



TOWN OF HOPKINTON
SELECT BOARD MEETING AGENDA
Tuesday, February 28, 2023 6:00 PM

Hopkinton Town Hall, 18 Main St, Hopkinton, MA - Room 215/216
(Executive Session will be held in Room 211)

Please click the link below to join the meeting:

<https://us02web.zoom.us/j/82917905974?pwd=cENzTWxMNXh1OHVwOHR2a1RYcC9WZz09>

Passcode: 793034

Or One tap mobile :

US: +13092053325,,82917905974# or +13126266799,,82917905974#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 309 205 3325 or +1 312 626 6799 or +1 646 876 9923 or +1 646 931 3860 or +1 301 715 8592 or +1 305 224 1968 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053 or +1 408 638 0968 or +1 507 473 4847 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 6833 or +1 689 278 1000 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782

Webinar ID: 829 1790 5974

International numbers available: <https://us02web.zoom.us/j/82917905974?pwd=cENzTWxMNXh1OHVwOHR2a1RYcC9WZz09>

6:00 PM

CALL TO ORDER

1.

EXECUTIVE SESSION

- a. Pursuant to *M.G.L. c.30A, §21(a)* (purpose 3) to consider strategy with respect to collective bargaining relative to Police, Fire and Communications Unions because an open meeting may have a detrimental effect on the negotiating position of the Board;
- b. Pursuant to *M.G.L. c.30A, §21(a)* (purpose 2) to consider strategy with respect to negotiations with non-union personnel (Police Chief and Town Manager)
- c. Pursuant to *M.G.L. c.30A, §21(a)* (purpose 6) to consider the purchase, lease, sale or value of real estate in relation to properties in the vicinity of Town Hall, 0 Spring Street, Map R23 Block 100 Lot 0 West Main Street, Map R23 Block 73 Lot A and Block 73 Lot B Rear West Main Street, and 3 contiguous parcels on College Street totalling 20.74 acres because an open meeting may have a detrimental effect on the negotiating position of the Board; and
- d. Approve Executive Session Minutes (2/7/23, 2/14/23)

6:30 PM

CALL TO ORDER - OPEN SESSION

2.

PLEDGE OF ALLEGIANCE

6:31 PM

PUBLIC FORUM

3.

Residents are invited to share ideas, opinions or ask questions regarding Town Government.

6:40 PM

ELEMENTARY SCHOOL BUILDING COMMITTEE 2 ELMWOOD SCHOOL PREFERRED REPLACEMENT OPTION

4. The Elementary School Building Committee 2 will ask the Select Board to consider voting on the preferred schematic option and site for replacing Elmwood School. The School Committee will be in attendance.
Supporting Exhibits: ESBC-2 Presentation
- 7:00 PM**
5. **FY 2022 AUDIT REPORT**
The Select Board will receive an update on the Town's FY22 Audited Financial Statements.
Supporting Exhibits: Memo, Auditor's Report
- 7:15 PM**
6. **PUBLIC INFORMATION SESSION ON PROPOSED GENERAL BYLAW AMENDMENTS**
The Select Board will hold a public information session on proposed amendments to the General Bylaws which are on the warrant for the 2023 Annual Town Meeting. The proposed General Bylaw amendments are:
- Housekeeping Amendment - Delete Definition (Ch. 1, Art. V) - Sponsor: Town Clerk
 - Minutes Bylaw Amendment (Ch. 5, Art. VIII) - Sponsor: Town Clerk
 - Leash Law Bylaw Amendment (Ch. 62, Art. III) - Sponsor: Select Board
 - Short Term Rental Bylaw - Sponsor: Select Board
 - Gun Club Indoor Shooting - Sponsor: Citizens Petition
- Supporting Exhibits: Description of Amendments; Text of Amendments
- 7:45 PM**
7. **PUBLIC HEARING - FY24 COMPREHENSIVE BUDGET**
The Select Board will hold a public hearing on the proposed FY24 Comprehensive Budget, which includes operating budgets and capital project requests. The Board is seeking comments, questions and ideas.
Supporting Exhibits: FY24 Budget Questions for Select Board; Comprehensive Budget information:
https://www.hopkintonma.gov/departments/town_clerk/town_meeting.php
- 8:15 PM**
8. **127th BOSTON MARATHON, APRIL 17, 2023**
The Select Board will:
- Consider approving a Parade Permit for the 127th Boston Marathon, to be held on Monday, April 17, 2023 with the starting point at E. Main St. adjacent to the Hopkinton Common and ending point at Route 135 at Hopkinton/Ashland line. The road closures will be variable starting at 7:00 AM and will be determined by the Hopkinton Police Department as the event gets closer.
 - Receive an update on the Boston Marathon starting line re-design.
- Supporting Exhibits: Parade Permit Applications and supporting documents; Permitting Team Comments; Statline re-design proposed plans.
- 8:30 PM**
9. **CELEBRATING ASHLAND'S PLACE IN BOSTON MARATHON HISTORY**
The Select Board will consider acknowledging, honoring and celebrating Ashland's history in the Boston Marathon. 2023 marks the 100th anniversary of the last time Ashland hosted the start of the Boston Marathon.
- 8:40 PM**
10. **CONSENT AGENDA**
The Select Board will consider the following consent agenda:

- a. **MINUTES** - The Select Board will consider approving the Minutes of the February 7th and 14th, 2023 meetings.
- b. **AMBULANCE GIFT** - The Select Board will consider accepting an Ambulance Fund Gift of \$25.00 from Karen Woodbury in memory of Julia Harris.
- c. **BOARD/COMMITTEE APPOINTMENTS** - The Select Board will consider re-appointing Cristine Enos to the Cultural Council to a term ending on 3/10/2026.
- d. **MARATHON FUND REQUEST** - The Select Board will consider approving the following Marathon Fund requests:
 - 1. **\$2,600 to the class of 2023** of which \$500 will be used for a DJ at the Gillette dinner for the Seniors and their parents and \$2,100 will be used for Police Detail for the car parade.
 - 2. **\$2,000 to the Senior Center** to pay for exercise classes at the Senior Center.
 - 3. **\$1,500 to the Hopkinton Police Association** for buying fish to stock the pond at the Hopkinton Sportsmen’s Association for the May 13, 2023 fishing derby.

Supporting Exhibits: Marathon Fund Request Forms

8:45 PM TOWN MANAGER REPORT

11. Town Manager will report on the following:

- a. Draft SWAP/TRIC Shared Housing Services (SHSO) Intermunicipal Agreement
- b. Main Street Corridor Project
- c. Per- and Polyfluoroalkyl Substances (PFAS) treatment project
- d. Massachusetts Water Resources Authority (MWRA) Southborough Interconnection project
- e. Tax relief remarks

Supporting Exhibits: Town Manager Report

8:50 PM LIAISON REPORTS/BOARD INVITES

12. Supporting Exhibit: FY 23 Liaison Assignments; Invite-Cultural Council Artists Reception

8:55 PM FUTURE BOARD AGENDA ITEMS

13. Board members will identify future agenda items.

Supporting Exhibit: Board Member Future Agenda Items

9:00 PM ADJOURN

Correspondence to Select Board

- 1. Email - Municipal Electricity Aggregation - 2-13-23
- 2. Board of Health Violation Notice
- 3. Verizon Fios - LFA Notice - Mexicanal HD
- 4. Public Hearing Notice - Zoning Bylaw Amendments - 3-6-23
- 5. Email from Keith Rowe 2-17-23 re proposed Gun Club shooting bylaw
- 6. Email from Sarah & Ben Paharik regarding Housing by-law 2-21-23
- 7. Board of Appeals Notice of Decision - 18 Kruger Road
- 8. 8 Pike St. Support for Short Term Rental Bylaw
- 9. Email - Support of Outdoor Gun Shooting Ban - 2-20-23

Upcoming Select Board Meetings

1. March 14, 2023
2. March 28, 2023
3. April 4, 2023
4. April 11, 2023

The listed matters are those reasonably anticipated by the Chair to be discussed at the meeting. Not all items may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law. Unless an agenda item is a posted public hearing, the matter may be considered earlier than the indicated time if there are last minute cancellations or other unforeseen events which cause the Board to move more quickly through the agenda.

SELECT BOARD MEETING



February 28, 2023

WEBSITE: elmwoodproject.com

Hopkinton Elmwood Elementary School Option Evaluation Criteria

1. Education Program Accommodation
2. Cost (above baseline)
3. Schedule Duration
4. Disruption to Education During Construction/Incl. of Fields
5. Sustainability
6. Net Zero Achievable
7. Construction impact to Neighbors
8. Swing Space
9. Traffic
10. Parking and On-site Circulation
11. Permitting & Approvals Complexity
12. School Future Growth and Flexibility
13. District Operations/Bussing
14. Public Safety Considerations
15. Site Complexities (wetlands, ledge, access, etc.)
16. Walkability/bikeability
17. Proximity to public Utilities

HAYDEN ROWE VILLAGE – SITE PLAN- EAST

HR7E: GR2-4

MARATHON
SCHOOL

WETLAND

WETLAND

WETLAND

WETLAND

- CAR DROP-OFF CIRCULATION
- BUS DROP-OFF CIRCULATION
- WETLAND
- 50' WETLAND BUFFER
- 100' WETLAND BUFFER

0 100 200 400
SCALE: 1" = 100'

HAYDEN ROWE

WALKING
PATH

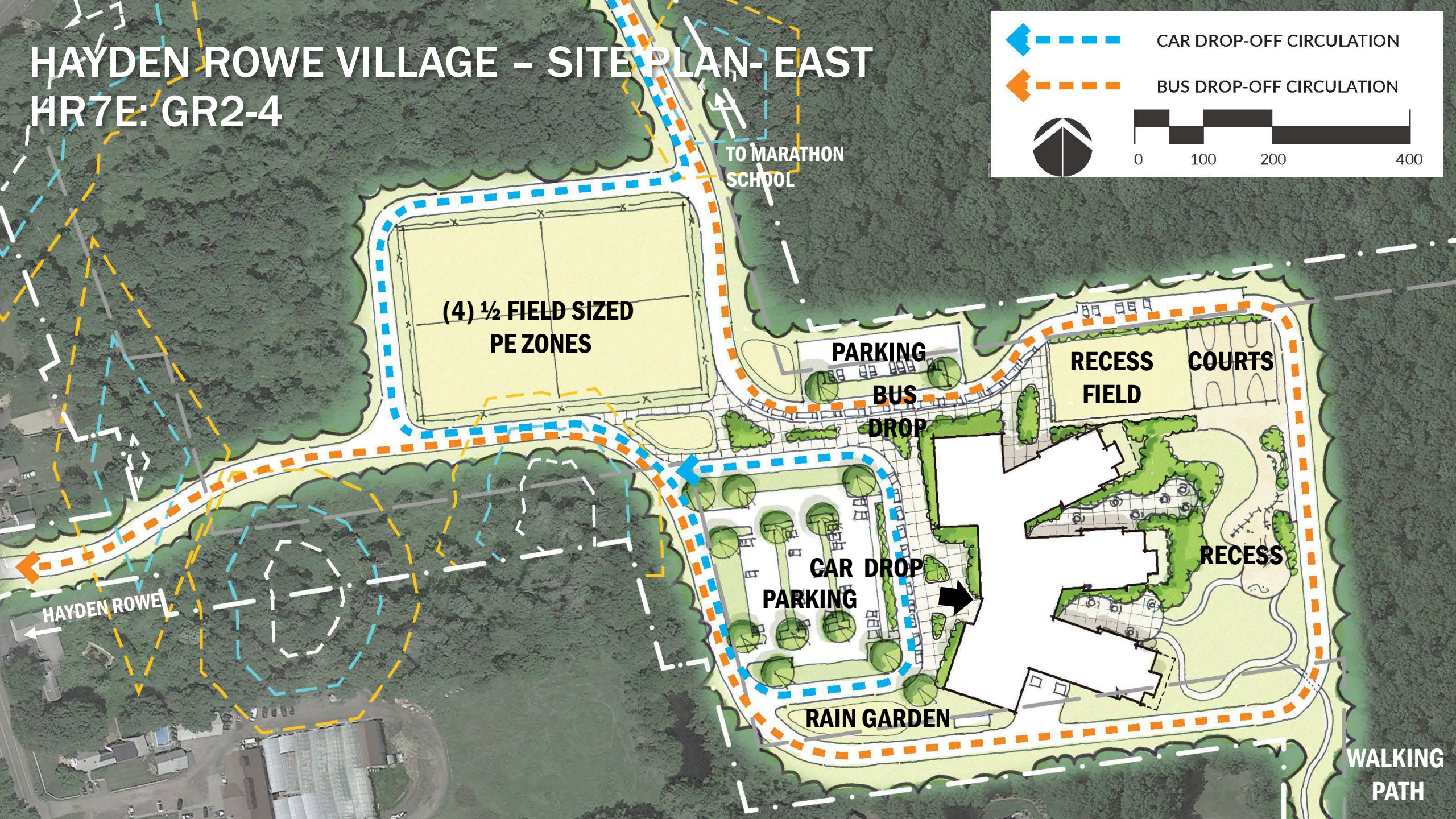
HAYDEN ROWE VILLAGE - SITE PLAN - EAST

HR7E: GR2-4

Legend for circulation and scale:

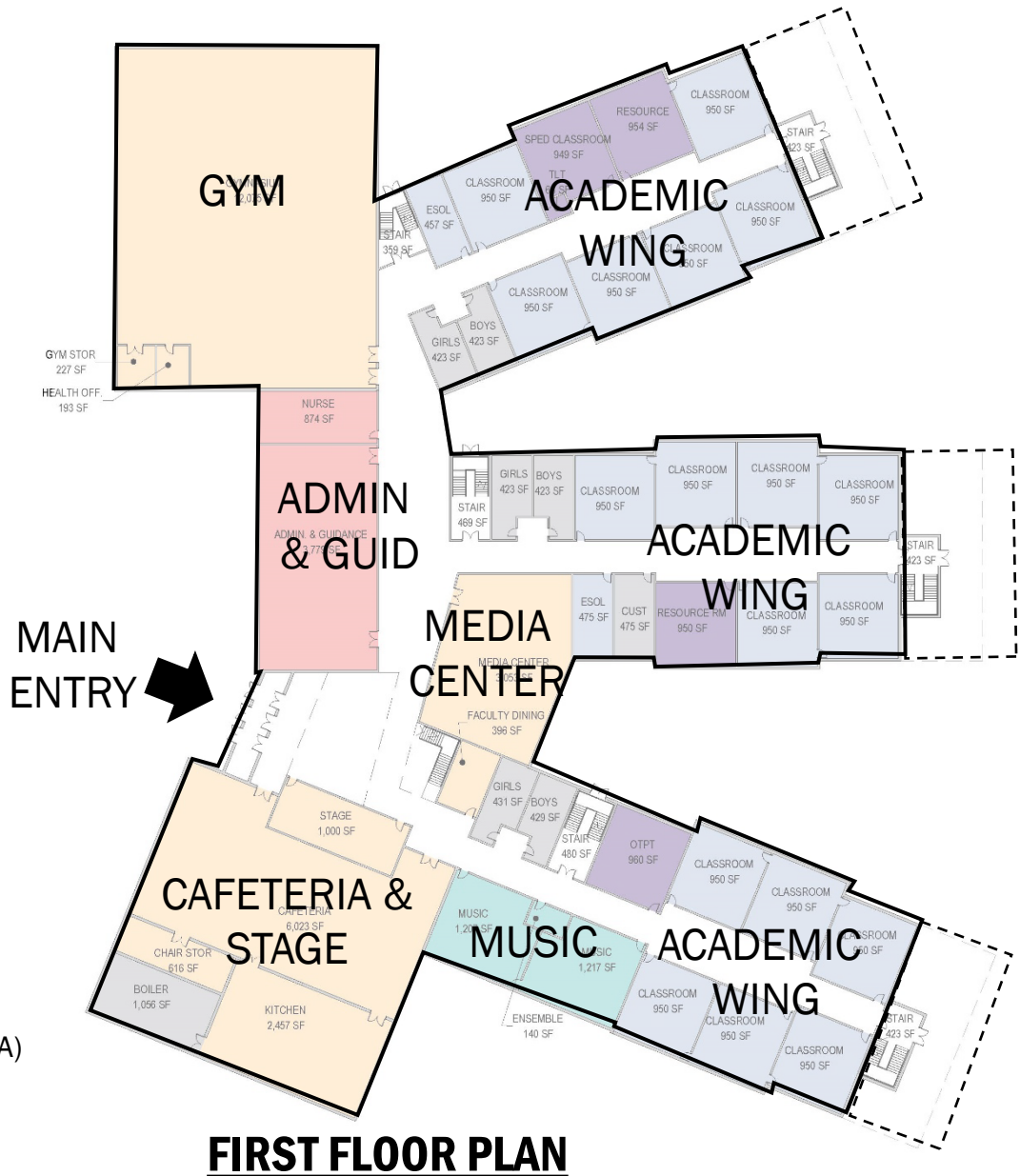
- Blue dashed line with arrow: CAR DROP-OFF CIRCULATION
- Orange dashed line with arrow: BUS DROP-OFF CIRCULATION

Scale: 0, 100, 200, 400

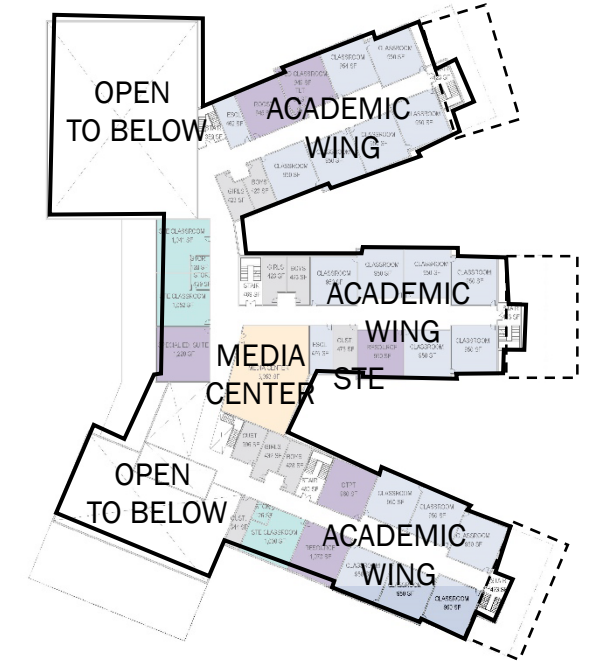


HAYDEN ROWE VILLAGE- 3 WING - FLOOR PLANS

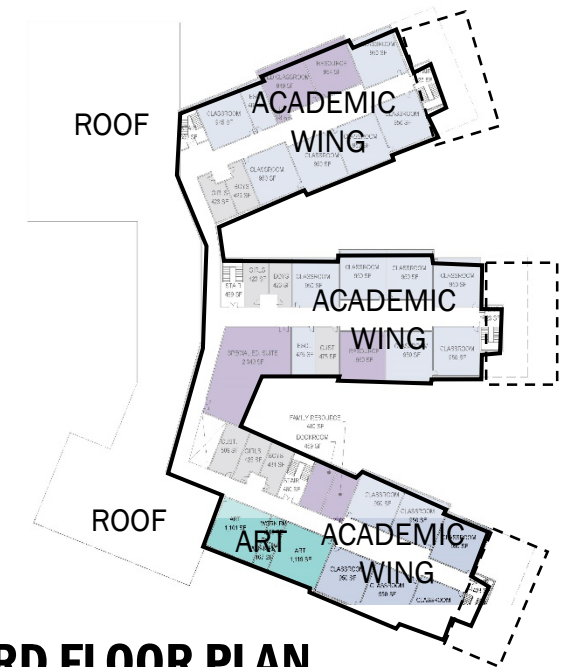
HR7: GR2-4



FIRST FLOOR PLAN



SECOND FLOOR PLAN



THIRD FLOOR PLAN



LEGEND:











- ADMINISTRATION
- ART, MUSIC, TECH
- CLASSROOMS
- SPECIAL EDUCATION
- PUBLIC (GYM, CAF, MEDIA)
- UTILITY AND SUPPORT

PERKINS ————— EAST

Evaluation Matrix - Hopkinton Elmwood Elementary School Feasibility Study Site Concept Options

Evaluation from 1/31/23 & 2/7/23

ESBC Evaluation Ratings

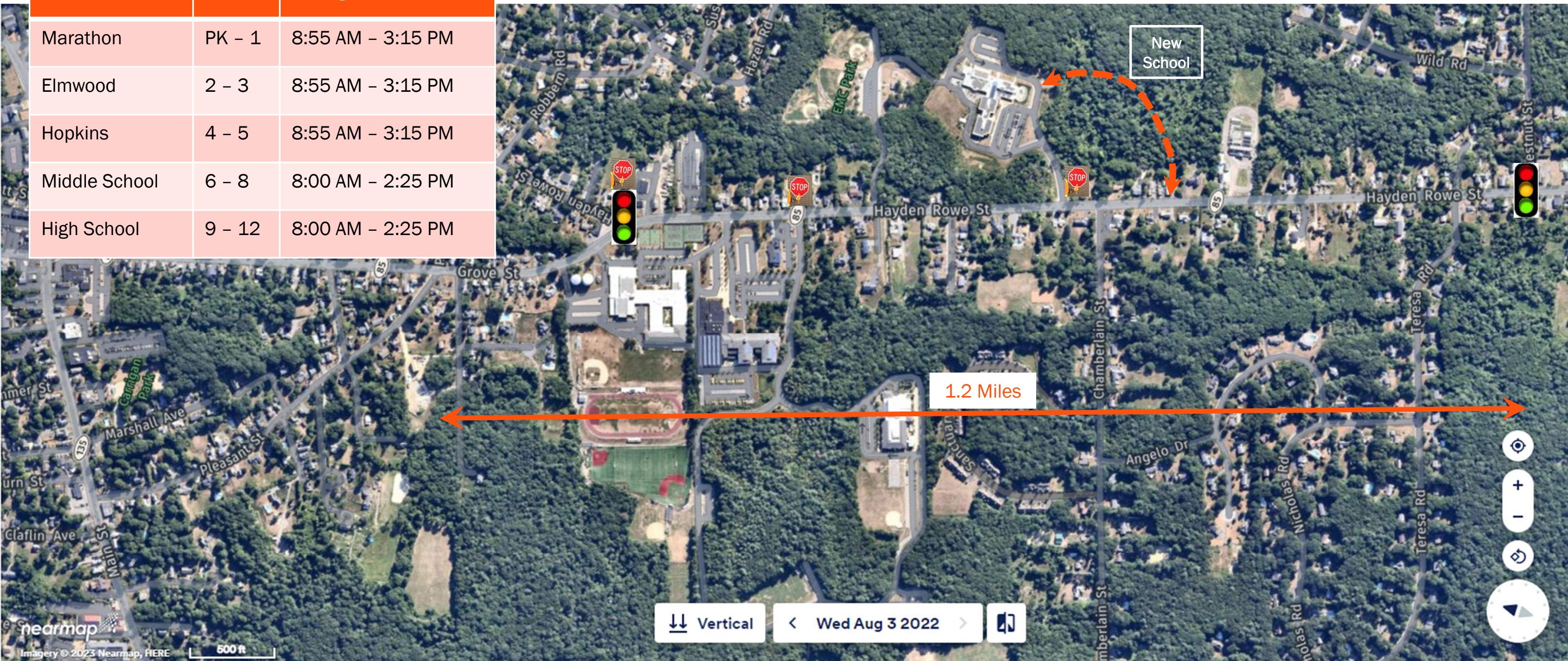
		1	2	3	4	5						
		Least Advantageous	less advantageous	Neutral	Advantageous	Most Advantageous	Concept Options					
		Code Repair	Addition & Renovation	New School on Existing Elmwood Site		New School on Hayden Rowe Sites						
		Existing Building Only	Addition & Renovation	Bar Plan	Village	Pinwheel East	Pinwheel West	Village East	Village West	3-Wing Village West	3-Wing Village West	
		BR.1	AR.1	EE.4	EE6	HR4-E	HR4-W	HR6-E	HR6-W	HR7-W	HR7-E	
Evaluation Criteria	Primary Responsibility	Code Repair	Leave Portion of Existing Building and Build Additions requires at least half school of Swing Space	New building in front of the Existing Building.	New School on Existing Building footprint. Requires full school Swing Space	New School on New Site deep on the Todaro Parcel	New School on New Site on Marathon Parcel	New School on New Site deep on the Todaro Parcel	New School on New Site on Marathon Parcel	New School on New Site on Marathon Parcel	New School on New Site deep on the Todaro Parcel	Considerations
Project Image												
Education Program Accommodation	Perkins											All new building options can meet the educational program and most meet key adjacencies. Using existing building is not optimal space sizes or adjacencies
Costs (above baseline)	Perkins & Vertex											
Schedule Duration	Vertex											Building swing space adds duration, phased renovations take longer. HR East schedule a little longer to install utilities, roads, etc deeper in the site
Disruption to Education during construction	HPS (Perkins, Vertex)											Occupied Renovation very disruptive. Moving students to swing space, disruptive, building very close to the existing building was disruptive. Sufficient separation btw Marathon and Hayden
Sustainability	Perkins											Optimal solar orientation on HR options. Working with existing bldg envelope is challenging to thermal efficiency
Net Zero Achievable	Perkins											ESBC to make decisions on NZE. Elmwood Could be limitations of PV with canopy or Geothermal wells
Construction Impact to Neighbors	ESBC (Perkins, Vertex)											Impacts to neighborhoods and commuter arterial roadways in both options, Blasting at Elmwood
Swing Space	ESBC											No offsite swing space is available. Elmwood need site swing space for parking and play fields for geothermal
Traffic	Perkins											Both sites have: 2 means access & egress, off busy roads, along commuter routes. HR has impact of centralizing traffic with the other schools in Town. Increased crosstown Traffic from
Parking and on-site Circulation	Perkins											HR has more capacity to handle volume of traffic and parking on site and accommodate the bus queue
Permitting & Approvals Complexity	Perkins & Vertex											Conservation Commission wetlands review, Planning Board review, Gas Company review, open space remaining. Fire Dept approve any ledge blasting. Accessibility with Add Reno MAAB
School Future Growth and Flexibility	ESBC, HPS											much greater restrictions at Elmwood on where future additions or parking could be added
District Operations & Busing	HPS											Longer bus ride times and double pickups in neighborhoods with Elmwood site. Facilities and Central Admin closer proximity to shared resources
Public Safety Considerations	ESBC (Perkins, Vertex)											full vehicular access around buildings, lines of sight for first responders
Site Complexities (wetlands, Ledge, restrictions, etc.)	Perkins											set back and site restrictions from Wetlands, Gas easement and ledge at Elmwood. Wetlands at HR
Walkability & Bikeability	ESBC											Both sites are off busy roads with limited sidewalks on one side of the road, narrow sidewalks with no buffer
Access to Public Utilities	Perkins											HR East has a longer run to install utilities

Comparative Cost Prelim. Schematic Report

Town of Hopkinton		2/15/2023							
Elmwood Elementary School Project									Selected Option
		Elmwood Bar	Elmwood Village	Hayden Rowe Pinwheel	Hayden Rowe Pinwheel	Hayden Rowe Village	Hayden Rowe Village	Hayden Rowe 3- Wing Village	
		EE4	EE6	HR4E	HR4W	HR6E	HR6W	HR7E	
Grades		2-4	2-4	2-4	2-4	2-4	2-4	2-4	
Approx. Bldg Size - GSF		176,106	176,106	176,106	176,106	176,106	176,106	176,106	
Construction Cost Only									
	PM&C Estimate****	\$ 131,298,102	\$ 134,370,983	\$ 135,138,874	\$ 133,801,762	\$ 134,045,427	\$ 132,708,316	\$ 135,138,874	
	A.M. Fogarty Estimate****	\$ 131,175,008	\$ 134,493,617	\$ 135,633,650	\$ 134,133,650	\$ 134,136,841	\$ 132,636,841	\$ 135,633,650	
	Potential Deducts*****	\$ (1,700,000)	\$ (1,700,000)	\$ (8,457,000)	\$ (8,390,000)	\$ (8,402,000)	\$ (8,335,000)	\$ (8,457,000)	
	Swing Space	\$ 6,600,000	\$ 28,000,000						
Soft Costs = (6% Construction Contingency, 3% Project Contingency, Consultant Fees, Furniture Fixtures & Equipment, Technology, Moving, Testing & Inspections, Legal, Insurance, etc.)									
	Soft Cost Multiplier	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	
	Estimated Soft Costs	\$ 37,813,853	\$ 38,698,843	\$ 38,919,996	\$ 38,534,907	\$ 38,605,083	\$ 38,219,995	\$ 38,919,996	
	Total Project Budget After Deducts*****	\$ 174,000,000	\$ 199,000,000	\$ 163,000,000	\$ 162,000,000	\$ 162,000,000	\$ 160,000,000	\$ 163,000,000	
	High End of Range for Total Project Budget ****	\$ 176,000,000	\$ 201,000,000	\$ 174,000,000	\$ 172,000,000	\$ 173,000,000	\$ 171,000,000	\$ 174,000,000	
*Carried the PM&C Estimate for Total Project Cost calculations									
** Code Repair Option is not compliant with the educational Plan. Accordingly, the MSBA would not provide reimbursement under the Core Program									
*** Add/Reno Option is not considered as it is a 2-3 grade configuration, and School Committee Voted to Pursue a 2-4 Grade Configuration									
**** Base Estimate assumes full geothermal HVAC system and CM at Risk Procurement									
*****Deduct Alternates assumes selection of hybrid geothermal HVAC for all schemes and Design Bid Build procurement for Hayden Rowe Schemes Only									
Elmwood Bar(EE4) swing space calculated using 5% phasing contingency									

Hayden Rowe Street/Grove Street Corridor

School	Grades	Timings
Marathon	PK - 1	8:55 AM - 3:15 PM
Elmwood	2 - 3	8:55 AM - 3:15 PM
Hopkins	4 - 5	8:55 AM - 3:15 PM
Middle School	6 - 8	8:00 AM - 2:25 PM
High School	9 - 12	8:00 AM - 2:25 PM



PSR Schedule Milestones - Decisions

- **2/2/23** Sch. Comm votes to Recommend Grade Configuration to ESBC
 - Selected 2-4 Grade Configuration
- **2/13/23** ESBC Reviews and Votes Preferred Schematic Option (picks site, location on site, building size, etc.)
 - Selected Option HR7E
- **2/16/23** Sch. Comm votes to endorse Option Recommendation of ESBC
 - Voted to Endorse Selected Option
- **2/28/23** **Select Board votes to endorse Option Recommendation of ESBC**
- **3/1/23** **ESBC Approves Submission of Preferred Schematic Report**
- **3/2/23** **Project Team Submits PDP Report to MSBA**



TOWN OF HOPKINTON
Accounting/Procurement Department
18 Main St., Hopkinton MA 01748

TO: Select Board

FROM: Elizabeth Rourke, Senior Accounting Manager/Town Accountant *Elizabeth Rourke*

VIA: Norman Khumalo, Town Manager *NK*

DATE: February 28, 2023

SUBJ: Fiscal Year 2022 Audit Results

As is the consistent yearly practice, the Town of Hopkinton was audited by an independent Certified Public Accounting firm in the Fiscal Year 2022. The Fiscal Year 2022 audit process was successfully completed. The auditors issued an opinion that the financial statements were presented fairly, in all material respects, in accordance with Generally Accepted Accounting Principles (GAAP). The auditors did not identify any violations in the expenditure of federal awards. These results mean that the Town will continue to have access to the bond markets and support from the federal government.

The primary purpose of an audit is for an independent auditor to verify that the entity's financial records are all being kept in accordance with Generally Accepted Accounting Principles (GAAP), and that the entity is complying with all relevant accounting and reporting requirements. Hopkinton retains responsibility for the integrity of the financial statements and the internal control environment. The auditor's role is limited to expressing a reasonable opinion of the financial statements.

The Town's auditor, Roselli, Clark & Associates, issued an opinion that the Fiscal Year 2022 Financial Statements are presented fairly in all material respects. This milestone meets the requirement for the Town to continue to have a bond rating by Standard & Poor's and access the bond markets. The issuance of audited financial statements does not, in and of itself, state or imply that an organization is or is not financially healthy. Instead, an audit provides reasonable assurance that the financial statements accurately reflect the financial status of an organization. The rating agencies and potential bondholders use this uniform presentation to analyze the financial health of an organization and compare it consistently to other organizations issuing debt.

The 2022 Annual Town Meeting authorized several projects that involve issuing bonds. These projects were approved at the Town Election on May 16, 2022, giving the Town Treasurer and Select Board authorization to issue debt to move the approved projects forward. A financial statement audit is a component of carrying out the actions approved by Town Meeting and Hopkinton voters.

In addition to a financial statement audit, Hopkinton was required to undergo a Single Audit because more than \$750,000 of federal funds were expended in Fiscal Year 2022. Hopkinton generally receives more than \$750,000 in federal funds each year, primarily through school special education programs. In a Single Audit, auditors examine federal funds using guidance from the Federal Office of Management and Budget. The auditors did not identify questionable costs or material weaknesses. The audit report is posted to a federal database as part of the Federal Government's oversight of grant awards.

The annual audit process meets several regulatory requirements and supports the continuous improvement of the internal control environment in Hopkinton. The Finance team continues to identify ways to automate processes that improve fiscal integrity and streamline operations. [Audit reports are available for public review](#) on the Accounting Department's page on the Town website.

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

TOWN OF HOPKINTON, MASSACHUSETTS

FEDERAL AWARD REPORTS

PURSUANT TO THE

UNIFORM GUIDANCE

YEAR ENDED JUNE 30, 2022



**TOWN OF HOPKINTON, MASSACHUSETTS
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the Select Board
Town of Hopkinton, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hopkinton, Massachusetts, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Hopkinton, Massachusetts's basic financial statements and have issued our report thereon dated December 14, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Roselli Clark + Associates

Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts
December 14, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the Select Board
Town of Hopkinton, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Hopkinton, Massachusetts' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Hopkinton, Massachusetts' major federal programs for the year ended June 30, 2022. The Town of Hopkinton, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Hopkinton, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Hopkinton, Massachusetts and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Hopkinton, Massachusetts' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Hopkinton, Massachusetts' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Hopkinton, Massachusetts' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Hopkinton, Massachusetts' compliance with the requirements of each major program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Audit Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Hopkinton, Massachusetts' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Hopkinton, Massachusetts' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hopkinton, Massachusetts' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Hopkinton, Massachusetts, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Hopkinton, Massachusetts's basic financial statements. We have issued our report thereon dated December 14, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Roselli Clark & Associates

Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts
December 14, 2022

**TOWN OF HOPKINTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Pass-Through Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Child Nutrition Cluster				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
School Breakfast Program	10.553	09-139	\$ -	\$ 94,329
COVID-19 - National School Lunch Program:	10.555	09-139		107,365
National School Lunch Program:	10.555	09-139		
Cash Assistance			-	1,474,320
Non-Cash Assistance (Commodities)			-	66,197
Total National School Lunch Program			-	1,647,882
Total Child Nutrition Cluster			-	1,742,211
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	Not available	-	3,684
Total U.S. Department of Agriculture			-	1,745,895
<u>U.S. Department of Justice</u>				
<i>Direct Award</i>				
Bulletproof Vest Program	16.607		-	1,899
<i>Passed through the Commonwealth of Massachusetts - Executive Office of Public Safety & Homeland Security</i>				
COVID-19 - Coronavirus Emergency Supplemental Funding	16.034	SCEPSSFT2021 COVIDHOPKI	-	1,255
Total U.S. Department of Justice			-	3,154
<u>U.S. Department of the Treasury</u>				
<i>Direct Award</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	85,146
<i>Passed through the Commonwealth of Massachusetts - Executive Office for Administration and Finance</i>				
COVID-19 - Coronavirus Relief Fund	21.019	COVID19 139	-	116,759
Total U.S. Department of the Treasury			-	201,905

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF HOPKINTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Pass-Through Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Education</u>				
Special Education Cluster (IDEA)				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
Special Education - Grants to States	84.027	231-483247-2021-0139	-	3,250
Special Education - Grants to States	84.027	240-534173-2022-0139	-	397,029
Special Education - Grants to States	84.027	240-390932-2021-0139	-	410,224
Special Education - Grants to States	84.027	274-482617-2021-0139	-	4,639
COVID-19 - Special Education - Grants to States	84.027X	252-532490-2022-0139	-	117,188
Total Special Education - Grants to States			-	932,330
Special Education - Preschool Grants	84.173	262-534174-2022-0139	-	12,583
Special Education - Preschool Grants	84.173	262-390933-2021-0139	-	10,693
Special Education - Preschool Grants	84.173	298-481662-2021-0139	-	927
COVID-19 - Special Education - Preschool Grants	84.173X	264-532499-2022-0139	-	6,095
Total Special Education - Preschool Grants			-	30,298
Total Special Education Cluster (IDEA)				
			-	962,628
Title I Grants to Local Educational Agencies	84.010	305-554011-2022-0139	-	3,286
Title I Grants to Local Educational Agencies	84.010	305-403392-2021-0139	-	57,986
Total Title I Grants to Local Educational Agencies			-	61,272
Career and Technical Education - Basic Grants to States	84.048	406-418255-2021-0139	-	3,022
Total Career and Technical Education - Basic Grants to States			-	3,022
English Language Acquisition State Grants	84.365	180-554015-2022-0139	-	15,214
English Language Acquisition State Grants	84.365	180-404786-2021-0139	-	28,173
Total English Language Acquisition State Grants			-	43,387
Supporting Effective Instruction State Grants	84.367	140-554014-2022-0139	-	3,547
Supporting Effective Instruction State Grants	84.367	140-404787-2021-0139	-	31,651
Total Supporting Effective Instruction State Grants			-	35,198
Student Support and Academic Enrichment Grants	84.424	309-554016-2022-0139	-	7,475
Student Support and Academic Enrichment Grants	84.424	309-404790-2021-0139	-	6,868
Total Student Support and Academic Enrichment Grants			-	14,343
COVID-19 - Education Stabilization Fund	84.425D	113-378313-2021-0139	-	365
COVID-19 - Education Stabilization Fund	84.425D	115-497759-2021-0139	-	100,445
COVID-19 - Education Stabilization Fund	84.425U	119-583150-2022-0139	-	87,677
Total COVID-19 - Education Stabilization Fund			-	188,487
Total U.S. Department of Education				
			-	1,308,337

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF HOPKINTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Direct Award</i>				
Drug-Free Communities Support Program Grant	93.276		-	49,343
<i>Passed through the Commonwealth of Massachusetts - Department of Public Health</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	INTF2354M78220129168	-	36,686
Total U.S. Department of Health and Human Services			-	86,029
<u>U.S. Department of Homeland Security</u>				
<i>Direct Award</i>				
Staffing for Adequate Fire and Emergency Response	97.083		-	185,971
<i>Passed through the Commonwealth of Massachusetts - Massachusetts Emergency Management Agency</i>				
Disaster Grants: Public Assistance (Presidentially Declared)	97.036	CTFEMA4496HOPKI00224	-	86,596
Emergency Management Performance Grants	97.042	FY21EMPG2000002HOPKI	-	4,448
Total U.S. Department of Homeland Security			-	277,015
TOTAL FEDERAL GRANT EXPENDITURES			\$ -	\$ 3,622,335

(Concluded)

See notes to Schedule of Expenditures of Federal Awards

**TOWN OF HOPKINTON, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Hopkinton, Massachusetts (the Town) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

B. Summary of Significant Accounting Policies

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue.

The accompanying Schedule includes the federal grant transactions of the Town. Although some of these programs may be supplemented with state and other revenue, only federal activity is shown. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

The Town has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

C. U.S. Department of Agriculture Programs

The Town receives non-cash commodities from the U.S. Department of Agriculture as a part of the National School Lunch program. The amounts reported as non-cash assistance represent the fair market value of these commodities received during the year.

The amounts reported as cash assistance represent federal reimbursements for meals provided.

D. U.S. Department of Homeland Security Programs

U.S. Department of Homeland Security's Disaster Grants – Public Assistance (Presidentially Declared Disaster) expenditures are recognized when the Federal Emergency Management Administration (FEMA) approves the Town's project worksheet (PW) and the Town has incurred the eligible expenditures. The amounts reported in the Schedule include \$86,596 of expenditures incurred in prior fiscal years but awarded by FEMA in the current fiscal year.

**TOWN OF HOPKINTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

A. Summary of Audit Results

FINANCIAL STATEMENTS

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

IDENTIFICATION OF MAJOR PROGRAMS

<u>Name of Federal Program</u>	<u>AL Number(s)</u>
Child Nutrition Cluster	10.553 & 10.555
COVID-19 – Education Stabilization Fund	84.425
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

TOWN OF HOPKINTON, MASSACHUSETTS

Basic Financial Statements
and
Additional Information

Year Ended June 30, 2022



TOWN OF HOPKINTON, MASSACHUSETTS

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INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Select Board
Town of Hopkinton, Massachusetts

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hopkinton, Massachusetts, (the "Town") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers these to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2022 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts
December 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town of Hopkinton, Massachusetts (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by nearly \$159.1 million (total net position). The Town's total net position increased by approximately \$11.3 million in fiscal year 2022, which was driven primarily by the over \$10.9 million increase in net position in the Town's governmental activities.
- The Town continues to report a deficit in its unrestricted net position in its governmental activities, which totaled over \$39.4 million at June 30, 2022. This deficit is primarily due to the cumulative effect of noncash, employee-benefit related liabilities surrounding pension and OPEB, which totaled approximately \$53.7 million at June 30, 2022.
- At the close of the current fiscal year, the Town's governmental funds balance sheet reported a combined ending fund balance surplus of over \$62.3 million, which is approximately \$11.4 million higher than the prior year. The Town reported increases in fund balances in all its major governmental funds in fiscal year 2022.
- Of the ending fund balances reported in the Town's governmental funds balance sheet, over \$15.6 million is available for spending at the government's discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was approximately \$15.9 million. The June 30, 2022 total general fund balance exceeded \$22.8 million, which is an increase of approximately \$6.3 million from the prior year and represented nearly 23% of the total fiscal year 2022 general fund expenditures.
- The Town's total gross long-term debt obligations decreased nearly \$1.4 million during the current fiscal year due to normal. The Town issued nearly \$5.0 million in general obligation bonds in fiscal year 2022 and repaid over \$6.3 million in long-term debt.
- In connection with the Town's June 2022 general obligation bond issuance, S&P affirmed the Town's AAA credit rating.

Overview of the Financial Statements

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

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, similar to private-sector business.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources and its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, sanitation, education, health and human services, culture and recreation, fringe benefits, and debt service. The business-type activities of the Town include its sewer and water activities.

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

Governmental funds distinguish fund balance between amounts that are considered nonspendable, such as fund balances associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact.
- Restricted – amounts constrained by external parties, constitutional provision or enabling legislation.
- Committed – amounts constrained by a government using its highest level of decision-making authority.
- Assigned – amounts a government intends to use for a particular purpose.
- Unassigned – amounts that are not constrained will be reported in the general fund or in other major governmental funds if negative.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions.

Reconciliations are provided in the basic financial statements to help the reader understand the differences.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the community preservation, capital projects and ARPA grant funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes to the financial statements.

Proprietary Funds – Proprietary funds are used to account for a Town’s ongoing organizations and activities which are similar to those often found in the private sector. The Town utilizes the proprietary funds to report activities of its enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water activities.

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town’s progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees as well as a budget to actual comparison for the current year’s general fund operations.

Government-Wide Financial Statements Analysis

The condensed comparative statements of net position for the two most recent years are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Assets:						
Current and other assets	\$ 76,957,426	\$ 72,713,971	\$ 11,017,271	\$ 10,803,029	\$ 87,974,697	\$ 83,517,000
Capital assets, net	<u>177,324,417</u>	<u>175,026,150</u>	<u>43,137,014</u>	<u>43,458,600</u>	<u>220,461,431</u>	<u>218,484,750</u>
Total Assets	<u>254,281,843</u>	<u>247,740,121</u>	<u>54,154,285</u>	<u>54,261,629</u>	<u>308,436,128</u>	<u>302,001,750</u>
Deferred Outflows of Resources	<u>10,937,753</u>	<u>12,903,516</u>	<u>170,044</u>	<u>223,565</u>	<u>11,107,797</u>	<u>13,127,081</u>
Liabilities:						
Long-term liabilities	118,619,499	123,051,497	12,656,831	14,300,983	131,276,330	137,352,480
Other liabilities	<u>17,557,211</u>	<u>22,626,764</u>	<u>2,687,479</u>	<u>1,710,243</u>	<u>20,244,690</u>	<u>24,337,007</u>
Total Liabilities	<u>136,176,710</u>	<u>145,678,261</u>	<u>15,344,310</u>	<u>16,011,226</u>	<u>151,521,020</u>	<u>161,689,487</u>
Deferred Inflows of Resources	<u>8,705,619</u>	<u>5,567,722</u>	<u>262,633</u>	<u>114,300</u>	<u>8,968,252</u>	<u>5,682,022</u>
Net Position:						
Net investment in capital assets	115,263,890	115,296,632	31,421,692	30,684,575	146,685,582	145,981,207
Restricted	44,481,336	37,569,207	-	-	44,481,336	37,569,207
Unrestricted	<u>(39,407,959)</u>	<u>(43,468,185)</u>	<u>7,295,694</u>	<u>7,675,093</u>	<u>(32,112,265)</u>	<u>(35,793,092)</u>
Total Net Position	<u>\$ 120,337,267</u>	<u>\$ 109,397,654</u>	<u>\$ 38,717,386</u>	<u>\$ 38,359,668</u>	<u>\$ 159,054,653</u>	<u>\$ 147,757,322</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's total net position increased by approximately \$11.3 million in fiscal year 2022.

The Town continues to recognize revenues in excess of expenses in its governmental activities, which resulted in an increase in its governmental activities' net position of over \$10.9 million (\$6.2 million in fiscal year 2021). The net position reported in the business-type activities increased approximately \$358,000 year-over-year.

The largest portion of the Town's net position reflects its investment in capital assets, less any related debt (netted down by those amounts expected to be reimbursed by the Commonwealth) used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used.

The remaining balance is classified as unrestricted net position and is a deficit balance at both June 30, 2022 and 2021. The deficit balance in unrestricted net position in the governmental activities is primarily the result of the Town's net OPEB and pension liabilities, which totaled approximately \$53.7 million and \$1.1 million at June 30, 2022 in the governmental and business-type activities, respectively.

The condensed comparative statements of activities for the two most recent years are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 7,244,566	\$ 6,020,964	\$ 5,047,591	\$ 4,959,831	\$ 12,292,157	\$ 10,980,795
Operating grants and contributions	23,849,308	29,019,086	-	-	23,849,308	29,019,086
Capital grants and contributions	1,188,996	3,388,616	212,676	3,966	1,401,672	3,392,582
General revenues:						
Property taxes	84,458,625	78,768,793	-	-	84,458,625	78,768,793
Excise taxes	3,476,790	3,375,718	-	-	3,476,790	3,375,718
Intergovernmental	863,357	834,159	-	-	863,357	834,159
Other	830,759	1,126,614	-	807	830,759	1,127,421
Total Revenues	121,912,401	122,533,950	5,260,267	4,964,604	127,172,668	127,498,554
Expenses:						
General government	8,013,585	7,779,200	-	-	8,013,585	7,779,200
Public safety	11,043,184	11,850,394	-	-	11,043,184	11,850,394
Education	79,308,997	82,838,382	-	-	79,308,997	82,838,382
Public works	6,407,941	8,441,956	-	-	6,407,941	8,441,956
Health and human services	1,752,403	1,480,457	-	-	1,752,403	1,480,457
Culture and recreation	2,406,221	1,831,825	-	-	2,406,221	1,831,825
Interest expense	2,040,457	2,248,814	-	-	2,040,457	2,248,814
Utility services	-	-	4,902,549	4,944,416	4,902,549	4,944,416
Total Expenses	110,972,788	116,471,028	4,902,549	4,944,416	115,875,337	121,415,444
Change in Net Position Before Transfers	10,939,613	6,062,922	357,718	20,188	11,297,331	6,083,110
Transfers	-	184,465	-	23,198	-	207,663
Change in Net Position	10,939,613	6,247,387	357,718	43,386	11,297,331	6,290,773
Net Position:						
Beginning of year	109,397,654	103,150,267	38,359,668	38,316,282	147,757,322	141,466,549
End of year	\$ 120,337,267	\$ 109,397,654	\$ 38,717,386	\$ 38,359,668	\$ 159,054,653	\$ 147,757,322

Governmental Activities – Total revenues decreased over \$0.6 million in fiscal year 2022. This decrease was due primarily to a nearly \$5.2 million decrease in operating grants and contributions and \$2.2 million decrease in capital grants and contributions. Operating grants and contributions associated with the pension payments made by the Commonwealth to the MTRS on behalf of the Town decreased nearly \$7.2 million year-over-year. The decrease in capital grants and contributions was primarily due to lower roadway construction reimbursements from the Commonwealth in fiscal year 2022 versus 2021. These decreases were offset by a nearly \$5.7 million, or 7.2%, increase in property taxes and \$1.2 million increase in charges for services.

Property taxes continue to represent the majority of the Town's total revenues reported in its governmental activities. Property taxes represented approximately 69% and 64% of total fiscal year 2022 and 2021 revenues, respectively. Property taxes increased approximately 7.2% year-over-year, which was due to normal increases under Proposition 2 ½ together with new growth and the effects of increased property taxes associated with new debt exclusions.

Operating grants and contributions represented approximately 20% and 24% of total fiscal year 2022 and 2021 revenues, respectively. The fluctuation in these ratios was due primarily to the effect of the decrease in MTRS contributions described above. No other revenues were greater than 10% of total governmental activities revenues in fiscal years 2022 or 2021.

Total expenses decreased over \$5.5 million, or 4.8%, year-over-year. This decrease was due primarily to the approximate \$7.2 million decrease in MTRS pension expense (previously described) as well as a \$1.6 million decrease in benefits expense related to pension and OPEB.

The Town's largest expense category is education, which the Town continues to devote substantial resources. Education expenses decreased approximately \$3.5 million year-over-year. As previously noted, MTRS expenses decreased nearly \$7.2 million in fiscal year 2022, which offset the normal education spending increases budgeted by the Town. Education expenses totaled approximately 71% of total fiscal year 2022 and 2021 expenses.

Public safety expenses represented 10% of total fiscal year 2022 and 2021 expenses. Public safety expenses decreased over \$0.8 million year-over-year, which was due primarily to the effects of lower noncash benefits expenses as well as lower spending related to the mitigation of COVID-19.

No other expense categories were greater than 10% of total expenses in fiscal years 2022 or 2021.

Business-Type Activities – Revenues in the Town's business-type activities increased approximately \$296,000 year-over-year, while expenses decreased nearly \$42,000. The Town's sewer enterprise reported an approximate \$46,000 decrease in net position, while the net position in its water enterprise increased nearly \$404,000 year-over-year.

Governmental Funds Financial Statements Analysis

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

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

As of the close of the current fiscal year, the Town's governmental funds balance sheet reported a combined ending fund balance surplus of over \$62.3 million, which was approximately \$11.4 million higher than the prior year. Of the ending fund balance in the governmental funds, over \$15.6 million is available for spending at the government's discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund exceeded \$15.9 million, while total fund balance exceeded \$22.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 16% of total fiscal year 2022 general fund expenditures, while total fund balance represents nearly 23% of that same amount.

The general fund reported an increase in fund balance of approximately \$6.3 million in fiscal year 2022, which was primarily due to robust property tax and departmental revenue growth.

The community preservation fund reported an approximate \$1.0 million increase in fund balances as activity in this fund continues to be limited at this time.

The capital projects fund reported an increase of over \$7.7 million, which was due primarily to the sale of approximately \$5.3 million in general obligation bonds and the transfer in of over \$2.4 million from the general fund and other special revenue funds.

Beginning in fiscal year 2022, the Town began reporting the financial activity and position of its ARPA grant fund as a major governmental fund. The ARPA grant fund expended approximately \$86,000 in fiscal year 2022 and reports cash assets of approximately \$2.7 million and a corresponding unearned revenue (liability) of that same figure.

The Town's nonmajor governmental funds reported an increase of nearly \$1.4 million to its fund balances, which was primarily due to the timing of receipts, particularly donations, versus expenditures.

Proprietary Funds – The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, net position of the sewer and water enterprise funds were approximately \$38.7 million in the aggregate.

Fiduciary Funds – The Town reports the financial position and results of activities of its OPEB and private purpose trusts in its fiduciary funds financial statements.

General Fund Budgetary Highlights

Differences between the Town's original budget and its final budget were due primarily to the use of free cash and transfers from special revenue funds to fund capital articles. A budget to actual schedule for the general fund has been provided as required supplementary information.

Capital Asset and Debt Administration

Capital Assets – As of June 30, 2022, the Town's investment in capital assets for its governmental and business-type activities approximated \$177.3 million and \$43.1 million, respectively. Governmental net capital assets increased approximately \$2.3 million in fiscal year 2022, while business-type net capital assets decreased over \$0.3 million.

Additional information on the Town's capital assets can be found in the notes to the basic financial statements.

Long-Term Debt – At the end of the current fiscal year, the Town had total long-term general obligation debt outstanding of approximately \$79.3 million, which represents a decrease of approximately \$1.4 million from the prior year. The Town issued nearly \$5.0 million in general obligation bonds in fiscal year 2022 and repaid over \$6.3 million in long-term debt. Additionally, the Town issued temporary, or short-term borrowings totaling nearly \$4.9 million in June 2022.

In May 2022, Standard & Poor's Ratings Services ("S&P") reaffirmed an "AAA" credit rating to the Town's long-term general obligation debt, which is its highest credit rating.

Additional information on the Town's debt can be found in the notes to the basic financial statements.

Economic Factors and Next Year's Budget

- Net state aid for fiscal year 2023 is expected to approximate \$9.9 million.
- The Town enters fiscal year 2023 with the following financial reserves:
 - Certified free cash of nearly \$7.2 million;
 - General stabilization funds of approximately \$3.9 million;
 - Capital stabilization funds of approximately \$0.4 million; and
 - School stabilization funds (2 in total) of approximately \$3.9 million.
- Inflation is expected to affect the Town in a number of areas including increased capital acquisition costs and operating expenses.
- The median household income and home values within the Town significantly exceed the state-wide and national averages. Furthermore, the Town's unemployment rates are significantly better than both the state-wide and national averages.
- Approximately 17% of the Town's property tax levy pertains to commercial and industrial taxpayers. The Town's proximity to route 495 and the Massachusetts Turnpike make it an ideal location for many commercial concerns.

The above items were considered when the Town accepted its budget for fiscal year 2023 in a May 2022 Town Meeting. The Town set its fiscal year 2023 tax rate on December 8, 2022.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the attention of the Town Manager at the Town's offices located at 18 Main Street, Hopkinton, Massachusetts 01748.

TOWN OF HOPKINTON, MASSACHUSETTS

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 17,123,568	\$ 6,068,339	\$ 23,191,907
Investments	55,603,134	-	55,603,134
Receivables, net of allowances:			
Property taxes	2,229,202	-	2,229,202
Excise taxes	312,745	-	312,745
Departmental, user charges and other	964,558	4,937,844	5,902,402
Intergovernmental	724,219	11,088	735,307
Land	21,715,551	3,845,100	25,560,651
Construction in-progress	5,336,365	1,301,028	6,637,393
Depreciable capital assets, net	<u>150,272,501</u>	<u>37,990,886</u>	<u>188,263,387</u>
Total Assets	<u>254,281,843</u>	<u>54,154,285</u>	<u>308,436,128</u>
Deferred Outflows of Resources:			
Other postemployment benefits	9,515,443	115,397	9,630,840
Pensions	<u>1,422,310</u>	<u>54,647</u>	<u>1,476,957</u>
Total Deferred Outflows of Resources	<u>10,937,753</u>	<u>170,044</u>	<u>11,107,797</u>

(continued)

TOWN OF HOPKINTON, MASSACHUSETTS

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Liabilities:			
Warrants and accounts payable	\$ 3,126,763	\$ 182,416	\$ 3,309,179
Retainage payable	-	56,474	56,474
Accrued interest	677,494	103,143	780,637
Unearned revenues	2,957,053	-	2,957,053
Deposits and escrows	1,640,002	-	1,640,002
Other liabilities	11,639	-	11,639
Bond anticipation note payable	3,896,543	985,000	4,881,543
Noncurrent liabilities:			
Due within one year	5,247,717	1,360,446	6,608,163
Due in more than one year	<u>118,619,499</u>	<u>12,656,831</u>	<u>131,276,330</u>
Total Liabilities	<u>136,176,710</u>	<u>15,344,310</u>	<u>151,521,020</u>
Deferred Inflows of Resources:			
Unearned revenues	205,557	-	205,557
Other postemployment benefits	2,432,243	29,497	2,461,740
Pensions	<u>6,067,819</u>	<u>233,136</u>	<u>6,300,955</u>
Total Deferred Inflows of Resources	<u>8,705,619</u>	<u>262,633</u>	<u>8,968,252</u>
Net Position:			
Net investment in capital assets	115,263,890	31,421,692	146,685,582
Restricted for:			
Nonexpendable permanent funds	1,408,970	-	1,408,970
Expendable permanent funds	4,041,036	-	4,041,036
Community preservation	8,494,264	-	8,494,264
Other purposes	30,537,066	-	30,537,066
Unrestricted	<u>(39,407,959)</u>	<u>7,295,694</u>	<u>(32,112,265)</u>
Total Net Position	<u>\$ 120,337,267</u>	<u>\$ 38,717,386</u>	<u>\$ 159,054,653</u> <i>(concluded)</i>

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 8,013,585	\$ 815,249	\$ 1,376,840	\$ 60,000	\$ (5,761,496)		\$ (5,761,496)
Public safety	11,043,184	3,137,002	596,090	-	(7,310,092)		(7,310,092)
Education	79,308,997	2,225,300	19,779,062	-	(57,304,635)		(57,304,635)
Public works	6,407,941	64,831	38,472	1,028,996	(5,275,642)		(5,275,642)
Health and human services	1,752,403	243,834	2,012,921	-	504,352		504,352
Culture and recreation	2,406,221	758,350	45,923	100,000	(1,501,948)		(1,501,948)
Interest expense	2,040,457	-	-	-	(2,040,457)		(2,040,457)
Total Governmental Activities	110,972,788	7,244,566	23,849,308	1,188,996	(78,689,918)		(78,689,918)
Business-Type Activities:							
Sewer	2,644,036	2,385,269	-	212,676		\$ (46,091)	(46,091)
Water	2,258,513	2,662,322	-	-		403,809	403,809
Total Business-Type Activities	4,902,549	5,047,591	-	212,676		357,718	357,718
Total Primary Government	\$ 115,875,337	\$ 12,292,157	\$ 23,849,308	\$ 1,401,672		357,718	(78,332,200)
General Revenues:							
Property taxes					84,458,625	-	84,458,625
Motor vehicle and other excise taxes					3,476,790	-	3,476,790
Grants and contributions not restricted to to specific programs					863,357	-	863,357
Penalties and interest on taxes					708,638	-	708,638
Unrestricted investment income					104,423	-	104,423
Other income					17,698	-	17,698
Total General Revenues and Transfers					89,629,531	-	89,629,531
Change in Net Position					10,939,613	357,718	11,297,331
Net Position:							
Beginning of year					109,397,654	38,359,668	147,757,322
End of year					\$ 120,337,267	\$ 38,717,386	\$ 159,054,653

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	General Fund	Community Preservation Fund	Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total
Assets:						
Cash and cash equivalents	\$ 2,234,960	\$ 7,438,334	\$ 1,368,154	\$ 2,675,258	\$ 3,406,862	\$ 17,123,568
Investments	23,676,121	1,065,225	13,334,541	-	17,527,247	55,603,134
Receivables, net of allowances:						
Property taxes	2,204,366	24,836	-	-	-	2,229,202
Excise taxes	312,745	-	-	-	-	312,745
Departmental, user charges and other	-	-	-	-	964,558	964,558
Intergovernmental	-	-	-	-	724,219	724,219
Total Assets	<u>28,428,192</u>	<u>8,528,395</u>	<u>14,702,695</u>	<u>2,675,258</u>	<u>22,622,886</u>	<u>76,957,426</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 28,428,192</u>	<u>\$ 8,528,395</u>	<u>\$ 14,702,695</u>	<u>\$ 2,675,258</u>	<u>\$ 22,622,886</u>	<u>\$ 76,957,426</u>
Liabilities:						
Warrants and accounts payable	\$ 1,572,451	\$ 253	\$ 384,715	\$ -	\$ 1,169,344	\$ 3,126,763
Unearned revenues	-	-	-	2,675,258	281,795	2,957,053
Deposits and escrows	1,640,002	-	-	-	-	1,640,002
Other liabilities	11,639	-	-	-	-	11,639
Bond anticipation note payable	-	-	3,896,543	-	-	3,896,543
Total Liabilities	<u>3,224,092</u>	<u>253</u>	<u>4,281,258</u>	<u>2,675,258</u>	<u>1,451,139</u>	<u>11,632,000</u>
Deferred Inflows of Resources:						
Prepaid property taxes	196,515	9,042	-	-	-	205,557
Unavailable revenues - property taxes	1,845,672	24,836	-	-	-	1,870,508
Unavailable revenues - other	312,745	-	-	-	595,704	908,449
Total Deferred Inflows of Resources	<u>2,354,932</u>	<u>33,878</u>	<u>-</u>	<u>-</u>	<u>595,704</u>	<u>2,984,514</u>
Fund Balances:						
Nonspendable	-	-	-	-	1,408,970	1,408,970
Restricted	831,899	8,494,264	10,479,432	-	19,409,494	39,215,089
Committed	3,974,796	-	-	-	-	3,974,796
Assigned	2,106,293	-	-	-	-	2,106,293
Unassigned	15,936,180	-	(57,995)	-	(242,421)	15,635,764
Total Fund Balances	<u>22,849,168</u>	<u>8,494,264</u>	<u>10,421,437</u>	<u>-</u>	<u>20,576,043</u>	<u>62,340,912</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,428,192</u>	<u>\$ 8,528,395</u>	<u>\$ 14,702,695</u>	<u>\$ 2,675,258</u>	<u>\$ 22,622,886</u>	<u>\$ 76,957,426</u>

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION AS OF
JUNE 30, 2022**

Total Governmental Fund Balances	\$ 62,340,912
Capital assets used in governmental activities in the statement of net position are not financial resources and, therefore, are not reported in the funds.	177,324,417
Certain receivables and revenues are deferred in the governmental funds as they are not current financial resources. These revenues are accrued under the economic resources basis of accounting.	2,778,957
Deferred outflows and inflows of resources to be recognized in future expense are not available resources and, therefore, are not reported in the funds:	
Deferred outflows of resources - other postemployment benefits	9,515,443
Deferred outflows of resources - pensions	1,422,310
Deferred inflows of resources - other postemployment benefits	(2,432,243)
Deferred inflows of resources - pensions	<u>(6,067,819)</u>
Net effect of reporting deferred outflows and inflows of resources	2,437,691
Interest is accrued on outstanding long-term debt in the statement of net position but not in the funds until due.	(677,494)
Long-term liabilities not currently due and payable are reported in the statement of net position and not in the funds:	
Net other postemployment benefits liability	(37,577,967)
Net pension liability	(16,106,260)
Compensated absences	(367,958)
Bonds and notes payable	<u>(69,815,031)</u>
Net effect of reporting long-term liabilities	<u>(123,867,216)</u>
Net Position — Governmental Activities	<u>\$ 120,337,267</u>

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Community Preservation Fund	Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total
Revenues:						
Property taxes, net of tax refunds	\$ 84,650,170	\$ 1,333,420	\$ -	\$ -	\$ -	\$ 85,983,590
Intergovernmental	17,365,527	553,004	-	85,882	5,487,164	23,491,577
Motor vehicle and other excise taxes	3,463,363	-	-	-	-	3,463,363
Licenses and permits	106,497	-	-	-	-	106,497
Penalties and interest on taxes	708,638	-	-	-	-	708,638
Fines and forfeitures	9,895	-	-	-	-	9,895
Departmental and other revenues	1,305,718	-	-	-	5,791,885	7,097,603
Contributions and donations	753,050	-	-	-	2,392,084	3,145,134
Investment income (loss)	54,027	(11,713)	-	-	62,109	104,423
Other	-	-	-	-	17,698	17,698
Total Revenues	108,416,885	1,874,711	-	85,882	13,750,940	124,128,418
Expenditures:						
Current:						
General government	4,902,180	155,497	6,412	85,882	1,947,532	7,097,503
Public safety	6,852,202	-	358,656	-	1,688,057	8,898,915
Education	62,123,930	-	4,527,512	-	4,656,986	71,308,428
Public works	6,234,242	-	112,536	-	1,525,268	7,872,046
Health and human services	1,163,084	-	-	-	313,143	1,476,227
Culture and recreation	788,325	537,480	60,325	-	904,847	2,290,977
Pension and fringe benefits	11,208,844	-	-	-	-	11,208,844
State and county charges	479,647	-	-	-	-	479,647
Debt service:						
Principal	4,674,258	120,000	-	-	260,000	5,054,258
Interest	2,318,241	49,018	-	-	-	2,367,259
Total Expenditures	100,744,953	861,995	5,065,441	85,882	11,295,833	118,054,104
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,671,932	1,012,716	(5,065,441)	-	2,455,107	6,074,314
Other Financing Sources (Uses):						
Proceeds from general obligation bonds	-	-	4,955,000	-	-	4,955,000
Premium from bond sales	-	-	342,501	-	-	342,501
Transfers in	672,295	-	2,413,654	-	-	3,085,949
Transfers out	(2,013,654)	-	(7,984)	-	(1,064,311)	(3,085,949)
Total Other Financing Sources (Uses)	(1,341,359)	-	7,703,171	-	(1,064,311)	5,297,501
Change in Fund Balances	6,330,573	1,012,716	2,637,730	-	1,390,796	11,371,815
Fund Balances:						
Beginning of the year	16,518,595	7,481,548	7,783,707	-	19,185,247	50,969,097
End of the year	\$ 22,849,168	\$ 8,494,264	\$ 10,421,437	\$ -	\$ 20,576,043	\$ 62,340,912

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Change in Fund Balances — Total Governmental Funds \$ 11,371,815

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives. Capital asset activity in the current fiscal year included:

Capital asset additions	10,052,696	
Depreciation expense	(7,754,429)	
Net effect of reporting capital activity		2,298,267

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (2,216,017)

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. Differences in the treatment of long-term debt transactions in the current fiscal year included:

Issuance of long-term debt	(4,955,000)	
Premiums received on long-term borrowings	(342,501)	
Repayments of long-term debt	5,054,258	
Amortization of bond premiums	258,194	
Net effect of reporting long-term debt activity		14,951

Some revenues/expenses reported in the statement of activities do not provide/require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds:

Net other postemployment benefits liability	(2,468,535)	
Net pension liability	1,861,356	
Compensated absences	9,168	
Accrued interest	68,608	
Net effect of reporting long-term liabilities		(529,403)

Change in Net Position — Governmental Activities \$ 10,939,613

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Business-Type Activities		
	Sewer	Water	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 2,292,109	\$ 3,776,230	\$ 6,068,339
Receivables, net of allowances:			
User charges and other	957,570	806,553	1,764,123
Betterments	434,384	-	434,384
Intergovernmental	10,421	-	10,421
Total Current Assets	3,694,484	4,582,783	8,277,267
Noncurrent Assets:			
Betterments	2,739,337	-	2,739,337
Intergovernmental receivables	667	-	667
Land	2,878,817	966,283	3,845,100
Construction in-progress	-	1,301,028	1,301,028
Depreciable capital assets, net	29,467,226	8,523,660	37,990,886
Total Noncurrent Assets	35,086,047	10,790,971	45,877,018
Total Assets	38,780,531	15,373,754	54,154,285
Deferred Outflows of Resources:			
Other postemployment benefits	14,282	101,115	115,397
Pensions	23,631	31,016	54,647
Total Deferred Outflows of Resources	37,913	132,131	170,044

(continued)

TOWN OF HOPKINTON, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Business-Type Activities		
	Sewer	Water	Total
Liabilities:			
Current Liabilities:			
Warrants and accounts payable	\$ 85,576	\$ 96,840	\$ 182,416
Retainage payable	-	56,474	56,474
Accrued interest	36,438	66,705	103,143
Due to other government	123,550	-	123,550
Bond anticipation note payable	85,000	900,000	985,000
Current portion of long-term debt	723,241	513,655	1,236,896
Total Current Liabilities	1,053,805	1,633,674	2,687,479
Noncurrent liabilities:			
Net other postemployment benefits liability	56,406	399,315	455,721
Net pension liability	267,601	351,227	618,828
Due to other government	1,191,832	-	1,191,832
Long-term debt	5,251,160	5,139,290	10,390,450
Total Noncurrent Liabilities	6,766,999	5,889,832	12,656,831
Total Liabilities	7,820,804	7,523,506	15,344,310
Deferred Inflows of Resources:			
Other postemployment benefits	3,651	25,846	29,497
Pensions	100,816	132,320	233,136
Total Deferred Inflows of Resources	104,467	158,166	262,633
Net Position:			
Net investment in capital assets	25,478,182	5,943,510	31,421,692
Unrestricted	5,414,991	1,880,703	7,295,694
Total Net Position	\$ 30,893,173	\$ 7,824,213	\$ 38,717,386

(concluded)

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities		
	Sewer	Water	Total
Operating Revenues:			
Charges for services	\$ 2,245,812	\$ 1,894,246	\$ 4,140,058
Other operating revenues	139,457	768,076	907,533
Total Operating Revenues	<u>2,385,269</u>	<u>2,662,322</u>	<u>5,047,591</u>
Operating Expenses:			
Payroll and personnel costs	456,827	701,671	1,158,498
Operating costs	770,373	980,615	1,750,988
Depreciation expense	1,273,355	399,724	1,673,079
Total Operating Expenses	<u>2,500,555</u>	<u>2,082,010</u>	<u>4,582,565</u>
Operating (Loss) Income	<u>(115,286)</u>	<u>580,312</u>	<u>465,026</u>
Nonoperating Revenues (Expenses):			
Interest expenses	(143,481)	(176,503)	(319,984)
Total Nonoperating Revenues (Expenses)	<u>(143,481)</u>	<u>(176,503)</u>	<u>(319,984)</u>
(Loss) Income Before Capital Contributions and Transfers	<u>(258,767)</u>	<u>403,809</u>	<u>145,042</u>
Capital Contributions and Transfers:			
Intergovernmental capital contributions	3,280	-	3,280
Capital contributions	209,396	-	209,396
Total Capital Contributions and Transfers	<u>212,676</u>	<u>-</u>	<u>212,676</u>
Change in Net Position	<u>(46,091)</u>	<u>403,809</u>	<u>357,718</u>
Net Position:			
Beginning of the year	30,939,264	7,420,404	38,359,668
End of the year	<u>\$ 30,893,173</u>	<u>\$ 7,824,213</u>	<u>\$ 38,717,386</u>

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities		
	Sewer	Water	Total
Cash Flows from Operating Activities:			
Receipts from user charges	\$ 2,657,804	\$ 1,704,831	\$ 4,362,635
Receipts from other operating revenues	139,457	768,076	907,533
Payments to employees	(481,724)	(728,626)	(1,210,350)
Payments to vendors	(904,569)	(955,738)	(1,860,307)
Net Cash Provided By Operating Activities	1,410,968	788,543	2,199,511
Cash Flows from Capital and Related Financing Activities:			
Proceeds from capital grants	222,379	-	222,379
Proceeds from the issuance of short-term debt	85,000	900,000	985,000
Acquisition and construction of capital assets	(48,755)	(1,302,738)	(1,351,493)
Principal repayments on long-term debt	(714,169)	(562,934)	(1,277,103)
Interest payments	(147,343)	(184,429)	(331,772)
Net Cash Used In Capital and Related Financing Activities	(602,888)	(1,150,101)	(1,752,989)
Change in Cash and Cash Equivalents	808,080	(361,558)	446,522
Cash and Cash Equivalents:			
Beginning of the year	1,484,029	4,137,788	5,621,817
End of the year	\$ 2,292,109	\$ 3,776,230	\$ 6,068,339
Reconciliation of Operating (Loss) Income to Net Cash Provided By Operating Activities:			
Operating (Loss) Income	\$ (115,286)	\$ 580,312	\$ 465,026
Adjustments to Reconcile Operating (Loss) Income to Net Cash Provided By Operating Activities:			
Depreciation expense	1,273,355	399,724	1,673,079
Changes in assets, deferred outflows (inflows) of resources and liabilities:			
Receivables and other current assets	411,992	(189,415)	222,577
Warrants payable and other current liabilities	(134,196)	24,877	(109,319)
Accrued and deferred benefits payable	(24,897)	(26,955)	(51,852)
Net Cash Provided By Operating Activities	\$ 1,410,968	\$ 788,543	\$ 2,199,511

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	<u>OPEB Trust</u>	<u>Private Purpose Trust Funds</u>
Assets:		
Cash and cash equivalents	\$ 21,719	\$ -
Investments at fair value:		
Mutual funds	4,339,252	-
MMDT	<u>-</u>	<u>13,345</u>
Total Assets	<u>4,360,971</u>	<u>13,345</u>
Liabilities:		
Warrants and accounts payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted for other postemployment benefits	4,360,971	-
Held in trust for private purposes	<u>-</u>	<u>13,345</u>
Total Net Position	<u>\$ 4,360,971</u>	<u>\$ 13,345</u>

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	OPEB Trust	Private Purpose Trust Funds
Additions:		
Employer contributions	\$ 1,740,026	\$ -
Investment income:		
Interest and dividends	267,884	126
Net decline in fair value of investments	(935,419)	-
Less investment management fees	(20,460)	-
Total net investment income	(687,995)	126
 Total Additions	 1,052,031	 126
Deductions:		
Benefits paid to retirees and survivors	1,319,776	-
Scholarships	-	650
Total Deductions	1,319,776	650
Change in Net Position	(267,745)	(524)
Net Position:		
Beginning of the year	4,628,716	13,869
End of the year	\$ 4,360,971	\$ 13,345

See accompanying notes to basic financial statements.

TOWN OF HOPKINTON, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

I. Summary of Significant Accounting Policies

The basic financial statements of the Town of Hopkinton (the “Town”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (“GASB”), which is the primary standard-setting body for state and local governmental entities. The following is a summary of the more significant policies and practices used by the Town.

A. Reporting Entity

The Town, which is approximately twenty-six miles southwest of Boston, is located in Middlesex County. The Town was incorporated on December 13, 1715. The governing structure utilizes an open town meeting format with an elected five-member Select Board and an appointed Town Manager, who oversees the Town’s daily executive and administrative duties. Members of the Select Board serve three-year terms.

The Town provides governmental services for the territory within its boundaries, including police and fire protection, public education from kindergarten to grade twelve, sewer and water services, street maintenance, library, veterans’ services, parks and recreational facilities, including a municipal beach. The sewer and water services are primarily self-funded and treated as business enterprises in the basic financial statements.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the Town meet certain criteria. Pursuant to these criteria there are no component units required to be included in the financial statements.

B. Government-Wide and Fund Financial Statements

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

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor governmental funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10% of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- 2) The total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding element for all governmental and enterprise funds combined.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (i) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. The effect of material interfund activity has been removed from the government-wide financial statements.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt, which is recognized when payment is due, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Town applies the susceptible to accrual criteria to intergovernmental revenues. In applying the susceptible to accrual concept, there are two types of revenues. In the first, monies must be expended for a specific purpose or project before any amounts will be paid; therefore, revenues are recognized as expenditures are incurred. In the second, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues when cash is received, or earlier if the susceptible to accrual criteria are met. State aid is accrued as revenue in the year that the funds are appropriated by the Commonwealth of Massachusetts (the “Commonwealth”).

The Town considers property tax revenues to be available if they are collected within sixty days after the end of the fiscal year. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The Town reports the following major governmental funds:

General Fund – is the government’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Community Preservation Fund – is used to account for specific activities related to the purchase of land parcels within the Town for community preservation purposes as well as historical preservation.

Capital Projects Funds – are used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

ARPA Fund – was established as a major fund in fiscal year 2022 and is used to account for the Town’s expenditure of the American Rescue Plan Act of 2021.

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

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Permanent Funds – are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports its sewer and water activities as proprietary funds.

Fiduciary fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that may not be used for government programs. The Town reports the following fiduciary funds:

Other Postemployment Benefits Trust Fund – is used to accumulate plan assets used to reduce the Town’s other postemployment benefit, or OPEB, unfunded liability.

Private-Purpose Trust Funds – are used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. These funds are used primarily for educational scholarships.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity

Deposits and Investments – The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town reports its investments at fair value. When actively quoted observable prices are not available, the Town generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the Town’s best estimate of what market participants would use in pricing the investment at the measurement date.

Receivables – Real estate and personal property taxes are assessed on January 1 each year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes up to the statutory percentage rate per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy.

Real estate taxes, sewer, water and other user fees are secured through a lien process in the second quarter of the following fiscal year and are considered 100% collectible. Accordingly, an allowance for uncollectible accounts for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible accounts, which are comprised of those outstanding amounts greater than five years old, if material.

Inventories and Prepaid Items – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items within other current assets in both government-wide and governmental fund financial statements.

Capital Assets – Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, vehicles, library materials and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$5,000 (\$25,000 in the case of infrastructure assets) are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction in-progress) are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 to 40 years
Infrastructure	40 to 50 years
Machinery and equipment	5 to 10 years
Vehicles	5 to 7 years

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Interfund Transfers – During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the statement of activities as transfers, net.

Investment Income – Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds is retained by the respective funds.

Compensated Absences – The Town permits employees to accumulate earned but unused vacation benefits. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured.

Unearned Revenues – Amounts collected in advance from unlevied taxes, federal and state grants and user charges are reported as unearned revenues if material.

Long-Term Debt – Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method if material. Bond anticipation notes payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Due to Other Government – Per the terms of an intermunicipal agreement, the Town is liable for its share of long-term general obligation bonds and notes incurred in connection with plant construction in its sewer enterprise fund. The present value of future payments is recorded in current and noncurrent liabilities in the sewer enterprise.

Risk Financing – The Town insures for workers' compensation, health, unemployment benefits, casualty, theft and other losses. Uninsured losses are recorded as expenditures when incurred.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In its government-wide statement of net position, the Town reports deferred outflows related to its net OPEB and pension liabilities. These deferred outflows of resources are expected to be amortized into expense over the next six years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In its government-wide statement of net position, the Town reports deferred outflows related to its net pension and OPEB liabilities, which are expected to be recognized as a reduction to pension expense within the next four years, as well as from prepaid property taxes, which will be recognized in the following fiscal year. In its governmental funds financial statements, the Town reports certain prepaid taxes and unavailable revenue as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity – The Town presents its fund balances in its governmental funds using classifications that comprise a hierarchy based primarily on the extent in which the Town is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

Nonspendable represents amounts that cannot be spent because they are either (i) not in spendable form (i.e., inventory or prepaid items) or (ii) legally or contractually required to be maintained intact such as the corpus of an endowment.

Restricted represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, which consists of the Town Meeting members through Town Meeting Votes. Those committed amounts cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same type of action (through Town Meeting Votes) it employed previously to commit those amounts.

Assigned represents amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Town Meeting, Select Board or their designee.

Unassigned represents amounts that have not been restricted, committed or assigned to specific purposes within the Town's governmental funds, primarily its general fund.

Net Position – In the government-wide financial statements, net position reported as net investment in capital assets includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been restricted for the following:

Nonexpendable perpetual funds represent the endowment portion of donor restricted trusts that support governmental programs.

Expendable perpetual funds represent the spendable portion of donor restricted trusts that support governmental programs.

Community preservation funds represent financial resources accumulated for community and historical preservation projects.

Other purposes represent assets that are restricted by donors for specific governmental programs and uses.

E. Use of Estimates

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

II. Detailed Notes to All Funds

A. Deposits and Investments

A cash and investment pool is maintained and is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as cash and cash equivalents. The deposits and investments of trust funds are held separately from those of other funds.

State laws and regulations require the Town to invest funds only in preapproved investment instruments, which include, but are not limited to, bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements and State Treasurer's investment pool, which is administered by the Massachusetts Municipal Depository Trust ("MMDT"). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation. During the fiscal year, the Town did not enter into any repurchase agreements.

Custodial Credit Risk: Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's investment policy does not have a deposit policy for custodial credit risk relative to cash holdings. At June 30, 2022, \$2,915,093 in Town bank deposits were not insured by the federal depository insurance, other depositors' insurance or third-party collateralization and was therefore exposed to custodial credit risk.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. All of the Town's investments are registered in its name and cannot be pledged or assigned. The Town is not exposed to custodial credit risk on its investments.

Fair Value Measurements: Investments – The following table presents the Town’s investments carried at fair value on a recurring basis at June 30, 2022:

<u>Investments by Fair Value Level</u>	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt securities:				
U.S. Treasury notes	\$ 2,994,204	\$ 2,994,204	\$ -	\$ -
U.S. Government agency obligations	792,066	-	792,066	-
Corporate bonds	<u>4,185,532</u>	<u>-</u>	<u>4,185,532</u>	<u>-</u>
Total debt securities	<u>7,971,802</u>	<u>2,994,204</u>	<u>4,977,598</u>	<u>-</u>
Equity securities	2,152,323	2,152,323	-	-
Mutual funds	<u>5,218,646</u>	<u>-</u>	<u>5,218,646</u>	<u>-</u>
Total investments by fair value level	<u>15,342,771</u>	<u>\$ 5,146,527</u>	<u>\$ 10,196,244</u>	<u>\$ -</u>
Investments measured at amortized cost:				
MMDT	<u>44,612,960</u>			
Total investments at fair value	<u>\$ 59,955,731</u>			

Short-term investments in the MMDT are measured at amortized cost, which approximates fair value.

Concentration of Credit Risk: Investments – The Town’s investment in MMDT represents approximately 74% of the Town’s total investments at June 30, 2022. No other individual investment exceeded 5% of the Town’s total investments.

Interest Rate Risk: Investments – This is the risk that changes in interest rates will adversely affect the market value of an investment, particularly fixed income securities. The Town manages the duration of its fixed income investments to better mitigate interest rate risk.

The following table presents the Town’s investments with maturities at June 30, 2022:

<u>Investments</u>	Fair Value	Time Until Maturity (in years)		
		Less than 1	1 to 5	6 to 10
Debt securities:				
U.S. Government obligations	\$ 3,786,270	\$ 1,068,182	\$ 2,578,803	\$ 139,285
Corporate bonds	<u>4,185,532</u>	<u>169,837</u>	<u>3,627,456</u>	<u>388,239</u>
Total investments with maturities	<u>7,971,802</u>	<u>\$ 1,238,019</u>	<u>\$ 6,206,259</u>	<u>\$ 527,524</u>
Other investments:				
Equity securities	2,152,323			
Mutual funds	5,218,646			
MMDT	<u>44,612,960</u>			
Total Investments	<u>\$ 59,955,731</u>			

Credit Risk: Investments – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town has not adopted a formal policy relative to credit risk. However, Massachusetts General Laws, or MGL, requires the Town Treasurer to invest Town funds in preapproved investments. In addition, the statutes impose various limitations on the amount and length of investments and deposits. The following table summarizes the credit rating assigned by Moody’s Investors Service (“Moody’s”) to the Town’s fixed income investments at June 30, 2022:

Quality Ratings (Moody's)	U.S.	
	Government Obligations	Corporate Bonds
Aaa	\$ 3,786,270	\$ -
A1	-	548,970
A2	-	1,768,250
Baa1	-	776,795
Baa2	-	1,047,600
Baa3	-	43,917
	<u>\$ 3,786,270</u>	<u>\$ 4,185,532</u>

B. Receivables

Receivables at June 30, 2022 for the Town’s individual major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Personal property taxes	\$ 76,213	\$ -	\$ 76,213
Real estate taxes	868,404	-	868,404
Tax liens and deferrals	1,284,585	-	1,284,585
Motor vehicle excise taxes	372,745	(60,000)	312,745
Ambulance	547,041	(228,000)	319,041
Police details	368,854	-	368,854
Betterments	276,663	-	276,663
Due from the Commonwealth	724,219	-	724,219
	<u>\$ 4,518,724</u>	<u>\$ (288,000)</u>	<u>\$ 4,230,724</u>

Receivables for the Town’s proprietary funds at June 30, 2022 were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
User charges	\$ 1,764,123	\$ -	\$ 1,764,123
Betterments	3,173,721	-	3,173,721
Due from MCWT	11,088	-	11,088
	<u>\$ 4,948,932</u>	<u>\$ -</u>	<u>\$ 4,948,932</u>

Governmental funds report unavailable revenue as a deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current accounting period. The following table identifies the components of unavailable revenues at June 30, 2022 in the governmental funds:

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 563,315	\$ 22,608	\$ -	\$ 585,923
Tax liens and deferrals	1,282,357	2,228	-	1,284,585
Motor vehicle excise taxes	312,745	-	-	312,745
Ambulance	-	-	319,041	319,041
Betterments	-	-	276,663	276,663
	<u>\$ 2,158,417</u>	<u>\$ 24,836</u>	<u>\$ 595,704</u>	<u>\$ 2,778,957</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 21,715,551	\$ -	\$ -	\$ 21,715,551
Construction in-progress	4,839,597	3,015,028	(2,518,260)	5,336,365
Total capital assets not being depreciated	<u>26,555,148</u>	<u>3,015,028</u>	<u>(2,518,260)</u>	<u>27,051,916</u>
Capital assets being depreciated:				
Buildings and improvements	193,142,082	7,247,848	-	200,389,930
Infrastructure	52,755,767	1,147,596	(810,049)	53,093,314
Machinery and equipment	9,243,678	956,980	-	10,200,658
Vehicles	3,857,958	203,504	(78,000)	3,983,462
Total capital assets being depreciated	<u>258,999,485</u>	<u>9,555,928</u>	<u>(888,049)</u>	<u>267,667,364</u>
Less accumulated depreciation for:				
Buildings and improvements	(69,518,592)	(5,245,036)	-	(74,763,628)
Infrastructure	(35,213,338)	(1,413,366)	810,049	(35,816,655)
Machinery and equipment	(3,566,094)	(352,816)	-	(3,918,910)
Vehicles	(2,230,459)	(743,211)	78,000	(2,895,670)
Total accumulated depreciation	<u>(110,528,483)</u>	<u>(7,754,429)</u>	<u>888,049</u>	<u>(117,394,863)</u>
Total capital assets being depreciated, net	<u>148,471,002</u>	<u>1,801,499</u>	<u>-</u>	<u>150,272,501</u>
Governmental activities capital assets, net	<u>\$ 175,026,150</u>	<u>\$ 4,816,527</u>	<u>\$ (2,518,260)</u>	<u>\$ 177,324,417</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities: Combined</u>				
Capital assets not being depreciated:				
Land	\$ 3,845,100	\$ -	\$ -	\$ 3,845,100
Construction in-progress	<u>480,027</u>	<u>1,301,028</u>	<u>(480,027)</u>	<u>1,301,028</u>
Total capital assets not being depreciated	<u>4,325,127</u>	<u>1,301,028</u>	<u>(480,027)</u>	<u>5,146,128</u>
Capital assets being depreciated:				
Physical plant and infrastructure	73,486,503	481,737	-	73,968,240
Machinery and equipment	877,006	-	-	877,006
Vehicles	<u>492,564</u>	<u>48,755</u>	<u>-</u>	<u>541,319</u>
Total capital assets being depreciated	<u>74,856,073</u>	<u>530,492</u>	<u>-</u>	<u>75,386,565</u>
Less accumulated depreciation for:				
Physical plant and infrastructure	(34,808,323)	(1,548,469)	-	(36,356,792)
Machinery and equipment	(543,448)	(77,169)	-	(620,617)
Vehicles	<u>(370,829)</u>	<u>(47,441)</u>	<u>-</u>	<u>(418,270)</u>
Total accumulated depreciation	<u>(35,722,600)</u>	<u>(1,673,079)</u>	<u>-</u>	<u>(37,395,679)</u>
Total capital assets being depreciated, net	<u>39,133,473</u>	<u>(1,142,587)</u>	<u>-</u>	<u>37,990,886</u>
Total Net Business-Type Activities	<u>\$ 43,458,600</u>	<u>\$ 158,441</u>	<u>\$ (480,027)</u>	<u>\$ 43,137,014</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities: Sewer</u>				
Capital assets not being depreciated:				
Land	\$ 2,878,817	\$ -	\$ -	\$ 2,878,817
Capital assets being depreciated:				
Physical plant and infrastructure	59,853,543	-	-	59,853,543
Machinery and equipment	255,341	-	-	255,341
Vehicles	<u>69,994</u>	<u>48,755</u>	<u>-</u>	<u>118,749</u>
Total capital assets being depreciated	<u>60,178,878</u>	<u>48,755</u>	<u>-</u>	<u>60,227,633</u>
Less accumulated depreciation for:				
Physical plant and infrastructure	(29,279,254)	(1,244,877)	-	(30,524,131)
Machinery and equipment	(137,804)	(23,602)	-	(161,406)
Vehicles	<u>(69,994)</u>	<u>(4,876)</u>	<u>-</u>	<u>(74,870)</u>
Total accumulated depreciation	<u>(29,487,052)</u>	<u>(1,273,355)</u>	<u>-</u>	<u>(30,760,407)</u>
Total capital assets being depreciated, net	<u>30,691,826</u>	<u>(1,224,600)</u>	<u>-</u>	<u>29,467,226</u>
Total Sewer	<u>\$ 33,570,643</u>	<u>\$ (1,224,600)</u>	<u>\$ -</u>	<u>\$ 32,346,043</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities: Water				
Capital assets not being depreciated:				
Land	\$ 966,283	\$ -	\$ -	\$ 966,283
Construction in-progress	<u>480,027</u>	<u>1,301,028</u>	<u>(480,027)</u>	<u>1,301,028</u>
Total capital assets not being depreciated	<u>1,446,310</u>	<u>1,301,028</u>	<u>(480,027)</u>	<u>2,267,311</u>
Capital assets being depreciated:				
Physical plant and infrastructure	13,632,960	481,737	-	14,114,697
Machinery and equipment	621,665	-	-	621,665
Vehicles	<u>422,570</u>	<u>-</u>	<u>-</u>	<u>422,570</u>
Total capital assets being depreciated	<u>14,677,195</u>	<u>481,737</u>	<u>-</u>	<u>15,158,932</u>
Less accumulated depreciation for:				
Physical plant and infrastructure	(5,529,069)	(303,592)	-	(5,832,661)
Machinery and equipment	(405,644)	(53,567)	-	(459,211)
Vehicles	<u>(300,835)</u>	<u>(42,565)</u>	<u>-</u>	<u>(343,400)</u>
Total accumulated depreciation	<u>(6,235,548)</u>	<u>(399,724)</u>	<u>-</u>	<u>(6,635,272)</u>
Total capital assets being depreciated, net	<u>8,441,647</u>	<u>82,013</u>	<u>-</u>	<u>8,523,660</u>
Total Water	<u>\$ 9,887,957</u>	<u>\$ 1,383,041</u>	<u>\$ (480,027)</u>	<u>\$ 10,790,971</u>

Depreciation expense was charged to the functions/programs in the governmental activities in fiscal year 2022 as follows:

General government	\$ 256,944
Public safety	747,562
Education	3,931,792
Public works	2,140,770
Health and human services	16,051
Culture and recreation	<u>661,310</u>
	<u>\$ 7,754,429</u>

D. Interfund Transfers

Interfund transfers for the fiscal year ended June 30, 2022 were as follows:

Transfers Out	Transfers In			
	General Fund	Capital Projects Funds	Total	
General fund	\$ -	\$ 2,013,654	\$ 2,013,654	(1)
Capital projects fund	7,984	-	7,984	(2)
Nonmajor governmental funds	664,311	400,000	1,064,311	(2)
	<u>\$ 672,295</u>	<u>\$ 2,413,654</u>	<u>\$ 3,085,949</u>	

- (1) Budgeted transfers to capital projects were used to fund capital outlays.
- (2) A closed school capital article was transferred to the school stabilization fund, which is reported in the general fund.
- (3) Budgeted transfers of \$565,547 and \$64,458 from the ambulance receipts reserved for appropriation and Title V revolving funds, respectively, and the transfer of \$34,306 in excess parks and recreation funds into the general fund. A transfer of \$400,000 from parks and recreation to capital projects to fund a turf field.

E. Short-Term or Temporary Debt

The Town is authorized to borrow on a short-term or temporary basis to fund current operating costs (generally through revenue or tax anticipation notes) or capital projects (generally through grant anticipation notes or bond anticipation notes). Short-term or temporary notes are general obligations of the Town and carry maturity dates that are limited by state law. Interest expenditures and expenses for short-term or temporary borrowings are generally accounted for in the general fund and enterprise funds, respectively. The following summarizes the Town’s short-term or temporary borrowings for the fiscal year ended June 30, 2022:

Type	Interest Rate	Maturity Date	Beginning Balance	Increases	Decreases	Ending Balance
BAN	1.50%	matured	\$ 5,297,501	\$ -	\$ (5,297,501)	\$ -
BAN	2.13%	6/15/23	-	4,881,543	-	4,881,543
			<u>\$ 5,297,501</u>	<u>\$ 4,881,543</u>	<u>\$ (5,297,501)</u>	<u>\$ 4,881,543</u>

Temporary notes were issued for the following purposes:

Main Street corridor	\$ 2,150,000
Fruit Street turf field	1,271,543
Hayden Rowe Street water	900,000
School HVAC	475,000
Comprehensive wastewater plan	85,000
	<u>\$ 4,881,543</u>

F. Long-Term Obligations

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds and notes have been issued for both governmental and business-type activities. In addition, the Town incurs various other long-term obligations relative to personnel costs and long-term service agreements with other governments.

The long-term liabilities in the governmental activities will be liquidated by the general fund, while those in the business-type activities will be liquidated by the individual enterprise fund reporting the long-term liabilities.

The following reflects the changes in long-term liabilities for the fiscal year:

Description of Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 67,419,800	\$ 4,955,000	\$ (4,989,800)	\$ 67,385,000	\$ 4,784,000
Unamortized bond premiums	1,931,266	342,501	(258,194)	2,015,573	270,474
Direct borrowings and placements	478,916	-	(64,458)	414,458	64,458
Compensated absences	377,126	5,983	(15,151)	367,958	128,785
Net other postemployment benefits	34,954,864	17,269,829	(14,646,726)	37,577,967	-
Net pension liability	23,203,971	4,183,765	(11,281,476)	16,106,260	-
Total Governmental Activities	\$ 128,365,943	\$ 26,757,078	\$ (31,255,805)	\$ 123,867,216	\$ 5,247,717
<i>Business-Type Activities:</i>					
Sewer					
General obligation bonds	\$ 1,413,000	\$ -	\$ (232,000)	\$ 1,181,000	\$ 232,000
Direct borrowings and placements	5,275,570	-	(482,169)	4,793,401	491,241
Due to other government	1,437,693	-	(122,311)	1,315,382	123,550
Net other postemployment benefit	49,571	27,118	(20,283)	56,406	-
Net pension liability	385,529	69,512	(187,440)	267,601	-
Total Sewer	8,561,363	96,630	(1,044,203)	7,613,790	846,791
Water					
General obligation bonds	5,657,200	-	(488,200)	5,169,000	439,000
Unamortized bond premiums	109,633	-	(14,369)	95,264	13,070
Direct borrowings and placements	449,046	-	(60,365)	388,681	61,585
Net other postemployment benefit	387,153	179,687	(167,525)	399,315	-
Net pension liability	506,006	91,236	(246,015)	351,227	-
Total Water	7,109,038	270,923	(976,474)	6,403,487	513,655
Total Business-Type Activities	\$ 15,670,401	\$ 367,553	\$ (2,020,677)	\$ 14,017,277	\$ 1,360,446

General obligation bonds and notes payable outstanding at June 30, 2022 were as follows:

Description	Interest Rate(s)	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>					
General obligation bonds	0.75% - 5.00%	\$ 67,419,800	\$ 4,955,000	\$ (4,989,800)	\$ 67,385,000
MCWT Notes	0.00% - 2.00%	<u>478,916</u>	<u>-</u>	<u>(64,458)</u>	<u>414,458</u>
Total Governmental Activities		<u>\$ 67,898,716</u>	<u>\$ 4,955,000</u>	<u>\$ (5,054,258)</u>	<u>\$ 67,799,458</u>
<i>Business-Type Activities - Sewer:</i>					
General obligation bonds	2.00% - 5.00%	\$ 1,413,000	\$ -	\$ (232,000)	\$ 1,181,000
MCWT Notes	0.00% - 2.00%	<u>5,275,570</u>	<u>-</u>	<u>(482,169)</u>	<u>4,793,401</u>
Total Sewer		<u>6,688,570</u>	<u>-</u>	<u>(714,169)</u>	<u>5,974,401</u>
<i>Business-Type Activities - Water:</i>					
General obligation bonds	2.00% - 5.00%	5,657,200	-	(488,200)	5,169,000
MCWT Notes	0.00% - 2.00%	<u>449,046</u>	<u>-</u>	<u>(60,365)</u>	<u>388,681</u>
Total Water		<u>6,106,246</u>	<u>-</u>	<u>(548,565)</u>	<u>5,557,681</u>
Total Business-Type Activities		<u>\$ 12,794,816</u>	<u>\$ -</u>	<u>\$ (1,262,734)</u>	<u>\$ 11,532,082</u>

Debt service requirements on long-term debt at June 30, 2022 were as follows:

Year Ended June 30,	Governmental Activities			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2023	\$ 4,784,000	\$ 2,290,079	\$ 64,458	\$ 236
2024	4,580,000	2,066,377	55,000	-
2025	4,290,000	1,872,937	55,000	-
2026	4,069,000	1,687,916	55,000	-
2027	3,850,000	1,517,620	45,000	-
2028 - 2032	17,932,000	5,734,395	140,000	-
2033 - 2037	15,570,000	3,191,993	-	-
2038 - 2042	7,340,000	1,356,469	-	-
2043 - 2047	4,550,000	446,358	-	-
2048 - 2050	<u>420,000</u>	<u>19,740</u>	<u>-</u>	<u>-</u>
	<u>\$ 67,385,000</u>	<u>\$ 20,183,884</u>	<u>\$ 414,458</u>	<u>\$ 236</u>

Business-Type Activities: Combined				
Year Ended June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2023	\$ 671,000	\$ 199,468	\$ 552,826	\$ 99,036
2024	625,000	174,369	526,492	87,425
2025	625,000	150,592	537,216	76,597
2026	471,000	128,468	532,428	65,986
2027	460,000	108,793	543,456	55,228
2028 - 2032	1,623,000	363,929	2,280,704	121,337
2033 - 2037	1,180,000	182,982	208,960	2,090
2038 - 2042	545,000	53,204	-	-
2043 - 2047	150,000	13,595	-	-
	<u>\$ 6,350,000</u>	<u>\$ 1,375,400</u>	<u>\$ 5,182,082</u>	<u>\$ 507,699</u>

Business-Type Activities: Sewer				
Year Ended June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2023	\$ 232,000	\$ 30,060	\$ 491,241	\$ 91,878
2024	197,000	24,161	463,663	81,511
2025	197,000	18,885	473,118	71,953
2026	123,000	14,460	467,035	62,637
2027	123,000	11,060	476,742	53,199
2028 - 2032	309,000	15,930	2,212,642	120,656
2033	-	-	208,960	2,090
	<u>\$ 1,181,000</u>	<u>\$ 114,556</u>	<u>\$ 4,793,401</u>	<u>\$ 483,924</u>

Business-Type Activities: Water				
Year Ended June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2023	\$ 439,000	\$ 169,408	\$ 61,585	\$ 7,158
2024	428,000	150,208	62,829	5,914
2025	428,000	131,707	64,098	4,644
2026	348,000	114,008	65,393	3,349
2027	337,000	97,733	66,714	2,029
2028 - 2032	1,314,000	347,999	68,062	681
2033 - 2037	1,180,000	182,982	-	-
2038 - 2042	545,000	53,204	-	-
2043 - 2047	150,000	13,595	-	-
	<u>\$ 5,169,000</u>	<u>\$ 1,260,844</u>	<u>\$ 388,681</u>	<u>\$ 23,775</u>

Authorized and Unissued Debt – At June 30, 2022, the Town had authorized but not yet issued long-term debt for the following:

<u>Project</u>	<u>Amount</u>
Education-related projects	\$ 2,934,952
Fire engine 2 replacement	736,318
Other governmental purposes	361,702
Sewer projects	209,000
Water projects	785,222
	<u>\$ 5,027,194</u>

G. Fund Balances

The components of fund balances as listed in aggregate in the governmental funds balance sheet at June 30, 2022 are detailed as follows:

	<u>General Fund</u>	<u>Community Preservation Funds</u>	<u>Capital Projects Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Nonexpendable perpetual funds	\$ -	\$ -	\$ -	\$ 1,408,970	\$ 1,408,970
Restricted:					
Expendable perpetual funds	-	-	-	4,041,036	4,041,036
Debt service reserve	831,899	-	-	-	831,899
Community preservation	-	8,494,264	-	-	8,494,264
Capital projects	-	-	10,479,432	-	10,479,432
Federal and state grants	-	-	-	1,513,733	1,513,733
Receipts reserved for appropriation	-	-	-	1,068,497	1,068,497
Revolving funds	-	-	-	12,786,228	12,786,228
Committed:					
School stabilization funds	3,974,796	-	-	-	3,974,796
Assigned:					
General government	223,851	-	-	-	223,851
Education	693,919	-	-	-	693,919
Public works	748,710	-	-	-	748,710
Subsequent years' budget	355,309	-	-	-	355,309
Other purposes	84,504	-	-	-	84,504
Unassigned:					
Capital stabilization fund	336,850	-	-	-	336,850
General stabilization funds	3,882,336	-	-	-	3,882,336
Unrestricted	11,716,994	-	(57,995)	(242,421)	11,416,578
	<u>\$ 22,849,168</u>	<u>\$ 8,494,264</u>	<u>\$ 10,421,437</u>	<u>\$ 20,576,043</u>	<u>\$ 62,340,912</u>

The ARPA grant fund is not presented above as it did not maintain a fund balance at June 30, 2022.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed. The Town has not established financial policies with respect to maintaining minimum fund balance amounts.

Stabilization Funds – The Town maintains four stabilization funds – general, capital, school and special education. The general stabilization fund may be used for any municipal purpose upon a two-thirds vote of the Town Meeting. The capital, school and special education stabilization funds also requires a two-thirds vote of Town Meeting to expend funds for capital outlays and school enrollment costs, respectively. The general and capital stabilization funds are reported in the Town's unassigned fund balance in the general fund, while the school and special education stabilization funds are reported as committed.

Encumbrances – The Town's encumbrance policy regarding the general fund is to (i) classify encumbrances that arise from the issuance of purchase orders resulting from normal, approved purchasing activity as assigned, and (ii) classify encumbrances that result from an action of the Town Meeting as committed. Encumbrances of funds already restricted or committed are included within the classification of those fund balances and not reported separately. The Town reports \$1,750,984 of encumbrances from normal purchasing activity as assigned at June 30, 2022. There are no encumbrances reported in other funds.

H. Excess of Expenditures Over Appropriations and Deficits

The Town expended \$19,132 over appropriation for state and country charges, which will be raised on the fiscal year 2023 tax recap.

The Town reported deficits of \$57,995 and \$242,421 in its capital projects and nonmajor governmental funds, respectively, at June 30, 2022. These amounts are reflected as unassigned fund balance in their respective funds and will be funded through future bond or grant proceeds.

I. Tax Abatements

The Town enters into property tax abatements with local businesses as an incentive for economic growth. The agreements are commonly referred to as tax increment financing, or TIF, agreements. Under Massachusetts General Laws, property owners may be granted property tax abatements of up to 100% of the value of a tax increment for a maximum term of twenty years provided the property is located in a TIF zone. TIF zones are approved by the Massachusetts Economic Assistance Coordinating Council. The Town's Select Board and Town Meeting must approve all TIF agreements.

The Town has TIF agreements with two commercial taxpayers. Under the terms of a February 2013 TIF agreement, a manufacturer was provided property tax abatements ranging from 90% to 30% on its real estate increment over a thirteen-year period commencing in fiscal year 2014 (currently at 50%). The manufacturer agreed to (i) retain up to 175 permanent jobs and create an additional 225 new jobs, and (ii) invest approximately \$13,000,000 in property improvements. Property tax abatements of \$81,419 were provided in fiscal year 2022 to this manufacturer.

Under the terms of a February 2019 TIF agreement, a biosciences company was provided property tax abatements ranging from 90% to 20% of its real estate increment and 90% to 50% on its personal property increment over a ten-year period commencing in fiscal year 2021. The biosciences company agreed to (i) create 125 new permanent full-time jobs and (ii) invest approximately \$12,000,000 in property improvements. Property tax abatements of \$11,009 were provided in fiscal year 2022 to this biosciences company.

J. Economic Dependence

During the fiscal year ended June 30, 2022, approximately 16% of total general fund revenues were recognized from the Commonwealth or other governmental agencies.

III. Other Information

A. Retirement System

Pension Plan Description – The Town contributes to the Middlesex Regional Retirement System (the “Retirement System”), a cost-sharing multiple-employer defined benefit pension plan. The Retirement System was established under Chapter 32 of MGL. The Retirement System is administered by the Middlesex Regional Retirement Board (the “Retirement Board”). Stand-alone audited financial statements for the year ended December 31, 2021 were issued and are available by submitting a request to the Retirement Board at 25 Linnell Circle, Billerica, Massachusetts 01821.

Current membership in the Retirement System for all seventy-one participating employers as of December 31, 2021 was as follows:

Active members	9,432
Inactive unvested members	3,581
Inactive vested members	403
Retirees and beneficiaries currently receiving benefits	<u>6,284</u>
	<u><u>19,700</u></u>

Benefit Terms – Membership in the Retirement System is mandatory for all full-time employees and nonseasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the school department participate in a separate pension plan administered by the Massachusetts Teachers’ Retirement System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the Retirement System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform for all public pension systems. The Retirement System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest three-year or five-year average annual rate of regular compensation, depending on the participant’s date of hire. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and job classification. The most common benefits paid by the Retirement System include normal retirement, disability retirement and survivor benefits.

- Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55. Participants become vested after ten years of service. Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.
- Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of service, average compensation and veteran status.
- Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

Cost-of-living adjustments granted to members of Massachusetts retirement systems granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the Retirement System.

The Retirement System may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws. There were no significant changes to the Retirement System's benefit terms in the current fiscal year.

Contributions Requirements – Under current MGL, the Retirement System is required to be fully funded by June 30, 2040. Participating employers to the Retirement System are assessed their proportionate share of the total annual pension appropriation. The Town contributed \$2,916,805 to the Retirement System in fiscal year 2022, which equaled the actuarially-determined contribution requirement for the fiscal year. The Town's contributions as a percentage of covered payroll were approximately 16% in fiscal year 2022.

Net Pension Liability – At June 30, 2022, the Town reported a liability of \$16,725,088 for its proportionate share of the net pension liability. The total pension liability was determined by an actuarial valuation as of January 1, 2022, which was rolled back to the measurement date of December 31, 2021. There were no material changes to the Retirement System's benefit terms since the actuarial valuation. There were a number of changes to key actuarial data used in the most recent actuarial valuation; the most notable change in actuarial assumption was a reduction in the discount rate from 7.3% to 7.15%.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the Retirement System relative to the projected contributions of all employers. The Town's proportion was approximately 1.25% and 1.57% at December 31, 2021 and 2020, respectively.

Fiduciary Net Position – The elements of the Retirement System’s basic financial statements (that is, all information about the Retirement System’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position) can be found in the Retirement System’s full financial statements as of and for the year ended December 31, 2021, which can be obtained by contacting the Retirement Board.

The Retirement System’s fiduciary net position was determined using the accrual basis of accounting. The Retirement System’s accounting records are maintained on a calendar-year basis in accordance with the standards and procedures established by the Massachusetts Public Employee Retirement Administration Commission, or PERAC. Contributions from employers and employees are recognized in the period in which they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments (including refunds of employee contributions) are recorded when incurred, regardless of the timing of payment. Investments are reported at fair value; fair value is determined as the price one would receive in an orderly transaction between market participants at a measurement date.

Pension Expense – The Town recognized \$983,932 in pension expense in the statement of activities in fiscal year 2022.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 285,037	\$ -
Changes of assumptions	595,522	-
Net difference between projected and actual earnings on pension plan investments	-	2,843,734
Changes in proportion and differences between Town contributions and proportionate share of contributions	<u>596,398</u>	<u>3,457,221</u>
	<u>\$ 1,476,957</u>	<u>\$ 6,300,955</u>

The deferred outflows/inflows of resources at June 30, 2022 are expected to be recognized in the Town’s pension expense (benefit) as follows:

Year ended June 30,

2023	\$ (627,969)
2024	(1,447,759)
2025	(1,515,705)
2026	<u>(1,232,565)</u>
	<u>\$ (4,823,998)</u>

Actuarial Valuation – The measurement of the Retirement System’s total pension liability is developed by an independent actuary. The significant actuarial assumptions used in the latest actuarial valuation included:

Actuarial cost method	Entry age normal cost method
Amortization method	Prior year’s total contribution increased by 6.5% for fiscal 2022 through fiscal 2028, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; ERI liability amortized in level payments
Projected salary increases	Varies by length of service with ultimate rate of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4
Cost of living adjustments	3.0% of the first \$16,000 of retirement income
Investment rate of return	7.15% (previously 7.3%)
Pre-retirement mortality	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
Post-retirement mortality	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
Disabled retiree mortality	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with scale MP-2021

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the Retirement System’s target allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.00%	6.11%
International equity - developed markets	11.50%	6.49%
Emerging markets equity - emerging markets	4.50%	8.12%
Core fixed income	15.00%	0.38%
High-yield fixed income	8.00%	2.48%
Real estate	10.00%	3.72%
Timber	4.00%	3.44%
Hedge funds, GTAA, risk parity	10.00%	2.63%
Private equity	15.00%	9.93%

Discount Rate – The discount rate used to measure the total pension liability at December 31, 2021 was 7.15%, which is a reduction from the previous rate of 7.3%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially-determined contribution rates. Based on those assumptions, the Retirement System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis – The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.15% as well as the Town’s proportionate share of the net pension liability using a discount rate that is 1% higher or lower than the current rate:

Current Discount Rate	Net Pension Liability At		
	1% Decrease	Current Rate	1% Increase
7.15%	\$ 21,634,452	\$ 16,725,088	\$ 12,590,286

B. Massachusetts Teachers’ Retirement System

Teachers and certain administrative employees of the Town’s school department participate in the Massachusetts Teachers’ Retirement System (“MTRS”), a cost-sharing multiple employer defined benefit pension plan. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the Retirement System, MTRS was established under Chapter 32 of MGL. The Commonwealth’s legislature has the authority to amend or modify the MTRS’s funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a special funding situation as defined under GAAP.

For the year ended June 30, 2022, the Commonwealth contributed \$7,299,842 to the MTRS on behalf of the Town. The Town’s proportionate share of the collective MTRS net pension liability at this reporting date was approximately 0.42%, which was based on the actual, actuarially-determined contribution made by the Commonwealth on behalf of the Town as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The net pension liability assumed by the Commonwealth on behalf of the Town was \$94,800,233 at June 30, 2022.

The pension expense incurred by the Commonwealth on behalf of the Town was \$7,607,324 for the year ended June 30, 2022, which has been recognized by the Town as intergovernmental revenue and pension expense in the statement of activities for the year ended June 30, 2022.

MTRS issues certain financial information to the public on its website – www.mass.gov/mtrs. A more detailed discussion of its funding policies, actuarial assumptions and other inputs used to measure total pension liability may be found there.

C. Other Postemployment Benefits

The Town administers a single-employer defined benefit healthcare plan (the “OPEB Plan”). The OPEB Plan provides health and life insurance benefits (other postemployment benefits) to current and future retirees, their dependent and beneficiaries in accordance with Section 20 of Chapter 32B of MGL.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. All benefits are provided through the Town’s insurance program. The OPEB Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the OPEB Plan.

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2022:

Inactive employees or beneficiaries receiving benefits	305
Active employees	<u>630</u>
	<u>935</u>

Contributions – The contribution requirements of OPEB Plan members and the Town are established by and may be amended by the Town. Retirees contribute 50% of health and life insurance premiums and 100% of dental insurance premiums. The remainder of the insurance premiums and the costs of administering the OPEB Plan are paid by the Town. For the year ended June 30, 2022, the Town’s average contribution rate was approximately 3% of covered payroll.

Net OPEB Liability – The Town’s net OPEB liability was determined using an actuarial valuation as of July 1, 2020, which was rolled forward to the measurement date of June 30, 2022. The components of the net OPEB liability reported by the Town at June 30, 2022 were as follows:

Total OPEB liability	\$ 42,394,659
Plan fiduciary net position	<u>(4,360,971)</u>
Net OPEB liability	<u>\$ 38,033,688</u>
Plan fiduciary net position as a percentage of total OPEB liability	10.3%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual entry age normal
Investment rate of return	5.7%, net of OPEB plan investment expenses (previously 6.15%)
Municipal bond rate	4.09% as of June 30, 2022 (previously 2.18%)
Single equivalent discount rate	5.44% (previously 5.50%)
Healthcare cost trend rates	4.5% per annum
Participation rate	50% to 65% of eligible employees will participate in retiree medical, dental and life insurance plans
Pre-retirement mortality	RP-2014 Mortality Table for Blue Collar Employees (White Collar for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
Post-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants (White Collar for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants (White Collar for teachers) projected generationally with scale MP-2016, set forward 1 year (for non-teachers only)

Long-Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap	18.00%	4.42%
Domestic equity - small/mid cap	15.50%	4.81%
International equity - developed markets	10.25%	4.91%
International equity - emerging markets	7.50%	5.58%
Domestic fixed income	32.00%	1.00%
International fixed income	6.25%	5.98%
Alternatives	10.00%	5.98%
Cash and cash equivalents	<u>0.50%</u>	0.00%
	<u>100.00%</u>	
Real rate of return		3.45%
Inflation assumption		<u>2.50%</u>
Total nominal rate of return		5.95%
Investment expense		<u>0.25%</u>
Net investment return		<u>5.70%</u>

Discount Rate – The discount rate used to measure the total OPEB liability was 5.44% versus a discount rate of 5.50% in the previous actuarial report.

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2022:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances — beginning of year	\$ 40,020,304	\$ 4,628,716	\$ 35,391,588
Changes for the year:			
Service cost	1,054,075	-	1,054,075
Interest	2,223,283	-	2,223,283
Changes in assumptions	416,773	-	416,773
Employer contributions	-	1,740,026	(1,740,026)
Net investment income (loss)	-	(687,995)	687,995
Benefit payments	(1,319,776)	(1,319,776)	-
Net changes	2,374,355	(267,745)	2,642,100
Balances — end of year	<u>\$ 42,394,659</u>	<u>\$ 4,360,971</u>	<u>\$ 38,033,688</u>

Sensitivity Analyses – The following presents the Town’s net OPEB liability calculated using the current discount rate as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate.

Current Discount Rate	Net OPEB Liability At		
	1% Decrease	Current Rate	1% Increase
5.44%	\$ 44,973,435	\$ 38,033,688	\$ 32,530,459

The following presents the Town’s net OPEB liability calculated using the current healthcare trend rate as well as what the Town’s net OPEB liability would be if it were calculated using a healthcare trend rate that is 1% lower or higher than the current discount rate.

Current Healthcare Trend Rate	Net OPEB Liability At		
	1% Decrease	Current Rate	1% Increase
4.50%	\$ 31,915,161	\$ 38,033,688	\$ 45,787,899

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the Town recognized OPEB expense of \$4,228,224. Deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2022 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,864,733	\$ -
Changes of assumptions	7,291,819	2,461,740
Net difference between projected and actual earnings on OPEB Plan investments	474,288	-
	<u>\$ 9,630,840</u>	<u>\$ 2,461,740</u>

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

Year Ended June 30,

2023	\$ 1,245,638
2024	1,243,329
2025	1,224,193
2026	1,683,097
2027	1,713,304
2028	<u>59,539</u>
	<u>\$ 7,169,100</u>

Investment Custody – In accordance with MGL, the Town Treasurer is the custodian of the OPEB Plan. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule. OPEB Plan assets are segregated from other funds and are not subject to the claims of any general creditor of the Town.

Investment Policy – The Town adopted an investment policy for the Town’s OPEB Plan in December 2018. The investment policy seeks to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct investment asset classes.

Investment Rate of Return – For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was approximately -14.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Risk Financing

The Town is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; natural disasters; and various employee benefits including health, worker's compensation, and unemployment compensation. The Town essentially transfers its risk through payment of its annual assessment, which is adjusted according to the Town's experience history. All insurance except health is carried through conventional, commercial carriers. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

K. Commitments and Contingencies

General – The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2022, cannot be determined, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2022.

Appellate Tax Board – The Town has pending cases filed with the Massachusetts Appellate Tax Board of the Commonwealth of Massachusetts ("ATB"). In total, the gross Town-assessed value of properties challenged by taxpayers in ATB approximated \$888.9 million. Of this total, approximately \$358.5 million pertains to assessed commercial real estate values and \$531.4 million pertains to assessed personal property values.

The Town cannot estimate at this time the amount of previously assessed property taxes (and interest) that may be refunded to these taxpayers, if any. Furthermore, the Town cannot determine the likelihood of the taxpayers' success at the ATB. Accordingly, no such loss provision has been made in the Town's basic financial statements.

Grant Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, would not have a material effect on its financial condition.

Arbitrage – The Town is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The amount of penalties, if any, cannot be determined at this time, although the Town expects such amounts, if any, would not have a material effect on its financial condition.

IV. Implementation of New GASB Pronouncements

A. Current Year Implementations

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement redefined the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement became effective in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement established accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement became effective in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The objective of this Statement was to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement became effective in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

B. Future Year Implementations

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issued related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 101, *Compensate Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

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TOWN OF HOPKINTON, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN PENSION PLAN**

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(dollar amounts are in thousands)

Year Ended June 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	1.25%	\$ 16,725	\$ 18,553	90.1%	61.1%
2021	1.57%	24,096	17,003	141.7%	53.4%
2020	1.63%	26,084	16,297	160.1%	49.5%
2019	1.63%	25,369	14,509	174.9%	46.4%
2018	1.46%	20,654	13,911	148.5%	49.3%
2017	1.51%	21,332	13,436	158.8%	45.5%
2016	1.51%	19,499	12,526	155.7%	46.1%
2015	1.40%	16,829	12,045	139.7%	47.7%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE PENSION PLAN

(dollar amounts are in thousands)

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 2,910	\$ 2,916	\$ (6)	\$ 18,553	15.7%
2021	2,487	2,487	-	17,003	14.6%
2020	2,335	2,335	-	16,297	14.3%
2019	2,106	2,106	-	14,509	14.5%
2018	1,985	1,985	-	13,911	14.3%
2017	1,836	1,836	-	13,436	13.7%
2016	1,729	1,729	-	12,526	13.8%
2015	1,812	1,812	-	12,045	15.0%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF HOPKINTON, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
MASSACHUSETTS TEACHERS RETIREMENT SYSTEM PENSION PLAN

**SCHEDULE OF THE COMMONWEALTH'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**
(dollar amounts are in thousands)

For the Year Ended June 30, *	Commonwealth's Proportion of the MTRS Net Pension Liability	Town's Proportion of the MTRS Net Pension Liability	Commonwealth's Proportionate Share of the MTRS Net Pension Liability On Behalf of the Town	Commonwealth's Actuarially Determined Contribution	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	100%	0%	\$ 94,800	\$ 7,300	62.0%
2021	100%	0%	119,788	6,519	50.7%
2020	100%	0%	105,890	6,063	53.9%
2019	100%	0%	98,705	5,473	54.8%
2018	100%	0%	82,200	4,438	54.3%
2017	100%	0%	106,881	5,376	52.7%
2016	100%	0%	64,175	3,784	55.4%

* Amounts determined for the previous year ended June 30.

Contributions to the MTRS are the responsibility of the Commonwealth of Massachusetts. Accordingly, the Town has not recognized any portion of the net pension liability relative to Town employees covered under the MTRS pension plan.

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF HOPKINTON, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

(dollar amounts are in thousands)

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 1,054	\$ 691	\$ 676	\$ 745	\$ 931
Interest	2,223	1,837	1,723	1,585	1,517
Changes in benefit terms	-	-	(1,591)	-	-
Experience differences	-	1,868	-	1,237	-
Changes in assumptions	417	9,708	-	(3,623)	-
Benefit payments	<u>(1,320)</u>	<u>(1,201)</u>	<u>(1,140)</u>	<u>(1,127)</u>	<u>(928)</u>
Net Change in Total OPEB Liability	<u>2,374</u>	<u>12,903</u>	<u>(332)</u>	<u>(1,183)</u>	<u>1,520</u>
Total OPEB Liability:					
Beginning of year	<u>40,020</u>	<u>27,117</u>	<u>27,449</u>	<u>28,632</u>	<u>27,112</u>
End of year (a)	<u><u>\$ 42,394</u></u>	<u><u>\$ 40,020</u></u>	<u><u>\$ 27,117</u></u>	<u><u>\$ 27,449</u></u>	<u><u>\$ 28,632</u></u>
Plan Fiduciary Net Position:					
Contributions	\$ 1,740	\$ 2,011	\$ 1,541	\$ 1,527	\$ 1,308
Net investment income (loss)	(688)	801	87	135	87
Benefit payments	<u>(1,320)</u>	<u>(1,201)</u>	<u>(1,140)</u>	<u>(1,127)</u>	<u>(928)</u>
Net Change in Plan Fiduciary Net Position	<u>(268)</u>	<u>1,611</u>	<u>488</u>	<u>535</u>	<u>467</u>
Plan Fiduciary Net Position:					
Beginning of year	<u>4,629</u>	<u>3,018</u>	<u>2,530</u>	<u>1,995</u>	<u>1,528</u>
End of year (b)	<u><u>\$ 4,361</u></u>	<u><u>\$ 4,629</u></u>	<u><u>\$ 3,018</u></u>	<u><u>\$ 2,530</u></u>	<u><u>\$ 1,995</u></u>
Net OPEB Liability — End of Year (a) - (b)	<u><u>\$ 38,033</u></u>	<u><u>\$ 35,391</u></u>	<u><u>\$ 24,099</u></u>	<u><u>\$ 24,919</u></u>	<u><u>\$ 26,637</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	10.3%	11.6%	11.1%	9.2%	7.0%
Covered payroll	\$ 51,060	\$ 49,573	\$ 49,840	\$ 48,388	\$ 44,961
Net OPEB Liability as a Percentage of Covered Payroll	74.5%	71.4%	48.4%	51.5%	59.2%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF HOPKINTON, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CONTRIBUTIONS

(dollar amounts are in thousands)

	Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 2,798	\$ 2,326	\$ 2,450	\$ 2,495	\$ 2,599	\$ 2,641
Contributions in relation to the actuarially determined contribution	<u>(1,740)</u>	<u>(2,011)</u>	<u>(1,541)</u>	<u>(1,527)</u>	<u>(1,308)</u>	<u>(2,261)</u>
Contribution deficiency (excess)	<u>\$ 1,058</u>	<u>\$ 315</u>	<u>\$ 909</u>	<u>\$ 968</u>	<u>\$ 1,291</u>	<u>\$ 380</u>
Covered payroll	\$ 51,060	\$ 49,573	\$ 49,840	\$ 48,388	\$ 44,961	\$ 43,652
Contribution as a percentage of covered payroll	3.41%	4.06%	3.09%	3.16%	2.91%	5.18%

Notes to Schedule:

Valuation date	July 1, 2020
Asset valuation method	Market value of the assets as of the reporting date
Actuarial cost method	Individual entry age normal
Inflation	2.50% per annum
Investment rate of return	5.7% net of OPEB Plan investment expenses (previously 6.15%)
Municipal bond rate	4.09% as of June 30, 2022 (previously 2.18%)
Single equivalent discount rate	5.44% per annum, net of OPEB Plan investment expenses (previously 5.5%)
Healthcare cost trend rates	4.5% per annum
Pre-retirement mortality	RP-2014 Mortality Table for Blue Collar Employees (White Collar for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
Post-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants (White Collar for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
Disabled mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants (White Collar for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)

SCHEDULE OF INVESTMENT RETURNS

	Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses	-14.86%	24.46%	3.02%	6.69%	4.75%	N/A

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF HOPKINTON, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Encumbrances	Actual	Positive (Negative) Variance
	Original Budget	Final Budget	Budgetary Amounts		Budgetary Adjusted	
Revenues:						
Property taxes, net of tax refunds	\$ 81,364,793	\$ 81,364,793	\$ 84,510,992		\$ 84,510,992	\$ 3,146,199
Intergovernmental	9,449,169	9,449,169	9,758,203		9,758,203	309,034
Motor vehicle and other excise taxes	2,949,000	2,949,000	3,463,363		3,463,363	514,363
Licenses and permits	45,000	45,000	106,497		106,497	61,497
Penalties and interest on taxes	138,307	138,307	708,638		708,638	570,331
Fines and forfeitures	13,000	13,000	9,895		9,895	(3,105)
Departmental and other revenues	785,000	785,000	1,305,718		1,305,718	520,718
Investment income	95,000	95,000	152,629		152,629	57,629
Total Revenues	94,839,269	94,839,269	100,015,935		100,015,935	5,176,666
Expenditures:						
General government	5,776,605	5,776,605	4,902,180	\$ 223,851	5,126,031	650,574
Public safety	7,418,463	7,418,463	6,852,202	32,499	6,884,701	533,762
Education	55,215,764	55,215,764	54,516,606	693,919	55,210,525	5,239
Public works	7,096,513	7,096,513	6,234,242	748,710	6,982,952	113,561
Health and human services	1,304,017	1,304,017	1,163,084	35,945	1,199,029	104,988
Culture and recreation	891,492	891,492	788,325	371	788,696	102,796
Pension and fringe benefits	13,292,954	13,292,954	11,907,440	15,689	11,923,129	1,369,825
State and county charges	460,515	460,515	479,647	-	479,647	(19,132)
Debt service	7,532,400	7,532,400	6,992,499	-	6,992,499	539,901
Total Expenditures	98,988,723	98,988,723	93,836,225	\$ 1,750,984	95,587,209	3,401,514
Other Financing Sources (Uses):						
Transfers in	1,328,601	1,328,601	1,362,907		1,362,907	34,306
Transfers out	114,486	(2,928,503)	(2,928,503)		(2,928,503)	-
Total Other Financing Sources (Uses)	1,443,087	(1,599,902)	(1,565,596)		(1,565,596)	34,306
(Deficiency) Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses						
	(2,706,367)	(5,749,356)	\$ 4,614,114		\$ 2,863,130	\$ 8,612,486
Other Budgetary Items:						
Prior year encumbrances	1,272,488	1,272,488				
Free cash	1,120,561	4,163,550				
Other items	313,318	313,318				
Total Other Budgetary Items	2,706,367	5,749,356				
Net Budget	\$ -	\$ -				

See notes to required supplementary information.

See accompanying independent auditors' report.

TOWN OF HOPKINTON, MASSACHUSETTS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

An annual budget is legally adopted for the general fund. Financial orders are initiated by department heads, recommended by the Finance Committee and approved by the Town members at the Town’s annual meeting, which generally takes place each May. At the close of each fiscal year, unencumbered appropriation balances lapse or revert to unreserved fund balance. Budgetary control is exercised through the Town’s accounting system.

The Town adopts an annual budget for the general fund in conformity with the guidelines above. The Town’s senior accounting manager is responsible to ensure that budgetary control is maintained in the manner in which the appropriations were voted by Town Meeting. Budgetary control is exercised through the Town’s accounting system.

The Town’s general fund is prepared on a basis other than GAAP. The “actual” results column of the Schedule of Revenues, Expenditures and Changes in Fund Equity – Budgetary Basis is presented on a budgetary basis to provide a meaningful comparison with the budget. A reconciliation is provided below:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues — statutory basis			\$ 100,015,935
On-behalf payments	\$ 7,607,324	\$ -	7,607,324
Revenue recognition	139,178	-	139,178
Stabilization income	-	654,448	654,448
Revenues — GAAP basis	<u>\$ 7,746,502</u>	<u>\$ 654,448</u>	<u>\$ 108,416,885</u>
Expenditures — statutory basis			\$ 93,836,225
On-behalf payments	\$ 7,607,324	\$ -	7,607,324
Transfer treatment - indirect costs	-	(698,596)	(698,596)
Expenditures — GAAP basis	<u>\$ 7,607,324</u>	<u>\$ (698,596)</u>	<u>\$ 100,744,953</u>
Net transfers — statutory basis			\$ (1,565,596)
Stabilization transfers	\$ -	\$ 922,833	922,833
Transfer treatment - indirect costs	-	(698,596)	(698,596)
Net transfers — GAAP basis	<u>\$ -</u>	<u>\$ (698,596)</u>	<u>\$ (1,341,359)</u>



**TOWN OF HOPKINTON
Select Board**

**NOTICE - PUBLIC INFORMATION SESSION
PROPOSED GENERAL BYLAW AMENDMENTS**

The Select Board will hold a public information session on **Tuesday, February 28, 2023 at 7:15 p.m.** on proposed amendments to the General Bylaws which are on the warrant for the 2023 Annual Town Meeting. The meeting will be held in Room 215/216 at the Town Hall, 18 Main St., Hopkinton MA. Remote participation is available via Zoom, with the link on the web meeting calendar listing for the meeting at www.hopkintonma.gov and on the Select Board meeting agenda. The article sponsors are seeking public comments, recommendations and questions on the proposed amendments. Proposed General Bylaw amendments are:

- Housekeeping Amendment - Delete Definition (Ch. 1 Art. V) - With the passage of [chapter 90 of the Acts of 2021](#) by the Massachusetts General Court, the Town Charter has been amended so that the defined "Board of Selectmen" no longer exists in the Home Rule Charter of the Town of Hopkinton. Since the definition is no longer needed, it is proposed to be deleted. (Sponsor: Town Clerk)
- Minutes Bylaw (Ch. 5 Art VIII) - The Attorney General's office (AGO) did not have guidance on what constituted a "timely manner" in the approval process of meeting minutes until about a year after the adoption of the Town's Minutes bylaw in 2017. AGO guidance now specifies approval of meeting minutes within 30 days of the meeting or at a board's next meeting, whichever is later. The proposed bylaw change from 40 days to 30 days ensures that the Town's definition aligns with the opinion of the AGO regarding the interpretation of the open meeting law. A second proposed amendment would change "boards, committees, or commissions" to "public bodies" to ensure the Town's language is consistent with the Open Meeting Law. (Sponsor: Town Clerk)
- Amendments to the Leash Law (Ch. 62 Art. III) - The current bylaw requires dogs to be leashed when off their own property between the hours of 7:00 a.m. and 8:00 p.m. The proposed changes include removing the hour limitation so that dogs must be leashed all the time, with an exemption for guide, hunting and therapy dogs, and dogs used in law enforcement. Also proposed is an increase in fees and fines. (Sponsor: Select Board)
- New Short Term Rental Bylaw - The new bylaw would adopt annual licensing requirements for short term rentals of residential property. It would include provisions including requiring sufficient parking, regular trash removal and property maintenance, and compliance with health and safety codes. The bylaw would permit such rentals for a minimum of 2 and a maximum of 30 days; short term rental of less than 2 days would not be permitted. The bylaw would also include penalties for violation, which could include revocation of the license. (Sponsor - Select Board)
- Gun Club Indoor Shooting Requirement - The proposed General Bylaw seeks to limit shooting at gun clubs to indoors so as to reduce noise pollution. (Sponsor: Citizens Petition)

The full text of the amendments are available in the “General Bylaw Amendments - Public Information Session Feb. 28, 2023” document on the Town website: [2023 Town Meeting & FY2024 Budget Documents](#)

Written comments and questions for the proponents of the proposed Bylaw changes may be submitted by February 22, 2023 to Elaine Lazarus at elainel@hopkintonma.gov.

PROPOSED GENERAL BYLAW AMENDMENTS – Feb. 22, 2023

ARTICLE: Housekeeping - Delete Definition; Sponsor: Town Clerk

To see if the Town will vote to amend Chapter 1 of the General Bylaws of the Town of Hopkinton by striking “Article V Definitions” in its entirety and changing Article VI, Administration of Fines for Certain Violations, to Article V accordingly.

Pass any vote or take any other act relative thereto

ARTICLE: Amend Meeting Minutes Bylaw: Sponsor: Town Clerk

To see if the Town will vote to amend Section 5-29 “Meeting Minutes,” subsection A, of the General Bylaws of the Town of Hopkinton by striking “boards, committees, and commissions” and in its place insert the phrase “multi-member public bodies” and to also strike the phrase “forty (40) calendar days” of said section and inserting in its place “thirty (30) days” so that the amended c.5 §29.A will read as follows:

“Approval of Minutes. All multi-member public bodies of the Town shall approve the minutes of their open session or executive session meetings within thirty (30) days of the meeting, or at its next meeting, whichever is later.”

Pass any vote or take any act relative thereto.

ARTICLE: Amend Leash Law: Sponsor: Select Board

To see if the Town will vote to amend Article III, Leashing of Dogs, in Chapter 62, Animals, of the General Bylaws as follows:

1. By deleting Section 62-3 “Leashing and curbing required certain hours; exception” in its entirety and inserting in its place, a new Section 62-3 “Leashing and curbing required; exceptions” to read as follows:

No person who owns or keeps a dog or dogs shall allow the same to run free unless said dog is on the owner's or keeper's premises. Any dog not on the premises of its owner or keeper shall be leashed and curbed, provided that the said leashing or curbing shall not apply to hunting, guide and therapy dogs under direct command of its owner or keeper, or to dogs used in law enforcement.

2. By deleting items B and C in Section 62-4, Violations and penalties, and inserting in its place new items B and C as follows:

B. Second offense: \$50

C. Third and all subsequent offenses: \$100

3. By deleting "\$15" in Section 62-5, Redemption fee, and inserting in its place "\$25".

Pass any vote or take any act relative thereto.

ARTICLE: Short Term Rental Bylaw: Sponsor: Select Board

To see if the Town will vote to amend the General Bylaws of the Town of Hopkinton by adopting a new Chapter 164, Short Term Rental of Residential Property, as follows:

CHAPTER 164

Short Term Rental of Residential Property

§164-1 Purpose

The purpose of this Chapter is to establish regulations and a licensing process for administration and enforcement of the short term rental of residential property in the Town of Hopkinton. The regulations and the licensing process are designed to protect the health, safety and welfare of the short term tenants, the property owner, the residents of the surrounding neighborhood and the general public, and to ensure compliance with applicable Massachusetts General Law.

§164-2 Applicability

The rental of residential property to short term paying guests shall be allowed only in properties whose owners have obtained a license from the Select Board in accordance with the requirements of this Bylaw.

§164-3 Definitions

SHORT TERM RENTAL - An owner-occupied, tenant-occupied or non-owner occupied property including, but not limited to, a dwelling unit, single-family dwelling unit, condominium, apartment, multi-family dwelling, or a furnished accommodation that is not a hotel, inn, bed and breakfast establishment, lodging house, continuing care retirement facility/assisted living facility/nursing home facility or similar facility, where: 1) at least one room or unit is rented to an occupant or sub-occupant; and 2) all accommodations are reserved in advance; provided, however, that a private owner-occupied property shall be considered a single unit if leased and rented as such. Short term rentals are rentals of 30 consecutive days or less duration.

§164-4 General Requirements

The following requirements shall apply to all short term rentals:

- A. A short term rental license shall not be issued for any residential property with outstanding violations or noncompliance with the Building Code, Fire Code, and Board of Health regulations.
- B. A short term rental is required to have a manager or responsible party who will respond within 2 hours to any problem or complaint and within 30 minutes in an emergency.
- C. The number of off-street parking spaces on the property shall be sufficient to accommodate all guest occupant vehicles for overnight parking.
- D. Maximum occupancy is limited to two people per bedroom.
- E. No commercial trash receptacle such as a dumpster may be maintained on the property to be used for regular trash disposal. Trash removal shall be by regular residential trash removal services, and shall be collected weekly at a minimum.
- F. Short term rentals shall be subject to inspection by the Board of Health, Fire Department and the Director of Municipal Inspections, to establish compliance with the provisions of this Chapter and the Select Board's adopted regulations, and to determine compliance with license requirements.
- G. A short term rental license does not run with the property, and shall be terminated upon sale or transfer of the property for which the license has been issued, or if the person to whom the license is issued is no longer in control of the property; provided, however, that the Select Board may allow the transfer of a license at its sole discretion.
- H. Short term rental licenses shall not be issued for any dwelling unit which is subject to zoning restrictions that prohibit short term rental use.
- I. Short term rental licenses shall only permit rentals for a minimum of 2 and a maximum of 30 days. Short term rental for less than 2 days is not permitted.
- J. Holders of short term rental licenses shall maintain the structure and property exterior in good condition, including the upkeep of lawns, shrubbery and other landscape features.

§164-5 License

A property owner who wishes to obtain a license for short term rental accommodations shall apply annually for a license from the Select Board. The Select Board shall adopt regulations and an application form and procedures for the licensing process, which may include a fee schedule and a complaint process, in furtherance of the implementation of this Bylaw. All licenses will expire on June 30 of each year.

§164-6 Violations and Penalties

- A. Failure to comply with the requirements of this Bylaw, the Regulations adopted by the Select Board or the conditions of a license issued by the Select Board shall be subject to the following penalties:

First Violation: \$150

Second violation: \$250

Third and subsequent violations: \$350

Each day that such violation continues shall be deemed to be a separate violation and be subject to the above penalty.

- B. If a determination has been made that a short term rental is not in compliance with an issued license, the Select Board may suspend a license until compliance has been achieved, or revoke the license.
- C. Any person or entity maintaining short term rental accommodations without a license shall be punished by a fine of \$500. Each day that such violation continues shall be deemed to be a separate violation and be subject to the penalty.
- D. In lieu of the penalties set forth in this section, violations may be addressed in accordance with the provisions of M.G.L. c. 40, § 21D, and Ch. 1, Art. II, Noncriminal Disposition, of the General Bylaws of the Town of Hopkinton.

Pass any vote or take any action related thereto.

ARTICLE: Gun Club Indoor Shooting: Sponsor: Citizens Petition

To see if the Town will vote to amend the General Bylaws of the Town of Hopkinton as follows:

Protect “we the people, babies, animals & birds”, from noise pollution. Gun clubs, should practice firing gun shorts indoor and stop noise pollution and make the Town of Hopkinton, enjoyable to every citizen, babies, animals & birds.

Pass any vote or take any action relative thereto.

Draft Short Term Rental Bylaw – Town Counsel Review Comments – Feb. 15, 2023

ARTICLE: Short Term Rental Bylaw: Sponsor: Select Board

To see if the Town will vote to amend the General Bylaws of the Town of Hopkinton by adopting a new Chapter 164, Short Term Rental of Residential Property, as follows:

CHAPTER 164

Short-Term Rental of Residential Property

§164-1 Purpose

The purpose of this Chapter is to establish regulations and a licensing process for the administration and enforcement of the ~~short term~~short-term rental of residential property in the Town of Hopkinton. The regulations and the licensing process are designed to protect the health, safety, and welfare of the ~~short term~~short-term tenants, the property owner, the residents of the surrounding neighborhood, and the ~~general public~~public, and to ensure compliance with applicable Massachusetts General Laws and regulations.

§164-2 Applicability

The rental of residential property to ~~short term~~short-term paying guests shall be allowed only in ~~properties whose owners have obtained a license from the Select Board in~~ accordance with the requirements of this Bylaw.

§164-3 Definitions

DWELLING UNIT – An owner-occupied, tenant-occupied or non-owner-occupied residential property including, but not limited to, a dwelling unit, single-family dwelling unit, condominium, apartment, multi-family dwelling, or a furnished accommodation that is not a: hotel; inn; bed and breakfast establishment; lodging house; or continuing care retirement facility, assisted living facility, nursing home facility, or similar facility.

LICENSE – A license issued by the Select Board for operation of a Short-Term Rental Unit.

OPERATOR – Any person or entity operating a Short-Term Rental Unit. An Operator may be the owner of a Short-Term Rental Unit, or a lessee of a Short-Term Rental Unit with express written permission from the unit's lessor.

SHORT-TERM RENTAL UNIT – An owner-occupied, tenant-occupied or non-owner-occupied property including, but not limited to, a dwelling unit, single family dwelling unit, condominium, apartment, multi-family dwelling, or a furnished accommodation that is not a hotel, inn, bed and breakfast establishment, lodging house, continuing care retirement

~~facility/assisted living facility/nursing home facility or similar facility, Any Dwelling Unit where:~~
~~1) at least one room or unit is rented to an occupant or sub-occupant; and 2) all accommodations are reserved in advance; provided, however, that a private owner-occupied property shall be considered a single unit if leased and rented as such. Short term rentals are rentals of 30 consecutive days or less duration.~~

§164-4 General Requirements

The following requirements shall apply to all short term rentals:

A. No property other than a Dwelling Unit may be operated as a Short-Term Rental Unit.

B. No non-residential property may be operated as a Short-Term Rental Unit.

C. No Dwelling Unit may be operated as a Short-Term Rental Unit without a License.

D. ~~Notwithstanding the issuance of a License,~~ no Dwelling Unit may be used as a Short-Term Rental Unit except in compliance with these General Requirements.

E. No Dwelling Unit shall be operated as Short-Term Rental Unit if it is designated as affordable or otherwise income-restricted, which are subject to affordability covenants or are otherwise subject to housing or rental assistance under local, state, or federal programs or law.

F. No Dwelling Unit shall be operated as Short-Term Rental Unit if it is in violation or noncompliance with any provisions of the ~~A short term rental license shall not be issued for any residential property with outstanding violations or noncompliance with the~~ Building Code, Fire Code, and Board of Health regulations.

~~A-G.~~ No Dwelling Unit shall be operated as Short-Term Rental Unit if the Operator, or owner of the property if different from the Operator, is in arrears for payment of the unit's Town taxes, water, or sewage charges.

H. No Dwelling Unit shall be operated as Short-Term Rental Unit unless the number of off-street parking spaces for the property on which the unit is located is sufficient to accommodate all guest occupants.

I. No Dwelling Unit shall be operated as Short-Term Rental Unit if said unit is subject to zoning or other restrictions that prohibit short-term rental use.

~~B-J.~~ Operators shall designate for each Short-Term Rental Unit a person to be the manager of said unit. Managers shall ~~A short term rental is required to have a manager or responsible party who will~~ respond within 2 hours to any problem or complaint and within 30 minutes in an emergency.

~~C.~~ The number of off-street parking spaces on the property shall be sufficient to accommodate all guest occupant vehicles for overnight parking.

Commented [BB1]: I added some additional, suggested provisions. Please feel free to keep or delete.

Commented [BB2]: I redrafted this so that even if a License is issued, when one of these conditions occurs, use as a short-term rental must cease until the condition is appropriately addressed.

For example, if an annual License is issued and six months in there is a sanitary code violation, continued rental would violate the Bylaw until the violation was addressed, even though 6 months would still remain on the License.

Commented [BB3]: I added a few other conditions you may want to tack on to the privilege of operating a short-term rental unit.

~~D.K.~~ The ~~M~~maximum occupancy of any short-term rental unit shall be ~~is~~ limited to two people per bedroom.

~~E.L.~~ No commercial trash receptacle, including but not limited to ~~such as~~ a dumpster, may be maintained on the property on which a Short-Term Rental Unit is located for use by the Short-Term Rental Unit ~~to be used for~~ occupants ~~of~~ regular trash disposal. All ~~T~~trash removal for occupants of a Short-Term Rental Unit shall be by regular residential trash removal services, and shall be collected weekly, ~~at~~ a minimum.

~~M.~~ Short-Term Rental Units ~~Short term rentals~~ shall be subject to inspection by the Board of Health, Fire Department and the Director of Municipal Inspections, ~~to establish compliance with the provisions of this Chapter and the Select Board's adopted regulations, and to determine compliance with license requirements.~~

~~F.N.~~ All Operators shall maintain an up-to-date log of all occupants that occupy any Short-Term Rental Unit. Said log shall contain all occupants' names, ages, and dates of commencement and expiration of each short-term rental period. The log shall be available for inspection by the Board of Health, Fire Department, and the Director of Municipal Inspections.

~~G.O.~~ A short term rental license ~~All Licenses shall be issued to Operators and shall not does not~~ run with the Short-Term Rental Unit or the property on which the unit is located. All Licenses shall terminate immediately, ~~and shall be terminated upon any sale or transfer of ownership of the Short-Term Rental Unit or property on which the Short-Term Rental Unit is located. All Licenses shall terminate for which the license has been issued, or~~ if the ~~person~~ Operator to whom the license is issued transfers or is no longer in control of the ~~said Short-Term Rental Unit or property on which the Short-Term Rental Unit is located~~; provided, however, that the Select Board may allow the transfer of a license at its sole discretion.

~~H.~~ Short term rental licenses shall not be issued for any dwelling unit which is subject to zoning restrictions that prohibit short term rental use.

~~I.P.~~ Short-Term Rental Unit ~~Short term rental~~ may only be rented for a minimum of 2 consecutive days and a maximum of 30 consecutive days. No Operator may rent a Short-Term Rental Unit to the same person for more than 30 consecutive days in any 6-month period. Rental durations outside of these minimum and maximum time periods are prohibited. licenses shall only permit rentals for a minimum of 2 and a maximum of 30 days. Short term rental for less than 2 days is not permitted.

~~Q.~~ Holders of short term rental licenses ~~Operators~~ shall maintain the structure and property exterior in good condition, including the upkeep of lawns, shrubbery, and other landscape features.

~~R.~~ Operators shall furnish each short-term rental occupant with a community information card containing, at a minimum, (i) emergency telephone numbers for the Hopkinton

Commented [BB4]: Meant to prevent the loophole of two separate 30 day rentals back to back or separated by 1 day, etc.

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Police Department, Fire Department, and manager designated by the Operator, (ii) a description of the regulations, if any, relative to on-street parking at the address and fines for parking violations, (iii) a description of the Town's trash and recycling requirements, including the date of trash and recycling collection at the address, and (iv) a copy of the Town's noise bylaw.

S. Operators shall post a sign on the inside of the Short-Term Rental Unit providing information on the location of all fire extinguishers in the unit, and, if applicable, the location of all fire exits and pull fire alarms in the dwelling.

J.T. Operators shall retain and make available to the Town, upon written request, records to demonstrate compliance with this Section. The Operator shall retain such records for as long as a Dwelling Unit is offered as a Short-Term Rental Unit.

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§164-5 License

~~A property owner who wishes to obtain a license for short term rental accommodations shall apply annually for a license from the Select Board~~Operators shall apply annually to the Select Board for a License for all Short-Term Rental Units. All Licenses will expire on June 30 of each year~~The Select Board shall may adopt regulations, and an application form, and or other procedures for the licensing process governing the issuance and regulation of Licenses and Operators. Short-Term Rental Units shall be annually recorded in a Short-Term Rental Registry for a fee or fees set by the Select Board, which may include a fee schedule and a complaint process, in furtherance of the implementation of this Bylaw. All licenses will expire on June 30 of each year.~~

§164-6 Violations and Penalties

A. Failure to comply with the requirements of this Bylaw, ~~the R~~regulations adopted by the Select Board, or the conditions of a license~~License, or an order issued by the Board of Health, Fire Department, or Director of Municipal Inspections, issued by the Select Board~~s shall be subject to the following penalties:

First Violation: \$150

Second violation: \$250

Third and subsequent violations: \$350

Each day that such violation continues shall be deemed to be a separate violation and be subject to the above penalty. The

B. ~~If a determination has been made that a short term rental is not in compliance with an issued license, the Select Board may suspend a license until compliance has been achieved, or revoke the license. The Select Board may suspend or revoke any License for failure to comply with the requirements of this Bylaw, regulations adopted by the Select~~

Board, conditions of a License, or an order issued by the Board of Health, Fire Department, or Director of Municipal Inspections.

- C. Any person or entity maintaining Short-Term Rental Unit ~~short term rental accommodations~~ without a ~~license~~ License shall be punished by a fine of \$500. Each day that such violation continues shall be deemed to be a separate violation and be subject to the penalty.
- D. In lieu of the penalties set forth in this section, violations may be addressed in accordance with the provisions of M.G.L. c. 40, § 21D, and Ch. 1, Art. II, Noncriminal Disposition, of the General Bylaws of the Town of Hopkinton.

Pass any vote or take any action related thereto.

2023 Annual Town Meeting & FY 24 Budget Timeline

Please note that some of the dates provided below are an estimation and may change. Please call the Town Manager’s office at 508-497-9701 with questions.

Any updates will be made to this document. For your convenience, references to relevant state laws, local bylaws, Town Charter and policies are also included.

September 29, 2022	Town Manager gains consensus on budget timeline and budget message with Select Board, Appropriation Committee and School Committee. (Charter § 7-2(a)) Town Manager issues Budget Schedule.
September 30, 2022	CFO distributes budget materials.
October 1, 2022	<i>Deadline for establishing and issuing budget schedule (Charter § 7-2(a))</i>
October 13, 2022	Deadline to submit CPC applications
November 1, 2022	Municipal Services budgets due to Town Manager.
November 1, 2022	Select Board discusses its potential articles, including any General Bylaw changes
November 14, 2022	Town Manager CIP review.
November 14, 2022	CPC capital requests due to CIC
November 14, 2022	Long Term capital plans due to CIC.
November 15, 2022	Select Board Budget Listening Session
December 1, 2022	<i>Town officials and multiple member bodies may submit draft warrant articles to Town Counsel for review and comment (S.B. policy).</i>
December 6, 2022	Select Board discusses its own potential articles, including any General Bylaw changes.
December 8, 2022	Select Board, School Committee, Appropriation Committee Joint Meeting - Budget Update
December 15, 2022	School Superintendent presents budget

December 19, 2022	Town Manager completes Municipal Services budget review.
December 20, 2022	CIC & CPC complete capital hearings and submit to Town Manager.
December 20, 2022	<i>Select Board vote to open the ATM warrant on January 1, 2023 (or before). (120 days before ATM)</i> Select Board discusses its own potential articles, including any General Bylaw changes.
January 1, 2023	ATM Warrant opens. Submission of proposed warrant articles begins.
January 5, 2023	School Superintendent presents budget to School Committee
January 10, 2023	Select Board discusses its own potential ATM articles.
January 12, 2023	School Committee Public Hearing/Board Discussion, with Select Board and Appropriation Committee
January 19, 2023	School Committee Votes FY 23 Budget
January 24, 2023	Select Board review its own ATM articles; vote to submit own articles into warrant.
January 24, 2023	<i>Town Manager submits a consolidated budget to the Select Board.</i>
January 31, 2023	<i>ATM Warrant closes (90 days before ATM, Charter § 2-3).</i> <ul style="list-style-type: none"> ● All petitions for warrant articles submitted to Town Clerk for signature confirmation. ● Town Manager refers all appropriation articles to Appropriation Committee. ● Select Board refers voter petitions to Board of Registrars (MGL c.39 § 10). ● Select Board refers all zoning articles to Planning Bd. within 14 days of submission (MGL c.40A § 5).
January 31, 2023	Select Board conducts budget and capital hearings. Select Board reviews language of its own ATM articles.
February, 2023	Planning Board public hearing on zoning articles (date scheduled by Planning Board, Zoning Bylaw §210-153; MGL

	c.40A §5.
February 7, 2023	Draft ATM Warrant to Town Counsel
<i>Feb.20 - 24 School Vacation</i>	
February 7, 14, 28, 2023	Select Board budget and capital hearings. Select Board finalize language of its own ATM articles.
March, 2023	Public Forum - General Bylaw articles submitted into Warrant, hosted by those proposing the General Bylaw articles. (optional)
March 14, 2023	Select Board budget and capital hearings. Select Board finalize language of its own ATM articles.
March 14, 2023	<i>Select Board adopts budget and capital and submits to Appropriation Committee.</i>
March 14, 2023	Draft ATM Warrant to Select Board for review. Working session with Department Heads - Non-financial Warrant articles, as needed. Select Board take positions on Warrant articles
March 27, 2023	Last day to file nomination papers for town election (MGL c.53 § 7, 49 days prior to election).
March 28, 2023	Select Board Review ATM Warrant Select Board take positions on Warrant articles
April 4, 2023	Select Board review ATM Warrant. Select Board take positions on Warrant articles. Select Board finalize ballot questions. Select Board review draft Motions.
April 6, 2023	<i>Appropriation Committee holds hearing and votes on budget and delivers required report by April 17. (At least 14 days before ATM, Charter § 7-2(b))</i>

April 7, 2023	Warrant and Motions Document completed.
April 10, 2023	Deadline for submission of powerpoint presentations for ATM. Send to Moderator for approval.
April 10, 2023	<i>Deadline for final written notice of any ballot questions to be submitted to the Town Clerk (35 days before annual town election, MGL c.54 § 42C).</i>
April 11, 2023	Select Board review draft Motions. Select Board take positions on Warrant articles. Select Board sign ATM Warrant. Select Board discuss its town meeting presentations.
April 11, 2023	<i>Last day to register to vote for the Annual Town Meeting and Annual Town Election (20 days before Town Meeting/Election M.G.L. c. 51 § 1F).</i>
April 12, 2023	Moderator's Meeting: Review of final motions and meeting process with Town Counsel, SB Chair, Moderator, Appropriation Committee Chair, Town Manager, Principal Planner/Planning Board Chair, School Committee Chair, School Superintendent, Finance Director, Town Clerk, Asst. Town Manager, Deputy Moderator.
<i>School Vacation April 17 - 21</i>	
April 17, 2023	Appropriation Committee Report Due <i>(At least 14 days before ATM, Charter § 7-2(b))</i>
April 17, 2023	<i>Town Report, Q&As and other documents made available (Annual Town Report 14 days before ATM, Charter § 3-1(f)).</i>
April 17, 2023	<i>All Town Meeting Reports/handouts Are Published and Available to the Public</i>
April 18, 2023	Select Board review and assign town meeting duties/presentations.
April 21, 2023	<i>Combined Election and Warrant posted at least 8 days before ATM (Bylaws § 47-1; MGL c.39 §§ 9A, 10).</i>
May 1, 2023	Annual Town Meeting <i>(First Monday in May, Bylaws § 47-2)</i>

May 15, 2023

Annual Town Election (*3rd Monday in May, Bylaws § 47-2*)

FY 2024 Comprehensive Budget Proposal

https://drive.google.com/drive/folders/199yLLtzzWFEIE48nmyfa_7FWAa9SDm0M?usp=sharing

FY24 Budget Questions for Select Board Consideration
Feb. 28, 2023 Select Board Meeting

- 1) Pages 1 and 2 of the Comprehensive Budget Message identified several departments that have submitted over-target budget requests, including the Hopkinton Public Schools. The Select Board has heard from departments on these requests and – to move forward with the process – it would be helpful to know if the Select Board supports the over-target requests; or whether the Select Board will direct some specific reductions in over-target requests.
- 2) The Comprehensive Budget Message recommends several actions that support Town Financial Policies, including:
 - increased contributions to the OPEB account;
 - funding to raise stabilization balances to adjust for growth in the overall budget growth;
 - and, payment for all recurring expenses with recurring revenue sources.It would be helpful to know if the Select Board is committed to retaining this focus on compliance with financial policies, or if the Select Board supports backing off on some of these actions to balance the budget.
- 3) The Town has increased public engagement in the budget process in this cycle through a number of public listening sessions. The Select Board may want to consider additional public outreach, now that reviews of Departmental requests have been held.
- 4) The budget process has included a clear focus on the bow wave of capital requests that can only be achieved as debt exclusions under Proposition 2 ½ — And, there has been extensive discussion of the tax impact those pending requests could have above and beyond the tax levy limit. Considering the future tax impact issue, it would be helpful to know if the Select Board plans to support all five requests for capital borrowing shown in Enclosure (5) of the Budget Transmittal; or whether the Select Board supports deferring some or all of those proposals to manage the multi-year tax impact.
- 5) Considering the four preceding questions and the tax impact issues discussed, is the Select Board comfortable with a combined tax impact of 2.9% for spending within the tax levy and all five proposed capital projects this year?
- 6) There has been reasonable concern expressed about the multi-year tax impact of the large bow wave of capital projects, the MWRA connection, and the prospect of future operating requests like this year's; that are far over target. Is there specific information the Select Board needs to evaluate this year's budget regarding that longer-term challenge?



Boston Athletic Association

185 DARTMOUTH STREET, 6TH FLOOR, BOSTON, MASSACHUSETTS 02116
617.236.1652 www.baa.org

January 5, 2023

Amy Ritterbusch, Chair
Select Board
18 Main Street
Hopkinton, MA 01748

RE: 127th Boston Marathon Parade Permit – Monday, April 17, 2023

Chair Ritterbusch and Select Board Members:

The 127th Boston Marathon is scheduled for Monday, April 17th, 2023. The Boston Athletic Association requests that the Town of Hopkinton issue a parade permit to conduct our annual event.

The field size of 30,000 runners remains consistent as previous years, with 4 waves of 7,500 departing every 25 minutes beginning at 10:00AM. Earlier starts for other groups are expected to begin as early as 9:00AM, as attached. The B.A.A. plans to work within the same footprint used in the past, not impacting additional roadways. The race operations team is reviewing these and other items while coordinating with town, state police, and others as required.

The B.A.A. requests that Hopkinton's authorization includes permission to control and utilize the roadway, adjacent sidewalks, and other appropriate areas, as determined in our planning sessions, to conduct the race in a safe and controlled manner. This includes permission to deliver and install course signage, hydration stations, portable toilets, medical stations, timing mats, mile markers, and other equipment as outlined in the included attachments. The Town of Hopkinton is named as additionally insured on our liability insurance policy and a certificate of insurance is included here.

The Boston Athletic Association looks forward to working with Hopkinton to conduct a safe and successful race on Patriots' Day for the athletes, volunteers, and spectators looking to take part in the 127th Boston Marathon.

Sincerely,

The Boston Athletic Association



Boston Athletic Association

185 DARTMOUTH STREET, 6TH FLOOR, BOSTON, MASSACHUSETTS 02116
617.236.1652 www.baa.org

Monday, April 17th, 2022 – Patriots' Day

Start Times

- 6:00 AM – Military Marchers
- 9:02 AM – Men's Wheelchair
- 9:05 AM – Women's Wheelchair
- 9:30 AM - Handcycles and Duos
- 9:37 AM – Professional Men
- 9:45 AM – Professional Women
- 9:50 AM – Para Athletics Division
- 10:00 AM – Wave 1
- 10:25 AM – Wave 2
- 10:50 AM – Wave 3
- 11:15 AM – Wave 4



**TOWN OF HOPKINTON
SELECT BOARD**

18 Main Street, Hopkinton, MA 01748
508-497-9700 www.hopkintonma.gov

PARADE PERMIT APPLICATION

Date: _____

Applicant Name: _____

Applicant Address: _____

Telephone Number: _____ Email: _____

Applicant: Private/Individual Business Non-Profit
 Town Dept./Board/Committee

Date of Event: _____ Rain Date: _____ Time: _____

Road Closures: _____

Please provide a description/purpose of the event in the space below. (Attach a separate visual or map of the complete route of the event)

Route Starting Point: _____ Ending Point: _____

Expected Number of Participants: _____

Person Responsible for Control of Litter: _____ Phone: _____

On-Site Person Responsible (Day of Event): _____ Phone: _____

ADDITIONAL REQUIREMENTS:

1. A Certificate of Insurance must be provided with this application, naming the Town of Hopkinton as an additional insured for at least \$1 million dollars in the case of accident.
2. Map, plan, or specific written description of the route of the proposed event.
3. Safety Plan
4. Litter Control Plan

The undersigned Applicant agrees that the Applicant and parade participants will conform to applicable laws, bylaws and regulations, as well as special requirements that may be made a condition of the granting of a Parade Permit pursuant to this application.

I/we agree to hold the Town of Hopkinton harmless from any and all liability and will defend the Town of Hopkinton in connection therewith.

Will Pollard

Signature of Applicant

Date

Revised 10/5/2021



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 07/19/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Towers Watson Northeast, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">CONTACT NAME: Willis Towers Watson Certificate Center</td> </tr> <tr> <td>PHONE (A/C. No. Ext): 1-877-945-7378</td> <td>FAX (A/C. No.): 1-888-467-2378</td> </tr> <tr> <td colspan="2">E-MAIL ADDRESS: certificates@willis.com</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: National Casualty Company</td> <td style="text-align: center;">11991</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	CONTACT NAME: Willis Towers Watson Certificate Center		PHONE (A/C. No. Ext): 1-877-945-7378	FAX (A/C. No.): 1-888-467-2378	E-MAIL ADDRESS: certificates@willis.com		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: National Casualty Company	11991	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER D:																					
INSURER E:																					
INSURER F:																					
INSURED Boston Athletic Association 185 Dartmouth Street, 6th Floor Boston, MA 02116																					

COVERAGES **CERTIFICATE NUMBER: W25448888** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR VVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	Y		6L-KKO-0000092273-00	06/30/2022	06/30/2023	EACH OCCURRENCE \$ 2,000,000
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000						
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 2,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	Y		6L-XKO-0000092275-00	06/30/2022	06/30/2023	EACH OCCURRENCE \$ 5,000,000
	AGGREGATE \$ 5,000,000						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N		N / A			E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Certificate Holder is Additional Insured as respects the B.A.A. Boston Marathon and related events. Aggregate limits of liability apply on a per location basis on the General Liability policy evidenced above. Coverage is Primary and Non-contributory, Umbrella/Excess Follows Form.

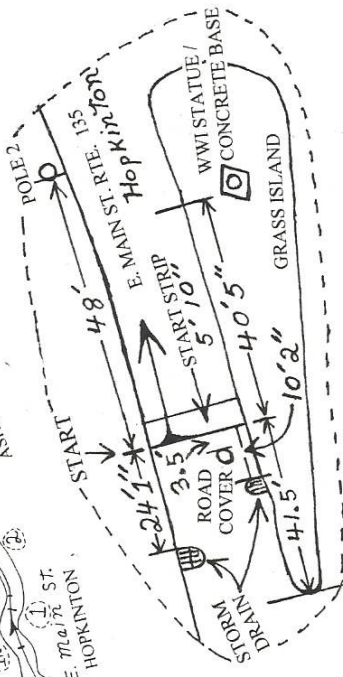
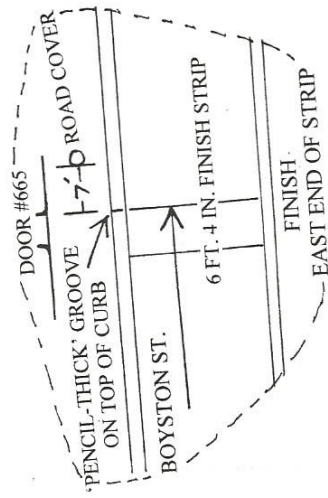
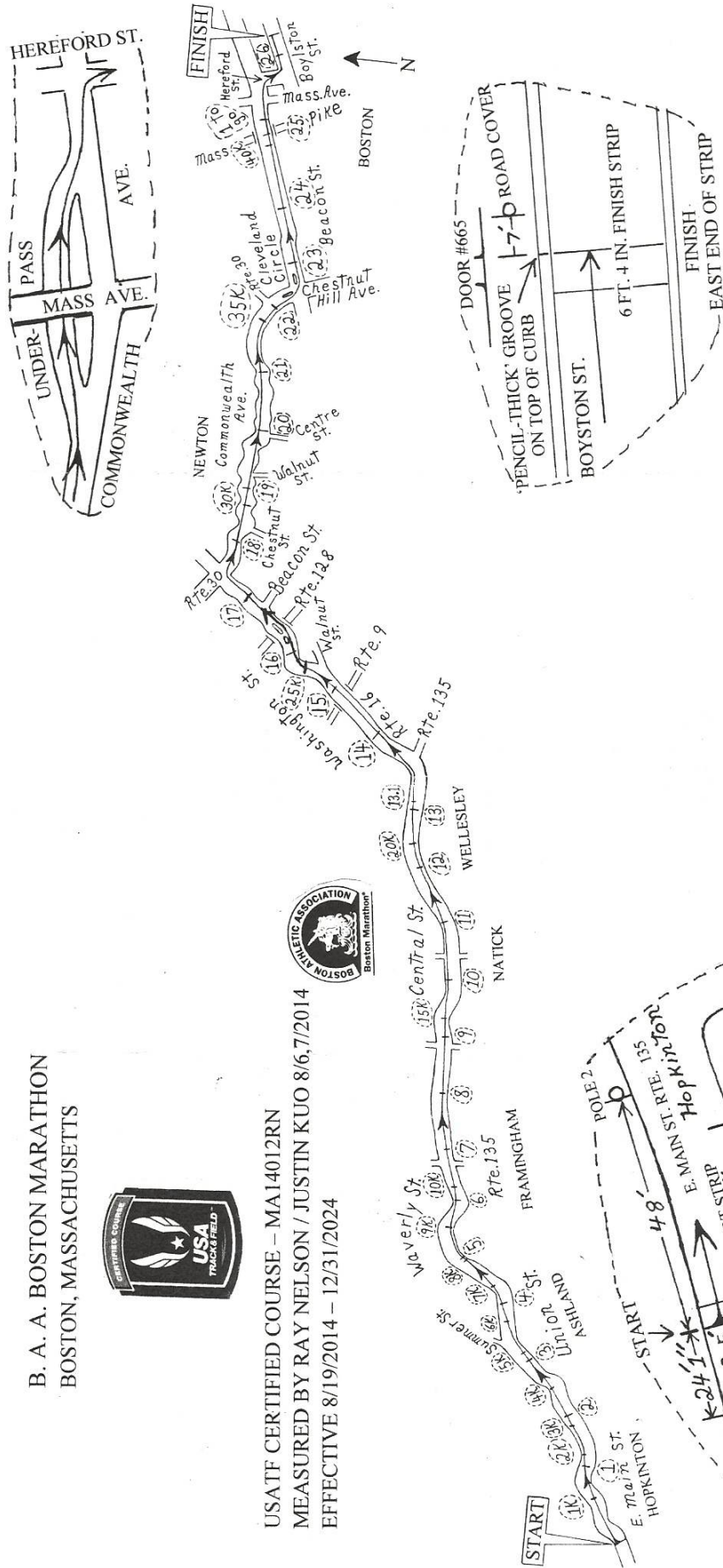
CERTIFICATE HOLDER **CANCELLATION**

Town of Hopkinton Board of Selectmen 18 Main Street Hopkinton, MA 01748	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	---

B. A. BOSTON MARATHON
 BOSTON, MASSACHUSETTS



USATF CERTIFIED COURSE - MA14012RN
 MEASURED BY RAY NELSON / JUSTIN KUO 8/6,7/2014
 EFFECTIVE 8/19/2014 - 12/31/2024



Permitting Team Comments
Parade Permit- 127th Boston Marathon
SB Meeting- 02/28/2023

January 18, 2023

The DPW's only comment is that we request to be reimbursed for our overtime costs associated with the Marathon as has been past practice.

John K. Westerling
Director of Public Works, Hopkinton DPW

January 18, 2023

The FD has no comment at this time.

Chief Miller
Hopkinton Fire Department.

February 16, 2023

The PD works very closely with the BAA to meet our logistics and security concerns. We have no further comments at this time.

Chief Bennett
Hopkinton Police Department

February 21, 2023

No comments.

Dave Daltorio
Town Engineer



Vasudha Dutta <vdutta@hopkintonma.gov>

Boston Marathon Select Board Meeting Materials

1 message

Lauren Proshan <lproshan@baa.org>
To: Vasudha Dutta <vdutta@hopkintonma.gov>

Fri, Feb 24, 2023 at 11:49 AM

Hopkinton Select Board

Dear Members of the Hopkinton Select Board,

I am pleased to present to you the redesigned Boston Marathon Start Line on behalf of the Boston Athletic Association. We have collaborated with Hopkinton Town Manager, Hopkinton Marathon Committee (HMC), Hopkinton Police Department, Hopkinton Fire Department, and Hopkinton Department of Public Works in creating the enclosed drawings.

The design highlights the following features:

- A refreshed “look-and-feel” that showcases the Town of Hopkinton.
- A design that is in harmony with the Boston Marathon Finish Line and consistent with the overall event brand.
- A capacity of 200+ people, a combination of seated and standing positions
- Unobstructed sightlines for those in the stands
- ADA access to the start line spectating area
- Coverage for announcers and official starters
- Use of Hopkinton bleacher systems previously introduced by the HMC.
- A public viewing area for 800 people on Hopkinton Common inclusive of designated area for approximately five vendors
- An equitable experience for all professional Athletes in the various divisions
- An area that conceals operational functions for the most favorable reflection of event production
- Improved locations for [new] broadcast partners to highlight the Town of Hopkinton in the broadcast.

We are delighted to present this design in conjunction with the Hopkinton Marathon Committee at the Select Board meeting on February 28, 2023.

Sincerely,

Lauren Tallon Proshan
Chief of Race Operations and Production

Boston Athletic Association
[185 Dartmouth Street, 6th Floor](#)
Boston MA 02116

(c) 413-575-8706

www.baa.org

Lauren Tallon Proshan
Chief of Race Operations and Production

Boston Athletic Association
[185 Dartmouth Street, 6th Floor](#)
Boston MA 02116

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2 attachments

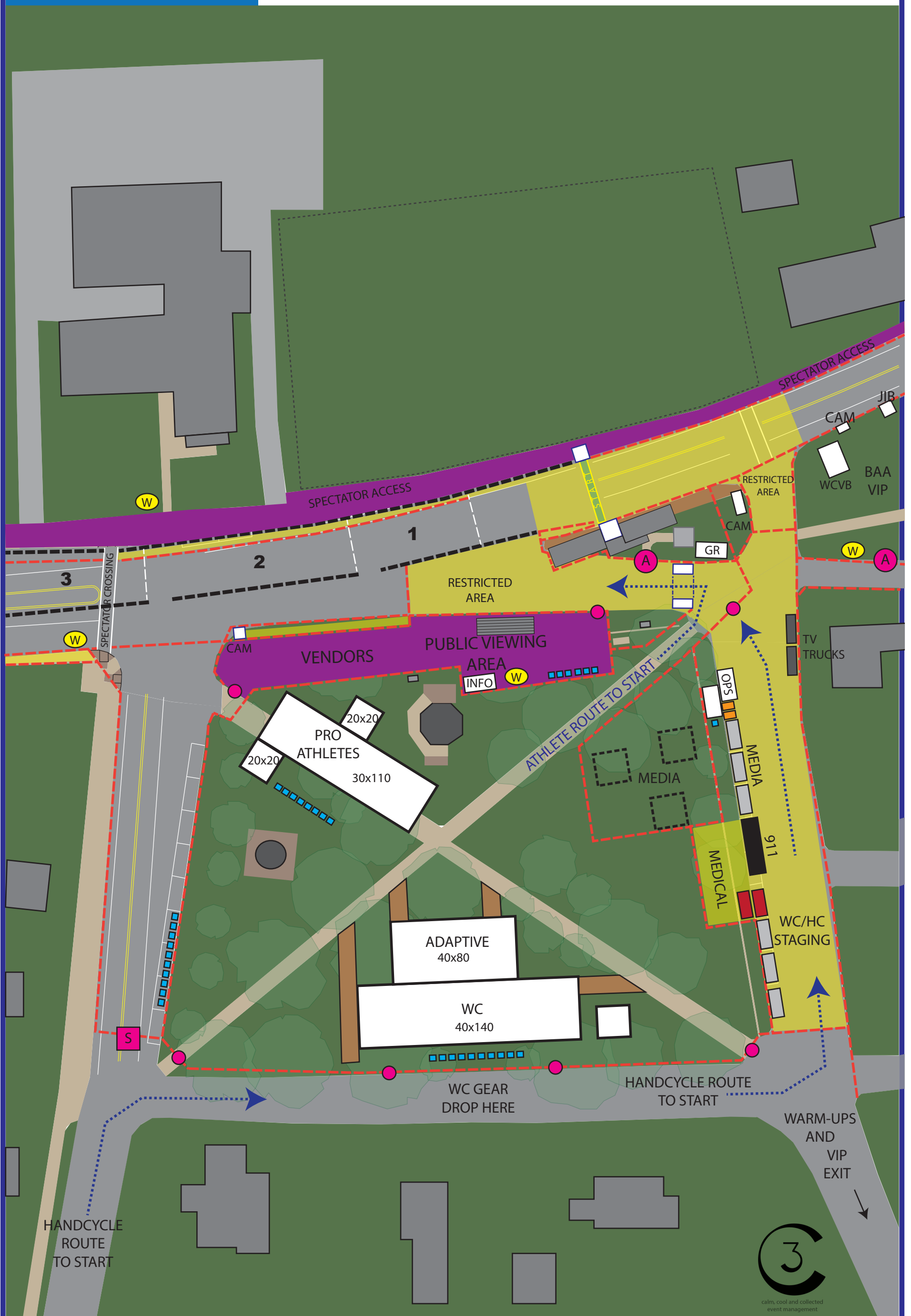
 **Start Area Design .pdf**
239K

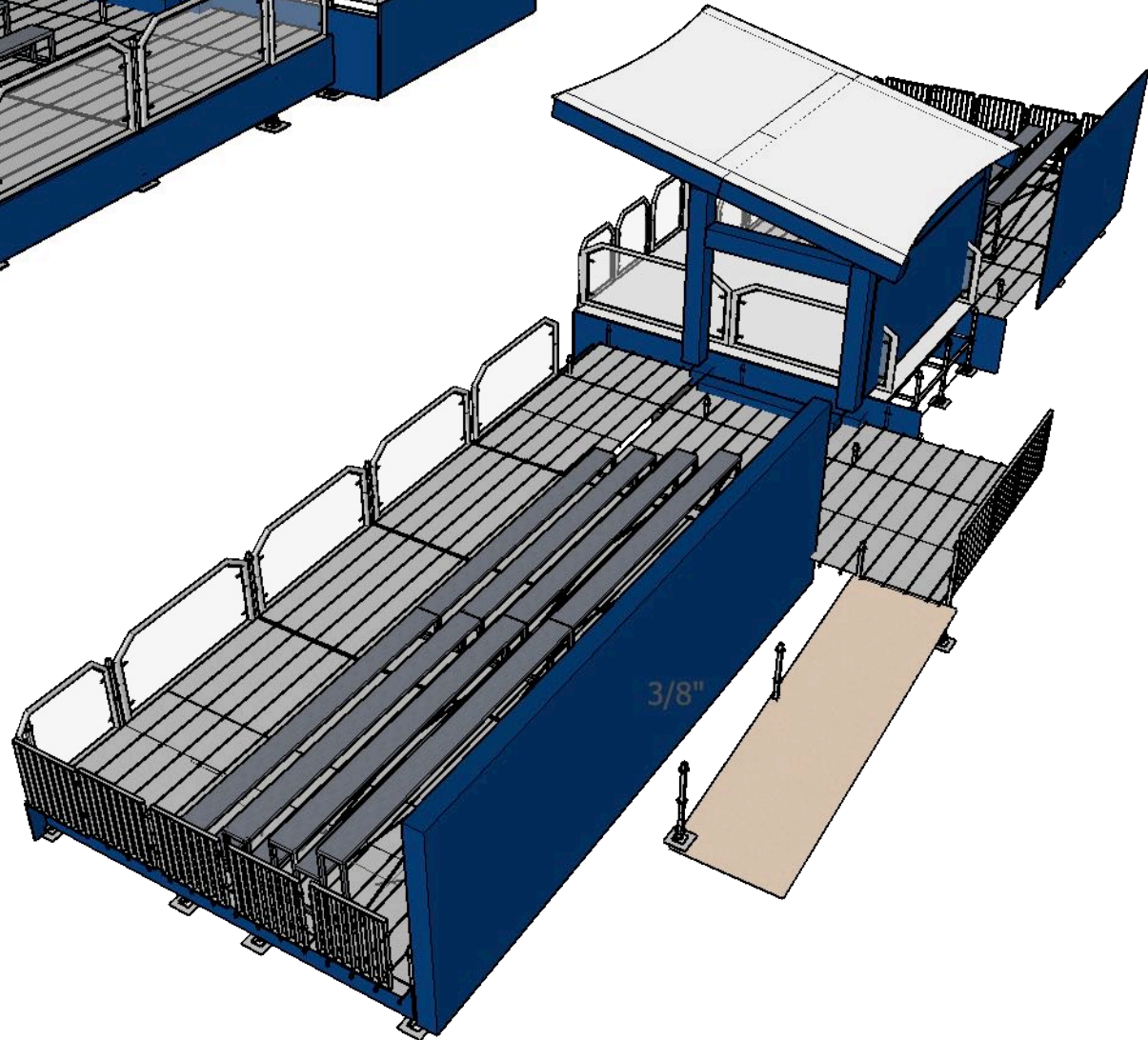
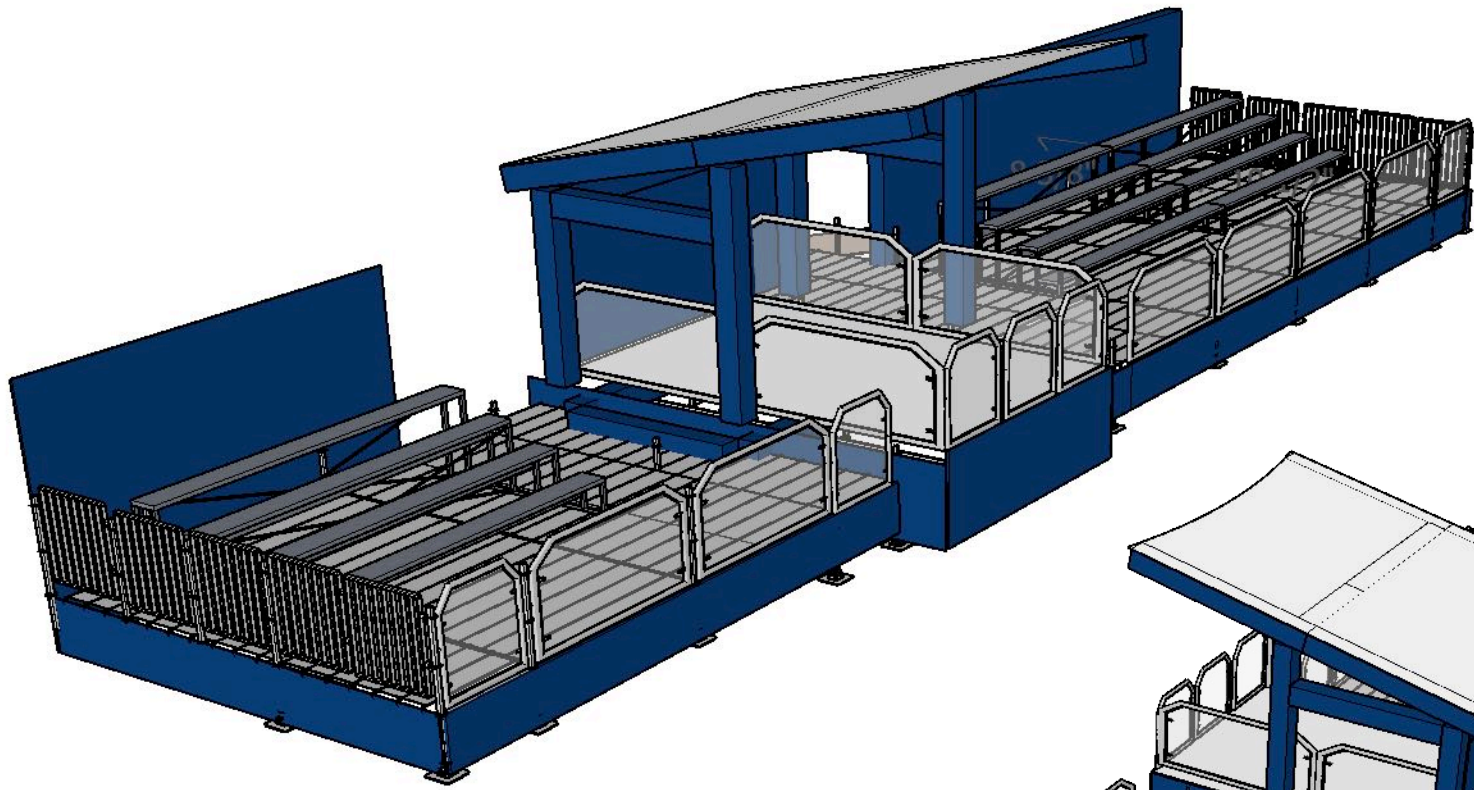
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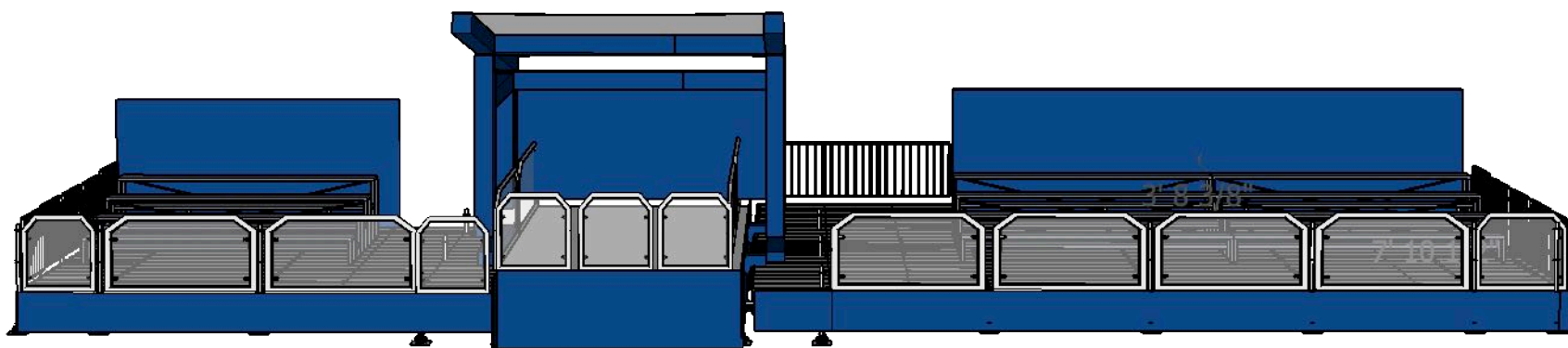


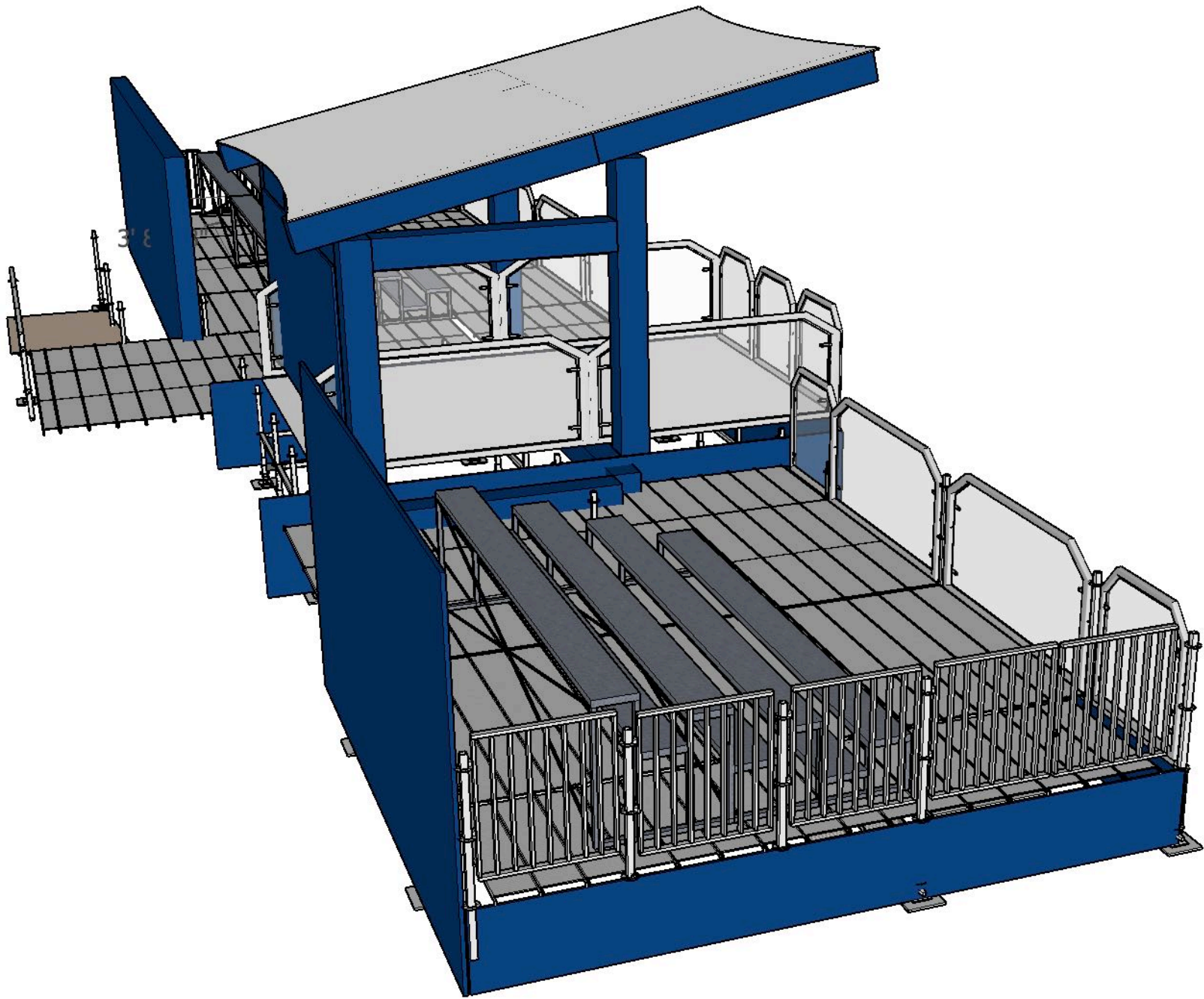
HOPKINTON COMMON AND START MAP

Rev. 02/16/23









MARATHON FUND REQUEST

Funding is hereby requested by Hopkinton High School Class of 2023
Name of organization or department Parent Comm

for the purpose of ① paying for DJ at 5/24/2023;
Gillette Dinner for seniors & parents (\$500)

② Police Detail for the Car Parade
Saturday 6/03/2023 (\$2,100)

Recommended by vote of the Marathon Fund Committee

Colleen D. Charbonnet
Chairman or Secretary

2/14/2023
Date

\$ 2600.00
Amount

Approved by vote of the Board of Selectmen

Date

cc: **Town Accountant**
Treasurer
Marathon Fund Committee
Organization or Department

MARATHON FUND REQUEST

Funding is hereby requested by Marathon Fund Senior Center
Name of organization or department

for the purpose of paying for some exercise
classes at the Senior Center (by
keeping them classes affordable).

Recommended by vote of the Marathon Fund Committee

Colleen P. Charleston
Chairman or Secretary

2/14/2023
Date

\$ 2,000.00
Amount

Approved by vote of the Board of Selectmen

Date

cc: **Town Accountant**
Treasurer
Marathon Fund Committee
Organization or Department

MARATHON FUND REQUEST

Hopkinton Police Association

Funding is hereby requested by

Marathon Fund Co
Name of organization or department

for the purpose of

buying fish to stock
pond at the Hopkinton Sportsmen's
Association for May 13th Hopkinton
Police Association Fishing Derby.

Recommended by vote of the Marathon Fund Committee

Dolleen D Charles
Chairman or Secretary

2/14/2023
Date

\$ 1,500.00
Amount

Approved by vote of the Board of Selectmen

Date

cc: Town Accountant
Treasurer
Marathon Fund Committee
Organization or Department

To: Select Board

From: Norman Khumalo 

Date: February 24, 2023

Ref: Staff Report - Select Board February 28, 2023 Meeting

1. *Draft SWAP/TRIC Shared Housing Services Office Intermunicipal Agreement:* The towns of Hopkinton, Medfield, Milton, Norwood, Randolph, and Sharon have agreed to create a shared housing office. These communities are part of either the South-West Advisory Planning Committee (SWAP) or Three Rivers Interlocal Council (TRIC) sub-regions of the Metropolitan Area Planning Council (MAPC), the regional planning agency for Greater Boston. Hopkinton has agreed to host the office. The core housing services provided by this office will include planning the creation of affordable housing, monitoring the affordable housing inventory, and providing technical support. The participating towns will share in the cost of provisioning this service. The participating towns have drafted an [Intermunicipal Agreement](#) to be signed by the end of March. The initial term of the agreement expires in June 2026. Hopkinton will provide program management, administrative, financial, and procurement support as the lead agency. The participating municipalities will proportionally share the total cost of operating the SWAP/TRIC Shared Housing Services Office based on the percentage of hours planned to support each municipality for core services. The participating Towns have agreed on a formula for determining the fee schedule. They will apportion the actual fees based on the contract amount with the consultant. The 2022 Annual Town Meeting appropriated CPA funding of \$23,000 and established the revolving fund for this service. [More information about the Shared Housing Services office can be found here.](#)
2. *Main Street Corridor Project:* Dave Daltorio (Town Engineer/Facilities Director) and Mitchell Murdock (Project Specialist) have provided the attached update (See Attachment 1).
3. *Per- and Polyfluoroalkyl Substances (PFAS) treatment project:* *Per- and Polyfluoroalkyl Substances (PFAS) treatment project:* The Town has advertised the construction bid documents. They are available at www.accentblueprints.com. The Town has scheduled a pre-bid conference at the Well #6 site on Monday, February 27, 2023, at 10:00 a.m. Construction sub-bids are due March 2, 2023, at 11:00 a.m. Construction bids are due March 9, 2023, at 11:00 a.m.
4. *Massachusetts Water Resources Authority (MWRA) Southborough Interconnection project:* Hopkinton and Southborough are developing the first draft of the Intermunicipal Agreement for this project. [More background information on the MWRA Southborough Interconnection project is available here.](#)

Attachment 1

TO: Select Board

FROM: Michelle Murdock, Dave Daltorio

VIA: Norman Khumalo, Town Manager

DATE: February 22, 2023

SUBJ: Select Board Update: Main Street Corridor Project Date: February 28, 2023

Michelle Murdock

MassDOT's Original Completion Date for the Project is October 22, 2023. That date was set at the award of the contract. As of the most recent schedule, submitted by A.F. Amorello on November 8, 2002, the project is still on schedule for completion by that date.

Phase 1 and 2 of Main Street Reconstruction has been completed. This work focused on the area from West Main Street to the Fire Station and the 135/85 intersection. This work included the full-depth excavation of these sections of Main Street and the installation of two of the three final paving courses. The final course of pavement will be installed at the end of the project.

Phase 3 of Main Street Reconstruction, from the 85/135 intersection to Ash Street, will be started after the 2023 Boston Marathon.

Phase 1 and 2 of the Main Street reconstruction have been completed. This work focused on the area from West Main to the Fire Station and the 135/85 intersection and included the full-depth excavation of these sections of Main Street and the installation of 2 of the 3 final paving courses.

A.F. Amorello & Sons, Inc. finished work for the season on Thursday, December 22.

Winterization of the project is complete, including asphalt for driveways, sidewalks and wheelchair ramps. A base coat of asphalt has been placed for the shared-use path which will be plowed and used by all users during the winter. "Motorized Vehicles Prohibited" signs have been installed.

Traffic signals at the Wood Street and the 135/85 intersection have been completed.

Eversource is onsite and has started underground infrastructure.

The guard rail at CVS has been installed by Premier Fence.

Construction materials and equipment on Marathon Way has been moved to the area behind Center School. Amorello is waiting for the schedule of their subcontractor for the remaining materials. An enquiry is in with MassDOT for when the materials near the DoughBoy statue will be moved.

The snow dump has been cleared.

To Date Construction Cost and Quantities through 9/24/22

Paid By	Contract Bid Total (incl. contingencies)	As of Sept, 24, 2022	Percent Completed
MassDOT/TIP	\$9,919,513.90	\$5,535,689	56%
Paid By Town	\$10,014,173.48	\$6,578,583	66%
Total Cost	\$19,933,687.38	\$12,114,272.90	61%

Work Completed - rounded (does not include every bid item)

	As of 12/18/2021	As of 9/24/2022	Percent Complete
Catch Basins	80	82	100%
Drain Manholes	40	40	100%
Reinforced Concrete Pipe	5,100 ft	5,100 ft	100%
Ductile Iron Pipe	727 ft	727 ft	100%
Hot Mix Asphalt (all types)	2,750 tons	10,268 tons	71%
Gravel (all types)	2,456 cy	9,873 cy	51%
Rock Excavation	1,037 cy	1,037 cy	Est. 100%
Grading and Compaction	n/a	18,000 sy	47%
Granite Curbing	n/a	3,0147 lf	30%
Underground Conduit	2,012 ft	11,459 ft	42%
Utility Vaults Installed	12	18	1. 100%
Excavation (all types)	968 cy	13,326 cy	56%
Concrete Sidewalk	n/a	565 sy	6%

Community Contact (2-3-23 thru 2-21-23)

- A total of 8 issues/concerns from the general public and project abutters were received, reviewed and researched, and an email response was sent to the individual(s) who reported an issue or asked a question. Issues reported/questions asked included:
 1. Email from project abutter to request that the fence on his property be cleaned when work begins in the spring. It was left on the ground during construction and is very dirty;
 2. Phone call made to the property owner of the Muffin House to advise that the DPW will be placing barrels in front of the property to address parking issues. The owner confirmed that he will contact the employees on site.
 3. Email from project abutter on Grove Street to report that he is still awaiting repairs to fix the flooding that is occurring in his basement. Town staff have let the property owner know that MassDOT has been notified and are awaiting for the schedule to do the repair.
 4. Email from property owner at 35 Main to follow up on a few items related to 35 Main Street and the Hopkinton Village Center development; street marking of parking spaces near the Muffin House, written agreement with Town over the use of private business parking spaces from 6pm-midnight, and hydroseeding in front of 25 and 35 Main.
 5. Email to property owner at 18 Grove to provide an update regarding curbing in front of the property.
 6. Email from property owner at 60 Main Street to ask when their sign can be put back up. After coordination with MassDOT, resetting of the sign is now approved.
 7. Email from Planning Board member to ask about curbing near Hopkinton Drug and brick sidewalks which are being used in Ashland.
 8. Email from property owner at 121 Main Street to ask about black poles in front of his property; advised that they are speed limit signs and are outside his property limits.

Miscellaneous

- The Project website will continue to be updated throughout the Project. Visit the website to sign up for Project Updates. A QR Code has been developed for quick access.
- Project photos and drone coverage of the 135/85 reconstruction have been added to the website <https://hopkintonmainstreet.com/construction-photos.htm>

SELECT BOARD LIAISON LIST FY 2023	Select Board Members					Norman	Elaine
	Amy	Mary Jo	Irfan	Muriel	Shahidul		
FINANCE							
Appropriation Committee					X	X	
Board of Assessors		X					
Town Manager's Budget Advisory Team					X		
Capital Improvement Committee						X	
Cable Advisory Committee						X	
PUBLIC SAFETY							
Animal Control							X
Fire Department	X						
Police Department	X						
PERMITTING							
Board of Appeals				X			
Conservation Commission			X				
Planning Board				X			
Board of Health					X		
Permanent Building Committee			X				
EDUCATION							
School Committee					X		
Regional Voc. Tech School Committee				X			
PUBLIC SERVICES							
Cemetery Commission		X					
Commission on Disability	X						
HUMAN SERVICES							
Town Clerk's Office						X	
Personnel Committee						X	
Council on Aging				X			
MetroWest Veterans Service District					X	X	
ADA Oversight Committee	X						
Veterans Celebration Committee				X			
Tax Relief Committee		X					

SELECT BOARD LIAISON LIST FY 2023	Select Board Members					Norman	Elaine
	Amy	Mary Jo	Irfan	Muriel	Shahidul		
CULTURAL/RECREATIONAL							
Hopkinton Cultural Council			X				
Marathon Committee		X					
Marathon Fund Committee					X		
Public Library					X		
Parks & Recreation Commission					X		
Youth Commission				X			
Community Preservation Committee				X			
HISTORIC PRESERVATION							
Woodville Historic District Commission	X						
Hopkinton Historic District Commission	X						
Historical Commission		X					
OTHER							
Sustainable Green Committee		X					
Trail Coordination and Management Committee				X			
Commissioners of Trust Funds						X	
Lake Maspenock Dam Advisory Group						X	
Fruit Street						X	
Hopkinton Schools Athletic Field Subcommittee			X				
Boston Athletic Association			X				
APPOINTED BOARD/COMMITTEE MEMBERSHIPS							
Elementary School Building Committee (Life of the Project)					X		
Irvine-Todaro Properties Advisory Group (Life of the Project)			X				
Pratt Farm Master Plan Team (Life of the Project)		X					
Upper Charles Trail Committee (3-year term expiring 6/30/25)			X				
Open Space Preservation Commission (5-year term expiring 6/30/26)			X				
Affordable Housing Trust Fund Board (2-year term expiring 6/30/24)			X				
Metropolitan Area Planning Council Representative, Select Board member (Town Manager Appointment)	X						X
MetroWest Regional Transit Authority (1-year term)		X					

	Select Board Members							
SELECT BOARD LIAISON LIST FY 2023	Amy	Mary Jo	Irfan	Muriel	Shahidul	Norman	Elaine	
Number of X's:	7	8	9	8	9	9	2	



Monday, March 20, 2023

6:30pm

Hopkinton Center for the Arts - The Loft

98 Hayden Rowe St., Hopkinton, MA 01748-2730

Hosted by Hopkinton Cultural Council

[508-904-7417](tel:508-904-7417)

Message from the Host

Hopkinton Cultural Council Grant Recipient and Artist Reception,

Please join us as we recognize the 2023 Hopkinton Cultural Council grant recipients. In addition, we are welcoming the grant recipients of 2020, 2021 & 2022 along with the artist who participated in the Diversity Mural and Art on The Trail to be part of the reception that is able to return in person this year. Light refreshments will be provided.

The Hopkinton Cultural Council (HCC) is proud to support public programs in the arts, humanities and interpretive sciences which promote access, education, diversity and excellence for our community through granting funds received from the Massachusetts Cultural Council (MCC).

For more information on the HCC & MCC, follow

on [Facebook.com/hopkintonculturalcouncil](https://www.facebook.com/hopkintonculturalcouncil) & www.hop-culture.org and MCC's website massculturalcouncil.org

Pending Select Board Member Future Agenda Items

February 15, 2023

Items are listed in the order they were identified. Items identified and already discussed at meetings are not included on this list.

1. Social Justice issues - Nasrullah (8/4/20)
2. Master Plan action plan/implementation plan items for Select Board - Ritterbusch (12/1/20) (12/15/20)
3. Examination into municipal cable - Nasrullah (9/7/21)
4. The role of the Select Board in the trails/Upper Charles Trail process and what are the next steps for the Board - Kramer (1/25/22)
5. Consider support for Senate and House bills regarding a temporary moratorium on construction of new jails and prisons in Massachusetts - Kramer (1/25/22)
6. Affordable housing updates - Mannan (5/17/22)
7. Economic Development position - Mannan (5/17/22)
8. West Main St. left turns, Cumberland Farms area - Kramer (5/17/22, 10/18/22)
9. Cemetery Commission Rate Changes - Ritterbusch (6/21/22)
10. Parks & Rec. future plans - Mannan (7/12/22)
11. Status and plans for roads & sidewalks; pavement management plan - Mannan (8/2/22)
12. Board & Committee appointments - fostering volunteerism, outreach, and appreciation - Kramer (9/13/22)
13. Discuss ways to keep seniors in their homes - LaFreniere (10/18/22)
14. Policy on redaction of public survey comments - Ritterbusch (11/1/22)
15. Communications plan for the MWRA connection project - Kramer (11/15/22)
16. Ways to support boards/committees & their Chairs, including reviewing committee Charge, and asking how things are going - Kramer (12/6/22)
17. Discuss volunteer appreciation - Kramer (12/20/22); Mannan (2/14/22)
18. Boston Marathon Ashland Recognition - Ritterbusch (2/14/22)
19. Center School and Elmwood School - 2/14/22



Elaine Lazarus <elaine1@hopkintonma.gov>

Idea for comment

1 message

Rishi Dhupar [REDACTED]
To: selectboard@hopkintonma.gov

Mon, Feb 13, 2023 at 8:52 AM

Good morning,

I want to have Hopkinton pursue creating a municipal electricity aggregation similar to the other ~175 towns in MA that have created them to help reduce our electricity costs for citizens.

Link for reference and how to get started:

<https://www.mass.gov/info-details/municipal-aggregation>

I am unavailable to attend the next meeting but if this can be brought up and determined if there is any interest in pursuing it.

Thanks,
Rishi Dhupar

TOWN OF HOPKINTON

Health Department
18 Main Street
Hopkinton, MA 01748
(508) 497-9725

February 13, 2023

Matheus De Oliveira Silva
70 Hayward Street
Hopkinton, MA 01748

Certified Mail & First Class: # 7020 0090 0000 3035 4599

Re: Violation of Title XX Chapter 139 and 310 CMR 7.00

Dear Mr. Silva,

The Hopkinton Health Department received multiple nuisance complaints from the residents of Hayward and Hillcrest Streets in Hopkinton, MA. The complaints were related to the storage of bagged insulation on the property, the windblown release of the bagged insulation and the butchering of animals in the front yard of the 70 Hayward Street property. The Hopkinton Health Department most recently responded to complaints on January 18 and February 7, 2023. On these two occasions, bags of insulation were observed stored on the ground, and unprotected along the tan shed, located along the southern side of the property. Any rodent or animal getting into these bags could result in a nuisance condition that the complainants have described. The butchering of animals in the back of your pickup truck/while portions of the animal are suspended from a tree could serve as an attractive nuisance, attracting rodents and other animals to your property.

In accordance with the guidance provided by the Central Massachusetts Region of the Massachusetts Department of Environmental Protection and the Massachusetts Department of Agriculture, the Hopkinton Health Department is providing you this Notice of Non-Compliance. Further violation(s) of Title XX Chapter 139 and 310 CMR 7.10 will result in a penalty that could reach \$2,880.00, per incident.

Please be advised that the Land Use Department is forwarding a separate notice under separate cover.

Thank you in advance for your attention to this matter.

Sincerely,



Shaun McAuliffe, MPH, RS, Health Director

*Cc: Land Use Department, Zoning Officer, Fire Prevention Bureau/Fire Department; Police Department, Town Manager, **Select Board**, Health Agent, File*



Elaine Lazarus <elainel@hopkintonma.gov>

LFA Notice -- Mexicanal

'Connors, Niall S' via Select Board Office <selectboard@hopkintonma.gov>

Wed, Feb 15, 2023 at 9:08 AM

Reply-To: "Connors, Niall S" <niall.s.connors@verizon.com>

Dear Municipal Official:

This is to notify you of an upcoming change to Fios® TV programming.

On or after March 31, 2023, Mexicanal HD (ch. 1514) will be discontinued and no longer available on the Fios TV line-up. This is a provider-driven change.

Verizon is notifying subscribers through the Fios TV Message Center. A sample customer notice is attached.

We realize that our customers have other alternatives for entertainment and our goal is to offer the best choice and value in the industry. Verizon appreciates the opportunity to conduct business in your community. Should you or your staff have any questions, please contact me.

Sincerely,
verizon✓

Niall Connors

Franchise Service Manager
Fios Video Franchising
Verizon Consumer Group

O 857 415 5123
M 781 715 7058
6 Bowdoin Sq.
Floor 10
Boston, MA 02114



Mexicanal HD_Customer Notice.pdf

42K



TOWN OF HOPKINTON
OFFICE OF THE
PLANNING BOARD
18 Main Street, Hopkinton MA 01748
(508) 497-9745

RECEIVED
TOWN CLERK
FEBRUARY 15 AM 10:50
2023

February 15, 2023

PUBLIC HEARING NOTICE

The Planning Board of the Town of Hopkinton will hold a public hearing on Monday, March 6, 2023 at 7:00 P.M., on proposed amendments to the Zoning Bylaws and Zoning Map. The subject matter of the proposed changes is below. This hearing will be held via Zoom meeting service. For additional details please email John Gelcich, Principal Planner, at jgelcich@hopkintonma.gov, call the Department of Land Use, Planning & Permitting at 508-497-9745, or check the online meeting calendar and agenda for this meeting at www.hopkintonma.gov. This legal notice is also posted on the Massachusetts Newspaper Publishers Association (MNPA) website at <http://masspublicnotices.org>.

1. Amend Article XVIII, Supplementary Regulations, Section 210-124, Off-Street Parking, by inserting a new section for "Electric Vehicle Parking" to support the shift to electric vehicles and create opportunities for electric vehicle charging on parking areas with 5 spaces or more.
2. Amend Article XX, Site Plan Review, to exempt solar panels, modules and associated equipment that is located on the rooftop of a building from the definition of "mechanical equipment".
3. Amend Article XI, Flexible Community Development Bylaw, to change the name of the bylaw to "Inclusionary Development Bylaw" and to increase the inventory of affordable housing by reducing the threshold for applicability of the provisions of this section including other modifications to streamline the inclusion of affordable housing units alongside market-rate housing units.
4. Amend the Zoning Map by changing the zoning district of the property at 0 West Elm Street and 2 West Elm Street from Residence B (RB) to Business (B). The parcels are shown on the Town of Hopkinton Assessors Map R23-46-0 and R23-45-0 respectively.
5. Amend the Zoning Map by changing the zoning district of the property located at 66 South Street, 68 South Street, 70 South Street, 28 Hayward Street, and 30 Hayward Street as shown on the Town of Hopkinton Assessors Map L37-97-0, L37-96-0, L37-95-0, L37-94-0, and L37-93-0 respectively, as well as Pine Grove Lane, a private 25 ft. wide way from Hayward Street north to 52 South Street shown on Assessors Map R23-65-0 and Hayward Street south to 74-76 South Street shown on Assessors Map R29-23-A, from Residence Lake Front (RLF) to Rural Business (BR).

Gary Trendel
Chair



Elaine Lazarus <elaine1@hopkintonma.gov>

Invalid Citizens Petition

'Keith Rowe' via Select Board Office <selectboard@hopkintonma.gov>

Fri, Feb 17, 2023 at 10:46 AM

Reply-To: Keith Rowe [REDACTED]

To: "selectboard@hopkintonma.gov" <selectboard@hopkintonma.gov>

Greetings,

It has come to my attention that a group of residents at the new apartment complex on Lumber St. have gathered a citizens petition to stop outdoor shooting in the town. First, this is an invalid petition since Massachusetts law has already addressed this with General Law Part III, Title 1, Chapter 214. Any petition in the town to move forward with a vote would be against this law.

Secondly, you don't go and rent an apartment near a gun range that has been there for a long time and then complain that you are bothered by the range. You knew about it, don't be coming to town trying to change it.

Third, this impacts not only the HSA, but Woodville and Southboro clubs too as well as any private recreational or hunting done within town limits.

The whole petition should be thrown out.

Respectfully

Keith Rowe
10 Fenton St.
Hopkinton

February 21, 2023

Dear Members of the Hopkinton Select Board:

I am writing to you in support of the short term rental regulations by-law that has been placed on the warrant for May's Town Meeting.

When we moved to Hopkinton in 1998. I had no idea what to expect. My street (a cut through) became the best neighborhood a family could ask for. Neighbors met for gatherings, helped each other's kids grow up, helped at the bus stops, cooked meals for each other when needed, assisted in rides to doctor's appointments – the list goes on. One day, we drove away for vacation and left our loaded cooler in the driveway. My neighbor came and put everything back in my refrigerator for me without hesitation.

I want the family, who moves into our house after us to have these similar experiences. Not to live next door to a motel 6. Please ask yourselves what type of neighbor that you would want! And if you think it isn't going to happen, please look and listen to us. It happened.

I know some expressed not wanting to “put in place a by-law based on one case”. I don't understand this reasoning. We have a chance to act now. One case, can multiply into a thousand without any regulations. Are you saying it's ok as long as it is not happening next to you? I hope not.

Again, we fully support this by-law.

Thank you for your time.

Sarah and Ben Paharik
6 Pike Street



**TOWN OF HOPKINTON
BOARD OF APPEALS**

Select Board

Town Hall
18 Main Street - 3rd Floor
Hopkinton, MA 01748
508-497-9745
www.hopkintonma.gov

HOPKINTON TOWN CLERK
2023 FEB 23 AM 9:16

John Coutinho, Chair & Clerk
Michael Riley, Vice Chair

zba@hopkintonma.gov

#23-013

February 23, 2023

NOTICE OF DECISION

Notice is hereby given that the Board of Appeals of the Town of Hopkinton, MA, on February 23, 2023, filed the following Decision in the Office of the Town Clerk:

- A Decision granting Special Permits to Dan Polanek, 18 Metcalf Ave, Milford, MA, pursuant to Sections 210-128A and 210-119 of the Zoning Bylaw for additions to a nonconforming single family dwelling at **18 Kruger Road, Hopkinton, MA**, that do not conform to the setback requirements.

A copy of the Decision may be obtained at the Office of the Town Clerk or the Department of Land Use, Planning & Permitting at the Town Hall, 18 Main Street, Hopkinton, MA. Appeals of the Decision, if any, shall be made pursuant to M.G.L. Chapter 40A, Section 17, and shall be filed within twenty (20) days after the date of filing of the Decision with the Office of the Town Clerk.

HOPKINTON BOARD OF APPEALS
John Coutinho, Clerk

21 February 2023

Dear Members of the Hopkinton Select Board,

I am writing to you in support of the short-term rental regulations by-law that has been placed on the warrant for May's Town Meeting. I believe that many factors in our economy and society will make short-term rentals in otherwise largely residential towns like Hopkinton become even more prevalent than they are today. This could include homeowners wishing to hold on to their property until the selling market improves, or owners needing to generate income from a residence when elderly or sick family members are forced to move out of their homes. To be clear to all, this by-law is not preventing the existence of short-term rentals; rather, it is establishing sensible guidelines for doing so in a manner that fits with the norms of the town and the neighborhood.

Regardless of the reason for starting to offer a short-term rental in Hopkinton, homeowners should not be allowed to just throw a "for rent" sign on a website and, unchecked, open the floodgates for unregulated short term rental of their property to begin. The regulations and stipulations found in this by-law protect neighbors and the town from the kinds of disruptions and potential harms that could come from changing the essence of how a property on a residential street or neighborhood is maintained and used.

As a Pike Street resident, I've seen exactly what can go wrong when a short-term rental isn't regulated, and all of us on Pike Street would all be remiss if we didn't ardently pursue this new by-law so that our friends and others in town don't have to experience the drama and upheaval when this situation inevitably presents itself on their street.

Thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent McKenzie", with a long, sweeping horizontal line extending to the right.

Brent McKenzie
10 Pike Street



Elaine Lazarus <elaine1@hopkintonma.gov>

Support of Outdoor Gun Shooting Ban

Thomas Robinson [REDACTED]
To: selectboard@hopkintonma.gov

Mon, Feb 20, 2023 at 2:56 PM

I am writing to you today in support of the bylaw that seeks to limit shooting at gun clubs to indoors so as to reduce noise pollution.

Currently, I am sitting in my home office which is 1.25 linear miles from the Hopkinton Sportsmen's Association or a 6 minute drive. It's a beautiful day, but I wouldn't dare open the windows. The shooters have been active since about 9:45 this morning and will likely continue until sunset. I have a noise machine running close to my computer to muffle the gun noise (that still makes its way through my house with the windows closed) over my zoom calls.

I've been told that the gun clubs will attempt to argue that the town does not have the legal authority to restrict outdoor shooting at local gun clubs, but there are several Massachusetts towns that have done just that. Town officials in Gloucester, Westminster, and Scituate have all limited outdoor shooting ranges over the last few years.

I would even support a partial ban on outdoor shooting. Gun noise pollution is just about the same whether there is one active shooter or 20 active shooters. If we could set aside certain times during the day that the outdoor club could be utilized, perhaps we could find a "win-win" solution. Maybe we'd even lose the nickname the town has developed- "hop-gun-ton".

Aside from the noise pollution, I ask you to please not forget the safety implications of the town's residents. The new Edgewood neighborhood is awfully close to the HSA and in a direct path of any stray bullets. We have had issues in the past with stray bullets originating from local clubs ("[Stray bullet pierces teen's bedroom window](#)").

Thank you,

Tom Robinson
9 Blackthorne Cir.