our Town Clerk on or after said day and hour.

Given into our hands at Needham aforesaid this 7th day of April, 2015.

JOHN A. BULIAN, Chairman
MAURICE P. HANDEL, Vice Chairman
MATTHEW D. BORRELLI, Clerk
MARIANNE B. COOLEY
DANIEL P. MATTHEWS

Selectmen of Needham

A TRUE COPY

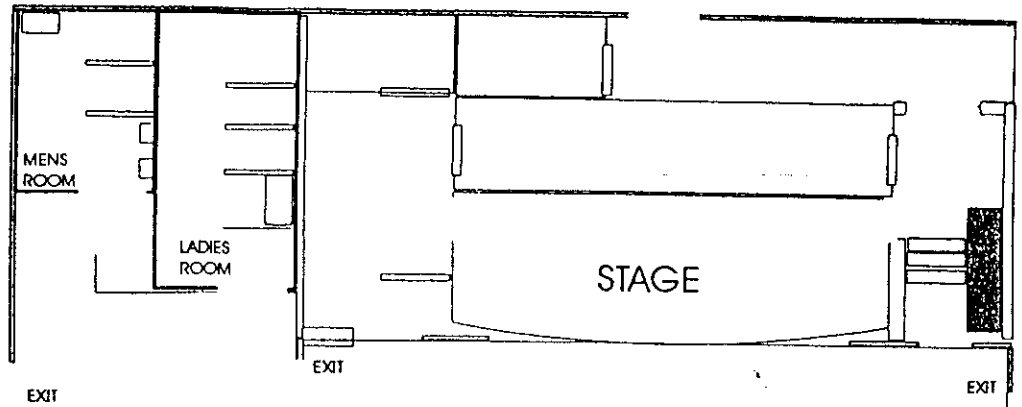
Attest:

Constable:

**ONE DAY SPECIAL LICENSE
TOWN OF NEEDHAM BOARD OF SELECTMEN
EVENT INFORMATION SHEET**

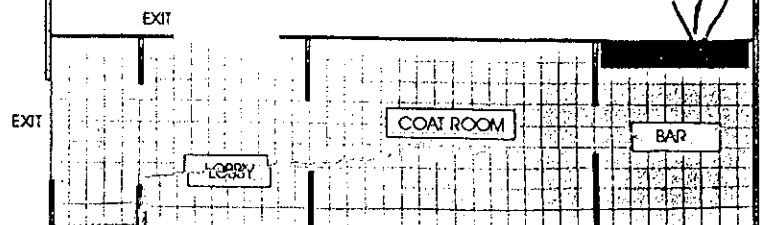
(Please complete and attach event flyer or other information.)

Event Manager Name (Name that will appear on license)	Stephen Pitocheilli		
Event Manager Address	83 Montan St		
Event Manager Phone Number	781-727-1838		
Organization Representing (if applicable)	Village Club		
Is the organization (if applicable) you are representing non-profit? If so, please attach proof of non-profit status.	☒ Non-profit ☐ For profit ☒ Proof of non-profit status is attached Form of Proof: <u>on file</u>		
Name of Event	Braum's school fundraiser		
Date of Event	4-11-15		
License is for Sale of:			
☐ Wines & Malt Beverages Only ☒ All Alcoholic Beverages (for non-profit groups only)			
Requested Time for Liquor License	FROM:	TO:	
	4	11	
Are tickets being sold in advance for this event?	☐ YES \$	/per ticket	☒ NO
Is there an admission fee for this event?	☐ YES \$	/per ticket	☒ NO
Are you using dues collected to purchase alcohol for this event?	☐ YES	☒ NO	
How many people are you expecting at this event?			
100			
Name & address of event location. Please attach proof of permission to use this facility.			
Same as above			
Who will be serving the alcohol to your guests?			
Bob Means			
Bartenders and/or servers of alcohol, beer and/or wine must have completed in the past three years an appropriate Massachusetts alcoholic beverages server-training program. Please state below who will be serving alcohol, beer and/or wine and attach proof of their training (certificate).			
Bob Means			
Please use the space below to describe the manner in which alcohol will be served to your guests. (For example, will guests be served alcohol or will they need to purchase it from the bar?) Please attach floorplan (can be hand drawn) of the event facility with liquor delivery plan.			
Bar			
☒ I understand that the alcohol purchased for this event must be purchased from a licensed wholesaler/importer, manufacturer, farmer-winery, farmer-brewery or special permit holder and that I have received a current list of wholesalers. (A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. (MGL Ch. 138, Sec 14, 23; 204 CMR 7.04))			
Event Manager Signature:			Date:
			3-24-15



The Village Club
HIGHLANDVILLE HALL
Needham, Ma

HIGHLANDVILLE
HALL
60' X 40'



ALL ALCOHOL SERVED HERE



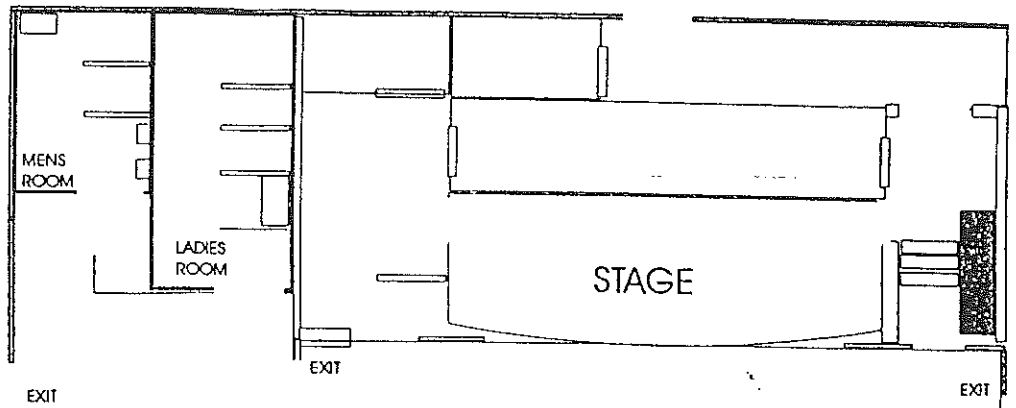
GetTIPS On Premise 2.0 SSN: XXX-XX-XXXX
Issued: 10/23/2013 Expires: 10/23/2016
ID#: 3594603 D.O.B.: XX/XX/XXXX

Robert H Mearls
29a Oak St
Needham, MA 02492-2130

For service visit us online at www.gettips.com

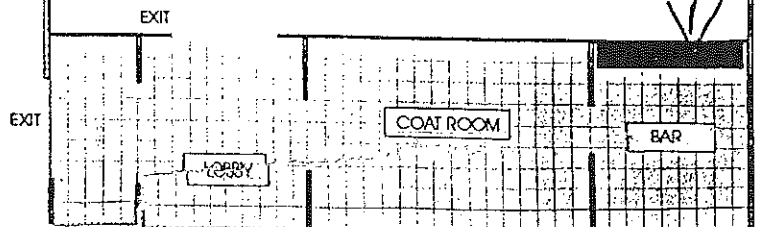
**ONE DAY SPECIAL LICENSE
TOWN OF NEEDHAM BOARD OF SELECTMEN
EVENT INFORMATION SHEET**
(Please complete and attach event flyer or other information.)

Event Manager Name (Name that will appear on license)	Stephen Pirochelli		
Event Manager Address	83 Manton St		
Event Manager Phone Number	781-727-1838		
Organization Representing (if applicable)	Village Club		
Is the organization (if applicable) you are representing non-profit? If so, please attach proof of non-profit status.	☐ Non-profit	☐ For profit	
	☒ Proof of non-profit status is attached Form of Proof: <u>on file</u>		
Name of Event	50th Birthday Party		
Date of Event	4-24-15		
License is for Sale of:			
☐ Wines & Malt Beverages Only			
☒ All Alcoholic Beverages (for non-profit groups only)			
Requested Time for Liquor License	FROM:	TO:	
	6	11	
Are tickets being sold in advance for this event?	☐ YES \$	/per ticket	☒ NO
Is there an admission fee for this event?	☐ YES \$	/per ticket	☒ NO
Are you using dues collected to purchase alcohol for this event?	☐ YES	☒ NO	
How many people are you expecting at this event?			
100			
Name & address of event location. Please attach proof of permission to use this facility.			
Same as above			
Who will be serving the alcohol to your guests?			
Chris Williams			
Bartenders and/or servers of alcohol, beer and/or wine must have completed in the past three years an appropriate Massachusetts alcoholic beverages server-training program. Please state below who will be serving alcohol, beer and/or wine and attach proof of their training (certificate).			
Chris Williams			
Please use the space below to describe the manner in which alcohol will be served to your guests. (For example, will guests be served alcohol or will they need to purchase it from the bar?) Please attach floorplan (can be hand drawn) of the event facility with liquor delivery plan.			
Bar			
☒ I understand that the alcohol purchased for this event must be purchased from a licensed wholesaler/importer, manufacturer, farmer-winery, farmer-brewery or special permit holder and that I have received a current list of wholesalers. (A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. (MGL Ch. 138, Sec 14, 23; 204 CMR 7.04))			
Event Manager Signature:			Date:
Stephen Pirochelli			4-24-15



The Village Club
HIGHLANDVILLE HALL
Needham, Ma

HIGHLANDVILLE
HALL
60' X 40'



ALL ALCOHOL SERVED HERE

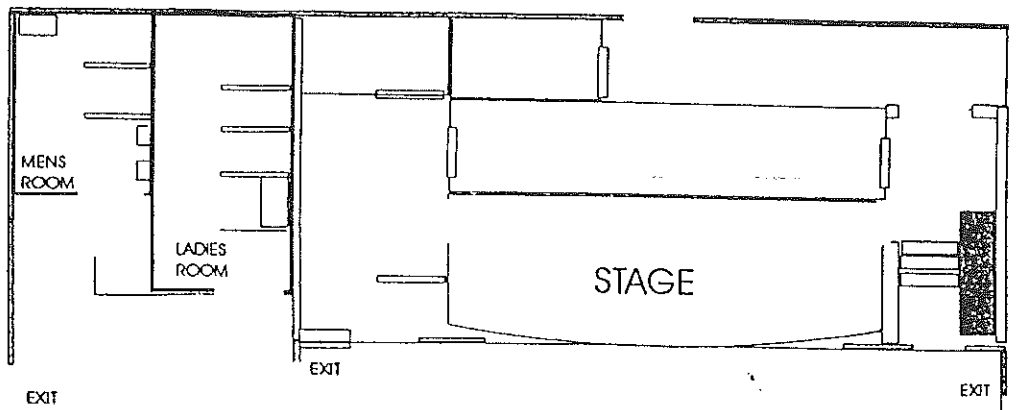
TIPS
TIPS On Premise 2.0 SSN: XXX-XX-XXXX
Issued: 5/28/2013 Expires: 5/28/2016
ID#: 3481972 D.O.B.: XX/XX/XXXX

Chris R Williams
16 August Way
Needham, MA 02494-1338

For service visit us online at www.gettips.com

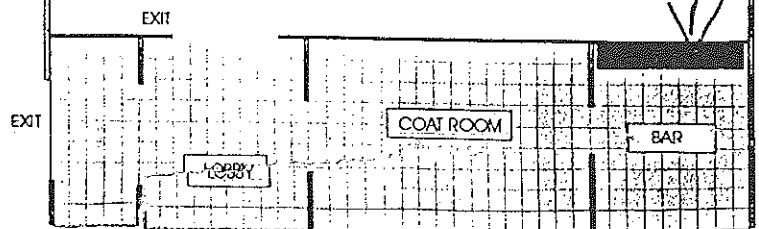
**ONE DAY SPECIAL LICENSE
TOWN OF NEEDHAM BOARD OF SELECTMEN
EVENT INFORMATION SHEET**
(Please complete and attach event flyer or other information.)

Event Manager Name (Name that will appear on license)	Stephen P. Pouchelle		
Event Manager Address	83 Munton St		
Event Manager Phone Number	781-727-1838		
Organization Representing (if applicable)	Village Club		
Is the organization (if applicable) you are representing non-profit? If so, please attach proof of non-profit status.	☐ Non-profit ☐ For profit ☒ Proof of non-profit status is attached Form of Proof: <u>on file</u>		
Name of Event	40th Birthday Party		
Date of Event	6-25-15		
License is for Sale of:			
☐ Wines & Malt Beverages Only ☒ All Alcoholic Beverages (for non-profit groups only)			
Requested Time for Liquor License	FROM:	TO:	
	6	11	
Are tickets being sold in advance for this event?	☐ YES \$	/per ticket	☒ NO
Is there an admission fee for this event?	☐ YES \$	/per ticket	☒ NO
Are you using dues collected to purchase alcohol for this event?	☐ YES	☒ NO	
How many people are you expecting at this event?	100		
Name & address of event location. Please attach proof of permission to use this facility.			
83 Munton St			
Who will be serving the alcohol to your guests?			
Bob Means			
Bartenders and/or servers of alcohol, beer and/or wine must have completed in the past three years an appropriate Massachusetts alcoholic beverages server-training program. Please state below who will be serving alcohol, beer and/or wine and attach proof of their training (certificate).			
Bob Means			
Please use the space below to describe the manner in which alcohol will be served to your guests. (For example, will guests be served alcohol or will they need to purchase it from the bar?) Please attach floorplan (can be hand drawn) of the event facility with liquor delivery plan.			
Bar			
☒ I understand that the alcohol purchased for this event must be purchased from a licensed wholesaler/importer, manufacturer, farmer-winery, farmer-brewery or special permit holder and that I have received a current list of wholesalers. (A person holding a Section 14 license cannot purchase alcoholic beverages from a package store. (MGL Ch. 138, Sec 14, 23; 204 CMR 7.04))			
Event Manager Signature:			Date:
Stephen P. Pouchelle			3-24-15



The Village Club
HIGHLANDVILLE HALL
Needham, Ma

HIGHLANDVILLE
HALL
60' X 40'



ALL ALCOHOL SERVED HERE



GetTIPS On Premise 2.0 SSN: XXX-XX-XXXX
Issued: 10/23/2013 Expires: 10/23/2016
ID#: 3594603 D.O.B.: XX/XX/XXXX

Robert H Mearls
29a Oak St
Needham, MA 02492-2130

For service visit us online at www.gettips.com

Town of Needham
Water Sewer Billing System
Adjustment Form

DEPARTMENT OF PUBLIC WORKS

TO: TOWN TREASURER AND COLLECTOR
cc: TOWN ACCOUNTANT, WATER AND SEWER SUPERINTENDENT

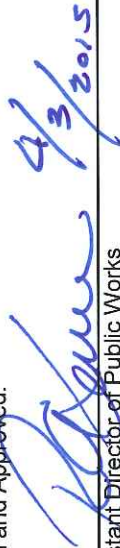
WHEREAS the appropriate divisions of the Department of Public Works have submitted to you the following commitment(s) on the dates listed below for the collection of water, sewer revenue and

WHEREAS certain inadvertent error(s) were made in said commitment(s), it is hereby requested that you abate these particular account(s) in the amount(s) stated below.

Water Sales:	-\$680.21
Water Irrigation:	\$0.00
Water Admin Fees	\$0.00
Sewer Sales:	-\$4,012.37
Transfer Station Charges:	\$0.00
Total Abatement:	-\$4,692.58

Order #: 1196

Read and Approved:


Assistant Director of Public Works

For the Board of Selectmen

Date: 4/7/15


Director of Public Works

**Town of Needham
Water Sewer Billing System
Adjustment Form**

Prepared By:	Last Name	First Name	Customer ID#	Location ID#	Street Number	Street Name	Irrigation Water	Domestic Water	Sewer	Total	Reason	Corrected Last Read
DB	Tarantino	Carmine & Rebecca	27877	16226	82	Marked Tree Road	\$0.00	-\$388.72	-\$2,890.84	-\$3,279.56	ACC	N
DB	Szekely & Downey	B. & L.	38979	8178	25	Rosemary Street	\$0.00	-\$70.39	-\$608.83	-\$679.22	ACC	N
JO	Council on Aging	(2)					\$0.00	-\$221.10	-\$512.70	-\$733.80	COA	N

Total: -\$4,692.58

ALSO, LET THIS SERVE AS AUTHORIZATION TO ABATE ANY PENALTY OR INTEREST WHICH HAS ACCRUED DUE TO THE NON-PAYMENT OF AMOUNTS AS STATED ABOVE.

Legend:

O.I. = O.I. reading slower than inside meter causing large bill when inside meter is read.
 TWN = Town Project caused damage to private property
 EC = Extenuating Circumstances
 Equip = Equipment Malfunction
 UEW = Unexplained water loss
 ACC = Accidental Water Loss
 BP = Billing Period beyond 100 days
 COA = Council on Aging