



**City of Gardner, Massachusetts
Office of the City Council**

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**CALENDAR FOR THE MEETING**

*of*

**MONDAY, MAY 2, 2022  
CITY COUNCIL CHAMBER  
7:30 P.M.**

**ORDER OF BUSINESS**

**I. CALL TO ORDER**

**II. CALL OF THE ROLL OF COUNCILLORS**

**III. OPENING PRAYER**

**IV. PLEDGE OF ALLEGIANCE**

**V. ANNOUNCEMENT OF OPEN MEETING RECORDINGS**

Any person may make a video or audio recording of an open session of a meeting, or may transmit the meeting through any medium, subject to reasonable requirements of the chair as to the number, placement and operation of equipment used so as not to interfere with the conduct of the meeting. Any person intending to make such recording shall notify the Chair forthwith. All documents and exhibits used or referenced at the meeting must be submitted in duplicate to the City Clerk, as they become part of the Meeting Minutes.

**VI. READING OF MINUTES OF PRIOR MEETING(S)**

- March 7, 2022 Regular Meeting Minutes
- March 21, 2022 Regular Meeting Minutes

**VII. PUBLIC HEARINGS**

**10655** – A petition by National Grid and Verizon New England Inc., Matthews Street - to install 2 Jointly Owned Poles on Matthews Street beginning at a point approximately 3,700 feet in a south direction. Install 2 Poles underneath transmission crossing. (*In the City Council and Referred to Public Service 4/19/2022; Public Hearing 5/2/2022*)

**10656** – A petition by National Grid, Matthews Street – to install 5 Single Owned Poles on Matthews Street beginning at a point approximately 1400 feet west of the centerline of the intersection of Route 140 and continuing approximately 20 feet in a north direction. Install 5 poles to extend line for a new service. (*In the City Council and Referred to Public Service 4/19/2022; Public Hearing 5/2/2022*)

## **VIII. COMMUNICATIONS FROM THE MAYOR**

### **APPOINTMENTS**

- 10664** – A Measure Confirming the Mayor’s Appointment of Robert Oliva to the position of City Engineer, for term expiring April 15, 2025. (*Appointments Committee*)
- 10665** – A Measure Confirming the Mayor’s Appointment of Michael Zlotnik to the position of Bandstand Committee Member, for term expiring April 15, 2025. (*Appointments Committee*)
- 10666** – A Measure Confirming the Mayor’s Appointment of Nevonya Smith to the position of Youth Commission Member, for term expiring April 13, 2025. (*Appointments Committee*)
- 10667** – A Measure Confirming the Mayor’s Appointment of Paul Leone to the position of Council on Aging Member, for term expiring April 13, 2025. (*Appointments Committee*)

### **COMMUNICATIONS**

- 10668** – A Measure Relative to a Disclosure by Municipal Employee of Financial Interest in a Municipal Contract as Required by G.L.c. 268A, §20(b). (*Finance Committee*)
- 10669** – A Communication from the Mayor Regarding the Completed FY2021 Outside Audit Report. (*Finance Committee*)
- 10670** – A Communication from the Mayor Regarding the use of ARPA Funds. (*Finance Committee*)

### **ORDERS**

- 10671** – An Order Appropriating \$11,700.00 from Free Cash to the Info Tech Department – Cyber Security Account. (*Finance Committee*)
- 10672** – An Order Appropriating \$335,000.00 from Free Cash to Snow and Ice Removal. (*Finance Committee*)
- 10673** – An Order Appropriating \$26,903.00 from Free Cash to the PARC Bailey Brook Project Match 1 – Account. (*Finance Committee*)
- 10674** – An Order Appropriating \$162,900.00 from Free Cash to the PARC Bailey Brook Project Match 2 – Account. (*Finance Committee*)

## **IX. PETITIONS, APPLICATIONS, COMMUNICATIONS, ETC.**

- 10675** – An Application by GameStop, Inc. #3725, for a License to deal in Second-hand Articles at 376 Timpany Blvd. (*Public Safety*)
- 10676** – An Application by The Salvation Army – Family Store & Donation Center, for a License to deal in Second-hand Articles at 8 Union Street. (*Public Safety*)
- 10677** – An Application by Gardner Coins & Cards, Inc., for a License to deal in Second-hand Articles at 18 Parker Street. (*Public Safety*)

## **X. REPORTS OF STANDING COMMITTEES**

### **APPOINTMENTS COMMITTEE**

- 10631** – A Measure Confirming the Mayor’s Appointment of Casey Bashaw to the position of Alternate Plumbing & Gas Inspector, for term expiring March 9, 2025. (*In the City Council and Referred to Appointments Committee 3/21/2022; More Time 4/19/2022*)

### **PUBLIC SERVICE COMMITTEE**

- 10655** – A petition by National Grid and Verizon New England Inc., Matthews Street - to install 2 Jointly Owned Poles on Matthews Street beginning at a point approximately 3,700 feet in a south direction. Install 2 Poles underneath transmission crossing. (*In the City Council and Referred to Public Service 4/19/2022; Public Hearing 5/2/2022*)
- 10656** – A petition by National Grid, Matthews Street – to install 5 Single Owned Poles on Matthews Street beginning at a point approximately 1400 feet west of the centerline of the intersection of Route 140 and continuing approximately 20 feet in a north direction. Install 5 poles to extend line for a new service. (*In the City Council and Referred to Public Service 4/19/2022; Public Hearing 5/2/2022*)

## **XI. UNFINISHED BUSINESS AND MATTERS FOR RECONSIDERATION**

## **XII. NEW BUSINESS**

## **XIII. CLOSING PRAYER**

## **XIV. ADJOURNMENT**

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Items listed on the Council Calendar are those reasonably anticipated by the Council President to be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

**REGULAR MEETING OF MARCH 7, 2022**

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Regular Meeting of the City Council was held in the Council Chambers, Room 219, City Hall, on Monday evening, March 7, 2022.

**CALL TO ORDER**

City Clerk Titi Siriphan called the meeting to order at 7:30 o'clock p.m.

**CALL OF THE ROLL**

City Clerk Titi Siriphan called the Roll of Members. Eleven (11) Councillors were present including Councillor James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Elizabeth Kazinskas, Judy Mack, George Tyros, and James Walsh.

**OPENING PRAYER**

President Kazinskas led the Council in reciting the Opening Prayer.

**PLEDGE OF ALLEGIANCE**

President Kazinskas led the Council in reciting the "Pledge of Allegiance".

**OPEN MEETING RECORDING & PUBLIC RECORDS ANNOUNCEMENT**

President Kazinskas announced to the assembly that the Open Meeting Recording and Public Records Announcement. Any person may make a video or audio recording of an open session of a meeting or may transmit the meeting through any medium subject to reasonable requirements of the chair as to the number placement and operation of equipment used so as not to interfere with the conduct of the meeting. Any person intending to make such recordings shall notify the Chair forthwith. All documents and exhibits used or referenced at the meeting must be submitted in duplicate to the chair as they become part of the meeting minutes pursuant to General Law Chapter 38 Section 20.

**READING & ACCEPTANCE OF MINUTES**

On a motion made by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted on call of the roll, eleven (11) yeas, President Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh to waive the reading and accept the minutes as printed of the February 7, 2022 Regular Meeting Minutes.



REGULAR MEETING OF MARCH 7, 2022

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REPORTS OF STANDING COMMITTEESFINANCE COMMITTEE**#10620**

Reporting for the Finance Committee, Councillor Aleksander Dernalowicz informed the Council that the Committee unanimously recommended to approve the order. This order will be used to renovate the fields between the High School and Middles School as well as updates to the girls' softball field and Stedman field. These fields are also used by the flag teams, marching band, summer recreational program and local sport groups. The goal is to accommodate all softball, baseball practices and games.

On a motion made by Councillor Aleksander Dernalowicz and seconded by Councillor Ronald Cormier, it was voted on call of the roll, eleven (11) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh; that the following Order ought to pass:

AN ORDER APPROPRIATING FROM FREE CASH TO SCHOOL ATHLETIC FIELD IMPROVEMENTS ACCOUNT.

ORDERED: That there be and is hereby appropriated the sum of One Hundred Twenty-One Thousand Nine Hundred Five Dollars and No Cents (\$121,905.00) from Free Cash to the School Athletic Field Improvements Account.

**#10622**

Reporting for the Finance Committee, Councillor Ronald Cormier informed the Council that the Finance Committee were in favor of the ordinance to correct some parts of the ordinance. Department of Public Safety is now known as the Civilian Systems Manager and it was listed in the ordinance that they receive holiday pay, and they do not. The ordinance provides additional compensation to employees who are expected to work on holidays as part of their normal job performance.

On a motion made by Councillor Ronald Cormier and seconded by Councillor Aleksander Dernalowicz, it was voted viva voce, eleven (11) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander

REGULAR MEETING OF MARCH 7, 2022

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Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh; to send the following Ordinance to First Printing:

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF GARDNER, SECTION 44 OF CHAPTER 171, ENTITLED "COMPENSATION IN LIEU OF PAID HOLIDAYS"

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARDNER THAT:

SECTION 1: Section 44(A) of Chapter 171 of the Code of the City of Gardner, entitled "Compensation in Lieu of Paid Holidays: Police Department," be amended by deleting the words "Civilian Systems Manager," from the provisions of this section.

SECTION 2: Section 44(A) of Chapter 171 of the Code of the City of Gardner, entitled "Compensation in Lieu of Paid Holidays: Police Department," be amended by deleting the word "Captain" from the provisions of this section.

SECTION 3: Section 44(B) of Chapter 171 of the Code of the City of Gardner, entitled "Compensation in Lieu of Paid Holidays: Fire Department," be amended by deleting the words "Fire Alarm Superintendent" from the provisions of this section.

SECTION 4: This ordinance shall take effect upon passage and publication as required by law.

**REPORTS OF STANDING COMMITTEES**

**PUBLIC SAFETY COMMITTEE**

**#10623**

Reporting for the Safety Committee Councillor Craig Cormier informed the Council that this ordinance amendment would remove two different chapters and combine them into one. The Building Commissioner Roland Jean, Board of Health Director Lauren Saunders and Fire Chief Greg Lagoy were in favor of the amendment. The ordinance had a few conflicting chapters. The new amendment would clarify any confusion, clarify what department is responsible for enforcement, and increase fines.

REGULAR MEETING OF MARCH 7, 2022

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Councillor James Boone spoke in opposition. He questioned “director or his designee shall be the final binding on the parties.” He would like to know why one person gets to choose the refusal.

Councillor George Tyros said when it comes to Public Service, the water bills, these matters that come before us have to do with public safety of the citizens. It comes down to the experts of the field, the Police Chief, Health Director, Building Commissioner, they know the laws and the safety standards that are needed to keep these buildings in order. He believes that the authority is rightly with the most capable hands of the city.

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, George Tyros, and James Walsh; one (1) nay, Councillor James Boone; that the following Ordinance be sent to First Printing: *An Ordinance to Amend the Code of The City of Gardner by Deleting Chapter 357, Entitled “Vacant and Abandoned Buildings,” and Chapter 493, Entitled “Nuisances,” and Adding a New Chapter 500 to be Entitled, “Blighted, Nuisance, Vacant, and Abandoned Properties,” Which Chapter Provides for Public Safety Measures for Blighted, Nuisance, Vacant, and Abandoned Properties, Prohibitions, and Penalties for Violation of the Chapter.*

**#10624**

Reporting for the Safety Committee Councillor Craig Cormier informed the Council that this ordinance would codify an ordinance that the Governor put in place during the emergency measures from COVID-19. It has done well for the business during this time, and they would like to see it continue.

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, eleven (11) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh; that the following Ordinance be sent to First Printing, *An Ordinance to Amend the Code of the City of Gardner by adding a New Chapter 501 to be Entitled “Outdoor Restaurant Seating and Services,” Which Chapter Provides for Definition of Outdoor Dining Services, Licensing Procedures, and Hours of Operations.*

REGULAR MEETING OF MARCH 7, 2022

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**#10625**

Reporting for the Safety Committee Councillor Craig Cormier informed the Council that this ordinance amendment is mainly “housekeeping.” The ordinance has not been reviewed for quite some time and it is out of sync with state laws. The fines are below what the state law recommends as well as language used.

Councillor James Boone questioned §312-4 (a), Disposition of unclaimed dogs, states that “Any dog which is impounded and is not redeemed by the owner within the ten-day period of the confinement shall be made available for adoption in accordance with procedures established by the Gardner Police Department and the National Animal Control Association.” §312-4 (b) states, “Any unclaimed dog which is in custody of the Police Department shall be disposed of in accordance with MGL c. 140, §151A when each of the following criteria has been met: (1) The dog that was detained for a period of seven days.” Councillor Boone stated that he was confused does not agree with the language of the ordinance.

Mayor Nicholson informed the Council that “We have to hold a dog for a minimum of seven days to make sure that a dog is claimed by an owner. The owner can retake the dog after seven days. If the dog is unclaimed after seven days, the City can put the dog up for adoption. The reasoning for the ten days is that the Police Chief and the Board of Health have the authority to euthanize an unclaimed dog after 10 days. It is something normally done. They try to wait for two weeks before a dog is put up for adoption. The 10 days gives the owner a chance to claim the dog before putting it up for adoption.”

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh; one (1) nay, Councillor James Boone; that the following Ordinance be sent to First Printing, *An Ordinance to Amend Chapter 312 of the Code of the City of Gardner, Entitled “Animals.”*

**#10626**

Reporting for the Safety Committee Councillor Craig Cormier informed the Council that this ordinance was originally put in place in the early 80s when arcades were becoming a rage. The city has never had a full-blown arcade and the ordinance has not been enforced.

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, eleven (11) yeas, President Elizabeth Kazinskas; Councillors James

REGULAR MEETING OF MARCH 7, 2022

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Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh; that the following Ordinance be sent to First Printing, *An Ordinance to Amend the Code of the City of Gardner by Deleting Chapter 318, Entitled Arcades.*

**COUNCIL AS COMMITTEE OF THE WHOLE****#10602**

President Elizabeth Kazinskas announced that there was an informal meeting earlier in the evening regarding items #10602 and #10603 with a presentation from Mayor Nicholson and additional information from Fire Chief Greg Lagoy and Building Commissioner Roland Jean. On a motion made by Councillor Ronald Cormier and seconded by Councillor Judy Mack, it was voted viva voce, eleven (11) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh; that the following Ordinance be sent to First Printing: *An Ordinance to Amend the Code of the City of Gardner, Section 8, Chapter 390, Entitled "Fire Department Fee Schedule."*

**#10603**

On a motion made by Councillor Ronald Cormier and seconded by Councillor Dana Heath, it was voted viva voce, eleven (11) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh; that the following Ordinance be sent to First Printing: *An Ordinance to Amend Sections of the Code of the City of Gardner, Chapter 390, Entitled "Fees."*

**CLOSING PRAYER**

President Kazinskas led the Council in the Closing Prayer.

**ADJOURNMENT**

On a motion by Councillor Nathan Boudreau and seconded by Councillor Craig Cormier, it was voted viva voce, eleven (11) yeas, President Elizabeth Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, George Tyros, and James Walsh to adjourn at 7:57 p.m.

Accepted by the City Council:

**REGULAR MEETING OF MARCH 21, 2022**

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Regular Meeting of the City Council was held in the Council Chambers, Room 219, City Hall, on Monday evening, March 21, 2022.

**CALL TO ORDER**

City Clerk Titi Siriphan called the meeting to order at 7:30 o'clock p.m.

**CALL OF THE ROLL**

City Clerk Titi Siriphan called the Roll of Members. Ten (10) Councillors were present including Councillor James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Elizabeth Kazinskas, Judy Mack, and James Walsh. Councillor George Tyros was absent.

**OPENING PRAYER**

President Kazinskas led the Council in reciting the Opening Prayer.

**PLEDGE OF ALLEGIANCE**

President Kazinskas led the Council in reciting the "Pledge of Allegiance".

**OPEN MEETING RECORDING & PUBLIC RECORDS ANNOUNCEMENT**

President Kazinskas announced to the assembly that the Open Meeting Recording and Public Records Announcement. Any person may make a video or audio recording of an open session of a meeting or may transmit the meeting through any medium subject to reasonable requirements of the chair as to the number placement and operation of equipment used so as not to interfere with the conduct of the meeting. Any person intending to make such recordings shall notify the Chair forthwith. All documents and exhibits used or referenced at the meeting must be submitted in duplicate to the chair as they become part of the meeting minutes pursuant to General Law Chapter 38 Section 20.

**READING & ACCEPTANCE OF MINUTES**

On a motion made by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted on call of the roll, ten (10) yeas, President Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, and James Walsh to waive the reading and accept the minutes as printed of the February 22, 2022, Joint Convention of the City Council and School Committee Meeting Minutes. Councillor Judy Mack abstained. She was not present at that meeting.



REGULAR MEETING OF MARCH 21, 2022

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COMMUNICATIONS FROM THE MAYOR  
APPOINTMENTS

## #10631

On a motion made by Councillor Judy Mack and seconded by Councillor James Walsh, it was voted viva voce, ten (10) yeas, President Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, and James Walsh refer the following Appointment to the Appointments Committee for further study and report:

A Measure Confirming the Mayor's Appointment of **Casey Bashaw** to the position of Alternate Plumbing & Gas Inspector, for term expiring March 9, 2025.

## #10632

On a motion made by Councillor Judy Mack and seconded by Councillor James Walsh, it was voted viva voce, ten (10) yeas, President Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, and James Walsh refer the following Appointment to the Appointments Committee for further study and report:

A Measure Confirming the Mayor's Appointment of **Philip Morrissey** to the position of Airport Commission Member, for term expiring March 4, 2025.

## #10633

On a motion made by Councillor Judy Mack and seconded by Councillor Craig Cormier, it was voted viva voce, ten (10) yeas, President Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, and James Walsh refer the following Appointment to the Appointments Committee for further study and report:

A Measure Confirming the Mayor's Appointment of **James Morrissey** to the position of Airport Commission Member, for term expiring March 4, 2025.

## #10634

On a motion made by Councillor Judy Mack and seconded by Councillor Craig Cormier, it was voted viva voce, ten (10) yeas, President Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, and James Walsh refer the following Appointment to the Appointments Committee for further study and report:

A Measure Confirming the Mayor's Appointment of **John Lavoie** to the position of Airport Commission Member, for term expiring March 4, 2025.

REGULAR MEETING OF MARCH 21, 2022

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**#10635**

On a motion made by Councillor Judy Mack and seconded by Councillor Craig Cormier, it was voted viva voce, ten (10) yeas, President Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, and James Walsh refer the following Appointment to the Appointments Committee for further study and report:

A Measure Confirming the Mayor's Appointment of **Andre Guertin** to the position of Airport Commission Member, for term expiring March 3, 2025.

**UNFINISHED BUSINESS AND MATTERS FOR RECONSIDERATION****#10602**

On a motion made by Councillor James Walsh and seconded by Councillor Nathan Boudreau, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack and James Walsh; that the following Ordinance be Passed and sent to Final Printing:

AN ORDINANCE TO AMEND SECTION 8 OF CHAPTER 390 OF THE CODE OF THE CITY OF GARDNER, ENTITLED FIRE DEPARTMENT FEE SCHEDULE

In the City Council – February 7, 2022

Ordered Printed – March 7, 2022

First Printing – March 10, 2022

Ordinance Passed – March 21, 2022

Presented to the Mayor for Approval – March 22, 2022

Michel J. Nicholson, Mayor

A TRUE COPY, ATTEST:

TITI SIRIPHAN, CITY CLERK

March 25, 2022

**#10603**

On a motion made by Councillor James Walsh and seconded by Councillor Nathan Boudreau, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack and James Walsh; that the following Ordinance be Passed and sent to Final Printing:



REGULAR MEETING OF MARCH 21, 2022

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## AN ORDINANCE TO AMEND SECTION 8 OF CHAPTER 390 OF THE CODE OF THE CITY OF GARDNER, ENTITLED FIRE DEPARTMENT FEE SCHEDULE

In the City Council – February 7, 2022

Ordered Printed – March 7, 2022

First Printing – March 10, 2022

Ordinance Passed – March 21, 2022

Presented to the Mayor for Approval – March 22, 2022

Michael J. Nicholson, Mayor

A TRUE COPY, ATTEST:

TITI SIRIPHAN, CITY CLERK

*March 25, 2022*

**#10622**

On a motion made by Councillor James Walsh and seconded by Councillor Karen Hardern, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack and James Walsh; that the following Ordinance be Passed and sent to Final Printing:

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF GARDNER,  
SECTION 44 OF CHAPTER 171, ENTITLED “COMPENSATION IN LIEU OF  
PAID HOLIDAYS”

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARDNER  
THAT:

SECTION 1: Section 44(A) of Chapter 171 of the Code of the City of Gardner, entitled “Compensation in Lieu of Paid Holidays: Police Department,” be amended by deleting the words “Civilian Systems Manager,” from the provisions of this section.

SECTION 2: Section 44(A) of Chapter 171 of the Code of the City of Gardner, entitled “Compensation in Lieu of Paid Holidays: Police Department,” be amended by deleting the word “Captain” from the provisions of this section.

REGULAR MEETING OF MARCH 21, 2022

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SECTION 3: Section 44(B) of Chapter 171 of the Code of the City of Gardner, entitled "Compensation in Lieu of Paid Holidays: Fire Department," be amended by deleting the words "Fire Alarm Superintendent" from the provisions of this section.

SECTION 4: This ordinance shall take effect upon passage and publication as required by law.

In the City Council – February 22, 2022

Ordered Printed – March 7, 2022

First Printing – March 10, 2022

Ordinance Passed – March 21, 2022

Presented to the Mayor for Approval – March 22, 2022

Michael J. Nicholson, Mayor

A TRUE COPY, ATTEST:

TITI SIRIPHAN, CITY CLERK

*March 25, 2022*

**#10623**

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack and James Walsh; that the following Ordinance be Passed and sent to Final Printing:

An Ordinance to Amend the Code of The City of Gardner by Deleting Chapter 357, Entitled "Vacant and Abandoned Buildings," and Chapter 493, Entitled "Nuisances," and Adding a New Chapter 500 to be Entitled, "Blighted, Nuisance, Vacant, and Abandoned Properties," Which Chapter Provides for Public Safety Measures for Blighted, Nuisance, Vacant, and Abandoned Properties, Prohibitions, and Penalties for Violation of the Chapter.

In the City Council – February 22, 2022

Ordered Printed – March 7, 2022

First Printing – March 10, 2022

Ordinance Passed – March 21, 2022

Presented to the Mayor for Approval – March 22, 2022

Michael J. Nicholson, Mayor

REGULAR MEETING OF MARCH 21, 2022

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A TRUE COPY, ATTEST:  
TITI SIRIPHAN, CITY CLERK  
*March 25, 2022*

**#10624**

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack and James Walsh; that the following Ordinance be Passed and sent to Final Printing:

An Ordinance to Amend the Code of the City of Gardner by adding a New Chapter 501 to be Entitled "Outdoor Restaurant Seating and Services," Which Chapter Provides for Definition of Outdoor Dining Services, Licensing Procedures, and Hours of Operations.

In the City Council – February 22, 2022  
Ordered Printed – March 7, 2022  
First Printing – March 10, 2022  
Ordinance Passed – March 21, 2022  
Presented to the Mayor for Approval – March 22, 2022  
Michael J. Nicholson, Mayor

A TRUE COPY, ATTEST:  
TITI SIRIPHAN, CITY CLERK  
*March 25, 2022*

**#10625**

Councillor James Boone had a question regarding §312-4 Disposition of unclaimed dogs. It reads:

- A. Any dog which is impounded and is not redeemed by the owner withing the ten-day period of confinement shall be made available for adoption in accordance with procedures established by Gardner Police Department and National Animal Control Association.
- B. Any unclaimed dog which is in the custody of the Police Department shall be disposed in accordance with MGL c. 140, § 151A, when each of the following criteria has been met:
  - (1) The dog was detained for a period of seven (7) days.

REGULAR MEETING OF MARCH 21, 2022

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- (2) The description of the dog was published in the local paper at least three days before the scheduled date of the destruction.
- (3) The dog was made available for adoption in accordance with Subsection A.

Councillor is confused with the language because it states that there is a ten-day period to adopt the dog, but in seven days, the dog can be disposed.

Councillor Craig Cormier explained to Councillor Boone that a dog can be “disposed” after seven days only if the 3 criteria in sub section “B” are met.

Mayor Nicholson clarified that the ten days was reduced in the general law statute to seven. Based off of the humane society's recommendations to the legislature, a dog can have some anxiety issues for being in a cage for too long. We are allowed to go up to the 10 days but may allow the dog to be adopted after seven days. It allows a three-day extra window for the owner to claim the dog.

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack and James Walsh; that the following Ordinance be Passed and sent to Final Printing:

An Ordinance to Amend Chapter 312 of the Code of the City of Gardner, Entitled “Animals.”

In the City Council – February 22, 2022

Ordered Printed – March 7, 2022

First Printing – March 10, 2022

Ordinance Passed – March 21, 2022

Presented to the Mayor for Approval – March 22, 2022

Michael J. Nicholson, Mayor

A TRUE COPY, ATTEST:

TITI SIRIPHAN, CITY CLERK

March 25, 2022

REGULAR MEETING OF MARCH 21, 2022

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**#10626**

On a motion made by Councillor Craig Cormier and seconded by Councillor Karen Hardern, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas; Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack and James Walsh; that the following Ordinance be Passed and sent to Final Printing:

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF GARDNER BY DELETING CHAPTER 318, ENTITLED ARCADES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARDNER THAT:

SECTION 1: Chapter 318 of the Code of the City of Gardner, entitled Arcades, be deleted in its entirety.

SECTION 2: This ordinance shall take effect upon passage by law.

In the City Council – February 22, 2022

Ordered Printed – March 7, 2022

First Printing – March 10, 2022

Ordinance Passed – March 21, 2022

Presented to the Mayor for Approval – March 22, 2022

Michael J. Nicholson, Mayor

A TRUE COPY, ATTEST:

TITI SIRIPHAN, CITY CLERK

March 25, 2022

**NEW BUSINESS**

Councillor Dana Heath would like to thank the Mayor for the sale of the buildings downtown.

Councillor James Boone would like to echo the comments of Councillor Heath. He is hopeful this will improve the downtown by getting responsible owners help make the city look good again.

Councillor Nathan Boudreau was impressed with the Public Welfare Committee tour a few weeks ago at the Senior Center by Director Mike Ellis. He recommends everyone check out the Senior Center.



REGULAR MEETING OF MARCH 21, 2022

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**CLOSING PRAYER**

President Kazinskas led the Council in the Closing Prayer.

**ADJOURNMENT**

On a motion by Councillor Nathan Boudreau and seconded by Councillor Dana Heath, it was voted viva voce, ten (10) yeas, President Elizabeth Kazinskas and Councillors James Boone, Nathan Boudreau, Craig Cormier, Ronald Cormier, Aleksander Dernalowicz, Karen Hardern, Dana Heath, Judy Mack, and James Walsh to adjourn at 7:57 p.m.

Accepted by the City Council:



**CITY OF GARDNER  
MASSACHUSETTS 01440-2630**

OFFICE OF THE  
**CITY CLERK**

Room 121, City Hall  
Tel (978) 630-4058  
Fax (978) 630-2589

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**NOTICE TO ABUTTERS**

April 20, 2022

TO ABUTTERS AND OTHER INTERESTED PARTIES:

Pursuant to the provisions of M.G.L., c. 166, §22, you are hereby notified that a Public Hearing will be conducted on **MONDAY, MAY 2, 2022 at 7:30 o'clock P.M.** on the petition of Massachusetts Electric Company, d/b/a NATIONAL GRID and Verizon New England, Inc. for permission to locate poles, wires, and fixtures, including the necessary sustaining and protecting fixtures, under along and across the following public way:

MATTHEWS STREET – A petition by National Grid and Verizon New England Inc., Matthews Street - to install 2 Jointly Owned Poles on Matthews Street beginning at a point approximately 3,700 feet in a south direction. Install 2 Poles underneath transmission crossing.

A sketch of the proposed pole location is attached for your edification.

CITY COUNCIL OF GARDNER

By: TITI SIRIPHAN  
City Clerk



April 1, 2022

City of Gardner

To Whom It May Concern:

Enclosed please find a petition of NATIONAL GRID and VERIZON, covering joint NATIONAL GRID/VERIZON pole location(s)

If you have any questions regarding this permit please contact:

Please notify National Grid's Vincent LoGuidice of the hearing date / time.

If this petition meets with your approval, please return an executed copy to each of the above named Companies.

National Grid Contact: Vincent LoGuidice; 1101 Turnpike Street; North Andover, MA 01845. Phone 978-725-1392.

Very truly yours,

A handwritten signature in blue ink that reads "Pat Cody".

Patrick Cody  
Supervisor, Distribution Design

Enclosures

RECEIVED  
2022 APR -4 AM 10:26  
CITY CLERK'S OFFICE  
GARDNER, MA



Questions contact – Connor Reynolds 774-312-0350

# **PETITION FOR JOINT OR IDENTICAL POLE LOCATIONS**

North Andover, Massachusetts

To the City Council  
Of Gardner, Massachusetts

Massachusetts Electric Company d/b/a National Grid and Verizon New England, Inc requests permission to locate poles, wires, and fixtures, including the necessary sustaining and protecting fixtures, along and across the following public way:

Matthews St - National Grid to install 2 JO Poles on Matthews St beginning at a point approximately 3,700 feet east of the centerline of the intersection of Green St and continuing approximately 20 feet in a south direction. Install 2 Poles underneath transmission crossing.

Location approximately as shown on plan attached

Wherefore it prays that after due notice and hearing as provided by law, it be granted a location for and permission to erect and maintain poles and wires, together with such sustaining and protecting fixtures as it may find necessary, said poles to be erected substantially in accordance with the plan filed herewith marked – Matthews St - Gardner - Massachusetts.

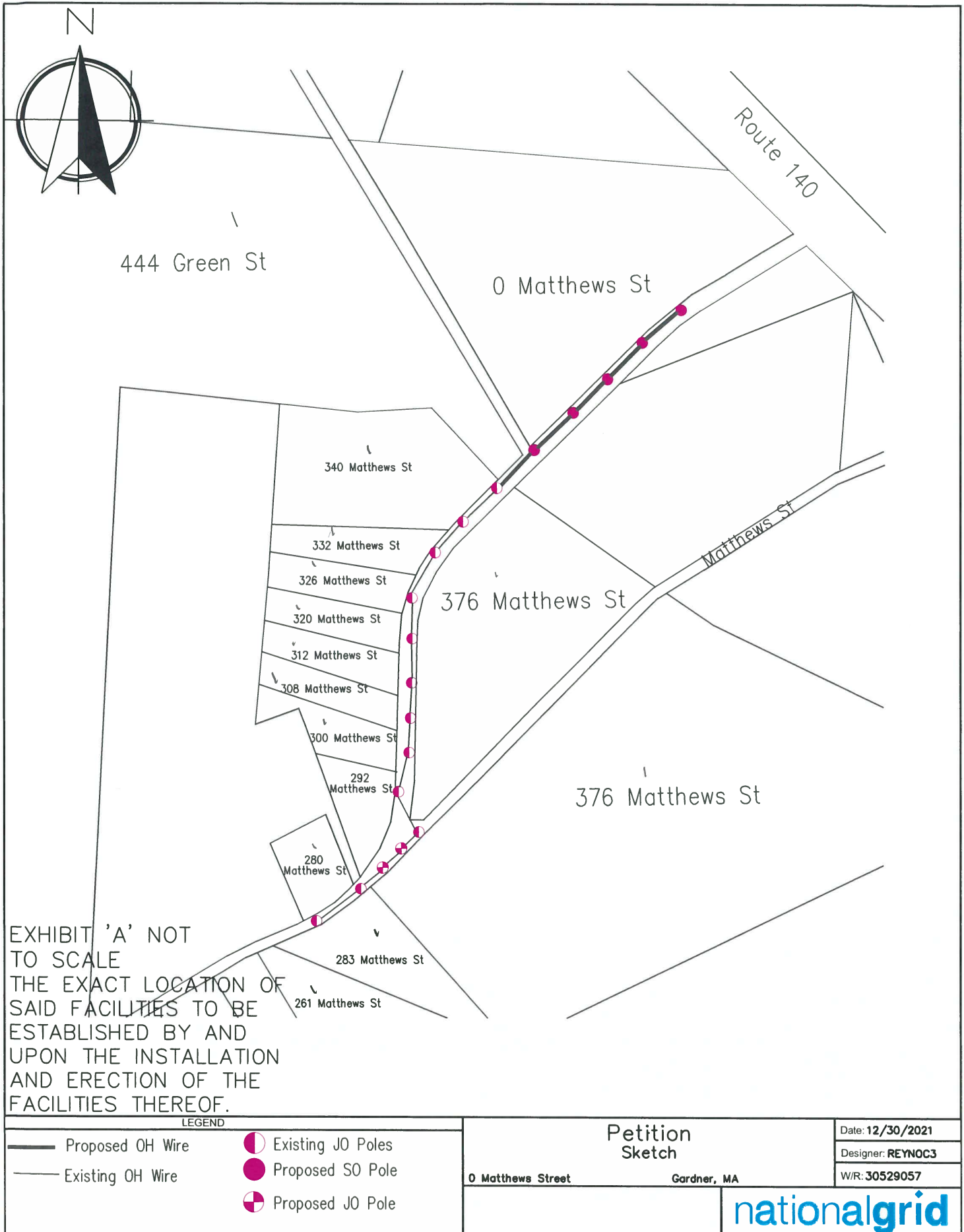
**No. 30529057** March 3, 2022

Also for permission to lay and maintain underground laterals, cables, and wires in the above or intersecting public ways for the purpose of making connections with such poles and buildings as each of said petitioners may desire for distributing purposes.

Your petitioner agrees to reserve space for one cross-arm at a suitable point on each of said poles for the fire, police, telephone, and telegraph signal wires belonging to the municipality and used by it exclusively for municipal purposes.

Massachusetts Electric Company d/b/a National Grid  
BY *Pat Cody*  
Engineering Department

VERIZON NEW ENGLAND, INC.  
BY \_\_\_\_\_  
Manager / Right of Way



**ORDER FOR JOINT OR IDENTICAL POLE LOCATIONS**

To the City Council - Gardner, Massachusetts

Notice having been given and public hearing held, as provided by law,  
IT IS HEREBY ORDERED: that Massachusetts Electric Company d/b/a National Grid and VERIZON NEW ENGLAND INC. (formerly known as NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY) be and they are hereby granted joint or identical locations for and permission to erect and maintain poles and wires to be placed thereon, together with such sustaining and protecting fixtures as said Companies may deem necessary, in the public way or ways hereinafter referred to, as requested in petition of said Companies dated the 3rd day of March, 2022.

All construction under this order shall be in accordance with the following conditions:  
Poles shall be of sound timber, and reasonable straight, and shall be set substantially at the points indicated upon the plan marked – Matthews St - Gardner - Massachusetts.

**No. 30529057** Dated March 3, 2022. Filed with this order

There may be attached to said poles by Massachusetts Electric Company d/b/a National Grid and Verizon New England Inc. such wires, cables, and fixtures as needed in their business and all of said wires and cables shall be placed at a height of not less than twenty (20) feet from the ground.

The following are the public ways or part of ways along which the poles above referred to may be erected, and the number of poles which may be erected thereon under this order:

Matthews St - National Grid to install 2 JO Poles on Matthews St beginning at a point approximately 3,700 feet east of the centerline of the intersection of Green St and continuing approximately 20 feet in a south direction. Install 2 Poles underneath transmission crossing.

Also for permission to lay and maintain underground laterals, cables, and wires in the above or intersecting public ways for the purpose of making connections with such poles and buildings as each of said petitioners may desire for distributing purposes.

I hereby certify that the foregoing order was adopted at a meeting of the  
of the City/Town of \_\_\_\_\_, Massachusetts held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Massachusetts

City/Town Clerk.  
20\_\_.

Received and entered in the records of location orders of the City/Town of  
Book \_\_\_\_\_ Page \_\_\_\_\_

Attest:  
City/Town Clerk

I hereby certify that on \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_ o'clock, M  
 at \_\_\_\_\_ a public hearing was held on the petition of  
 Massachusetts Electric Company d/b/a National Grid and VERIZON NEW ENGLAND, INC.

for permission to erect the poles, wires, and fixtures described in the order herewith recorded, and  
 that we mailed at least seven days before said hearing a written notice of the time and place of said  
 hearing to each of the owners of real estate (as determined by the last preceding assessment for  
 taxation) along the ways or parts of ways upon which the Company is permitted to erect  
 poles, wires, and fixtures under said order. And that thereupon said order was duly adopted.

City/Town Clerk.

.....  
 .....  
 .....  
 .....

Board or Council of Town or City, Massachusetts

# CERTIFICATE

I hereby certify that the foregoing is a true copy of the location order and certificate of  
 hearing with notice adopted by the \_\_\_\_\_ of the City of \_\_\_\_\_  
 Massachusetts, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and recorded with the  
 records of location orders of the said City, Book \_\_\_\_\_, Page \_\_\_\_\_. This certified copy  
 is made under the provisions of Chapter 166 of General Laws and any additions thereto or  
 amendments thereof.

Attest:

City/Town Clerk



**CITY OF GARDNER  
MASSACHUSETTS 01440-2630**

OFFICE OF THE  
**CITY CLERK**

Room 121, City Hall  
Tel (978) 630-4058  
Fax (978) 630-2589

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**NOTICE TO ABUTTERS**

April 20, 2022

**TO ABUTTERS AND OTHER INTERESTED PARTIES:**

Pursuant to the provisions of M.G.L., c. 166, §22, you are hereby notified that a Public Hearing will be conducted on **MONDAY, MAY 2, 2022 at 7:30 o'clock P.M.** on the petition of Massachusetts Electric Company, d/b/a NATIONAL GRID and Verizon New England, Inc. for permission to locate poles, wires, and fixtures, including the necessary sustaining and protecting fixtures, under along and across the following public way:

MATTHEWS STREET – A petition by National Grid, Matthews Street – to install 5 Single Owned Poles on Matthews Street beginning at a point approximately 1400 feet west of the centerline of the intersection of Route 140 and continuing approximately 20 feet in a north direction. Install 5 poles to extend line for a new service.

A sketch of the proposed pole location is attached for your edification.

CITY COUNCIL OF GARDNER

By: TITI SIRIPHAN  
City Clerk

**nationalgrid**

RECEIVED  
2022 APR -4 AM 10:26  
CITY CLERK'S OFFICE  
GARDNER, MA

April 1, 2022

City of Gardner

To Whom It May Concern:

Enclosed please find a petition of NATIONAL GRID, covering NATIONAL GRID pole location(s)

If you have any questions regarding this permit please contact:

Please notify National Grid's Vincent LoGuidice of the hearing date / time.

If this petition meets with your approval, please return an executed copy to:

National Grid Contact Vincent LoGuidice; 1101 Turnpike Street; North Andover, MA 01845

Phone number 978-725-1392.

Very truly yours,

*Pat Cody*

Patrick Cody  
Supervisor, Distribution Design

Enclosures

Questions contact – Connor Reynolds 774-312-0350

**PETITION FOR POLE AND WIRE LOCATIONS**

North Andover, Massachusetts

To the City Council  
Of Gardner, Massachusetts

Massachusetts Electric Company d/b/a National Grid requests permission to locate poles, wires, and fixtures, including the necessary sustaining and protecting fixtures, along and across the following public way:

Matthews St - National Grid to install 5 SO Poles on Matthews St beginning at a point approximately 1400' feet west of the centerline of the intersection of Route 140 and continuing approximately 20 feet in a north direction. Install 5 poles to extend line for a new service.

Location approximately as shown on plan attached

Wherefore it prays that after due notice and hearing as provided by law, it be granted a location for and permission to erect and maintain poles and wires, together with such sustaining and protecting fixtures as it may find necessary, said poles to be erected substantially in accordance with the plan filed herewith marked – Matthews St - Gardner – Massachusetts.

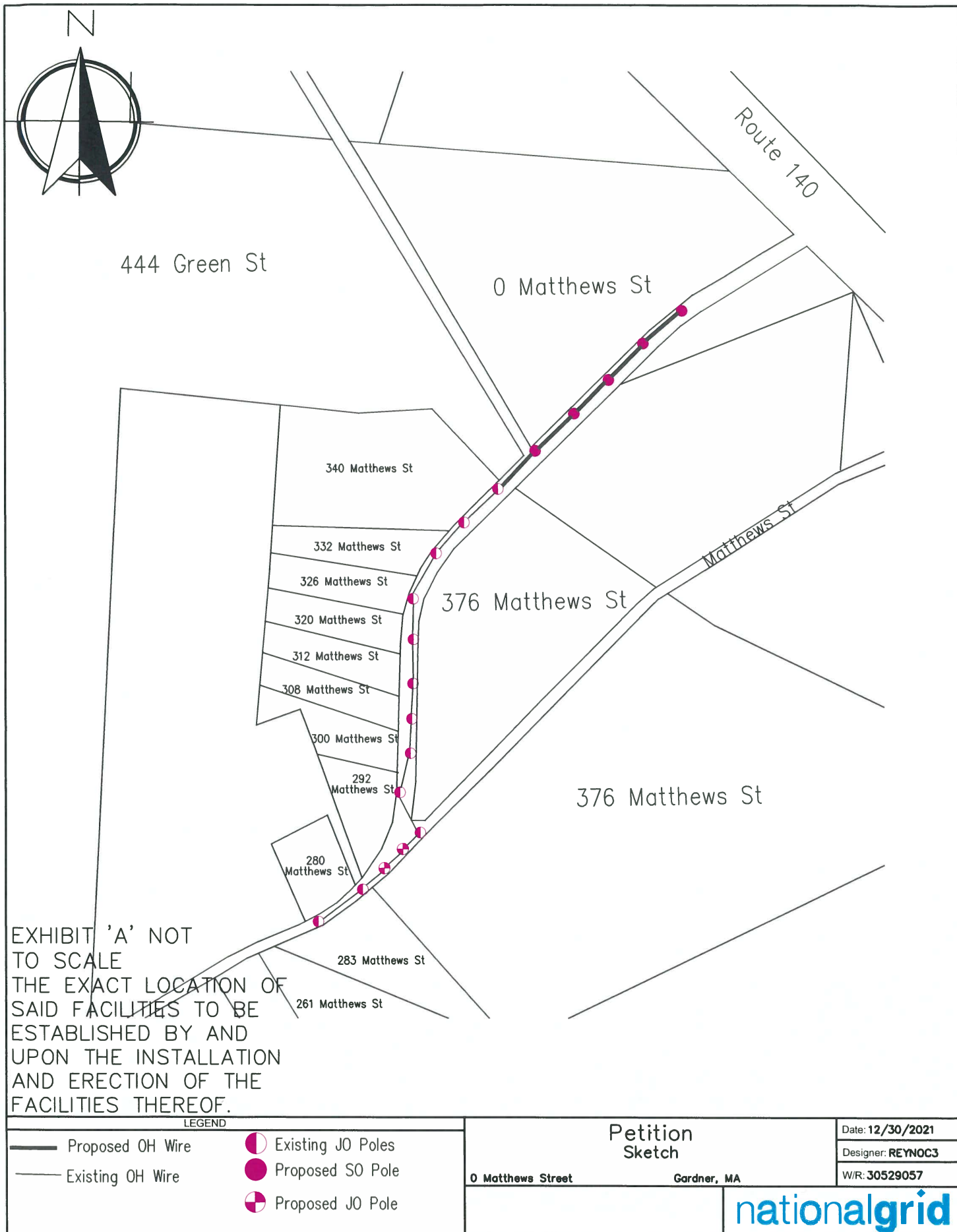
No.# 30529057 March 3, 2022

Also for permission to lay and maintain underground laterals, cables, and wires in the above or intersecting public ways for the purpose of making connections with such poles and buildings as each of said petitioners may desire for distributing purposes.

Your petitioner agrees to reserve space for one cross-arm at a suitable point on each of said poles for the fire, police, telephone, and telegraph signal wires belonging to the municipality and used by it exclusively for municipal purposes.

Massachusetts Electric Company d/b/a National Grid  
BY Pat Cody  
Engineering Department







## ORDER FOR POLE AND WIRE LOCATIONS

In the City of Gardner, Massachusetts

Notice having been given and public hearing held, as provided by law,

IT IS HEREBY ORDERED:

that Massachusetts Electric Company d/b/a National Grid and be and it is hereby granted a location for and permission to erect and maintain poles and wires to be placed thereon, together with such sustaining and protecting fixtures as said Company may deem necessary, in the public way or ways hereinafter referred to, as requested in petition of said Company dated the 3rd day of March, 2022.

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

Poles shall be of sound timber, and reasonable straight, and shall be set substantially at the points indicated upon the plan marked – Matthews St - Gardner – Massachusetts

No.# 30529057 Dated: March 3, 2022. Filed with this order

There may be attached to said poles such wires, cables, and fixtures as needed in their business and all of said wires and cables shall be placed at a height of not less than twenty (20) feet from the ground.

The following are the public ways or part of ways along which the poles above referred to may be erected, and the number of poles which may be erected thereon under this order:

Matthews St - National Grid to install 5 SO Poles on Matthews St beginning at a point approximately 1400' feet west of the centerline of the intersection of Route 140 and continuing approximately 20 feet in a north direction. Install 5 poles to extend line for a new service.

I hereby certify that the foregoing order was adopted at a meeting of the City Council of the City/Town of \_\_\_\_\_, Massachusetts held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

City/Town Clerk.  
\_\_\_\_\_  
Massachusetts 20\_\_.

Received and entered in the records of location orders of the City/Town of \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_

Attest:  
City/Town Clerk

I hereby certify that on \_\_\_\_\_ 20\_\_, at \_\_\_\_\_ o'clock, M  
at \_\_\_\_\_ a public hearing was held on the petition of \_\_\_\_\_

Massachusetts Electric Company d/b/a National Grid

for permission to erect the poles, wires, and fixtures described in the order herewith recorded, and that we mailed at least seven days before said hearing a written notice of the time and place of said hearing to each of the owners of real estate (as determined by the last preceding assessment for taxation) along the ways or parts of ways upon which the Company is permitted to erect poles, wires, and fixtures under said order. And that thereupon said order was duly adopted.

City/Town Clerk.

.....  
 .....  
 .....  
 .....

Board or Council of Town or City, Massachusetts

# CERTIFICATE

I hereby certify that the foregoing is a true copy of the location order and certificate of hearing with notice adopted by the \_\_\_\_\_ of the City of \_\_\_\_\_ Massachusetts, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and recorded with the records of location orders of the said City, Book \_\_\_\_\_, Page \_\_\_\_\_. This certified copy is made under the provisions of Chapter 166 of General Laws and any additions thereto or amendments thereof

Attest:

City/Town Clerk

RECEIVED

April 15, 2022

2022 APR 20

Commonwealth of Massachusetts

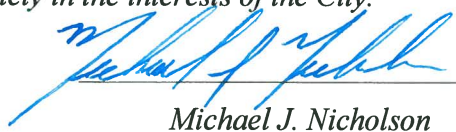
Worcester County

CITY CLERK'S OFFICE  
GARDNER, MA

City of Gardner

## CERTIFICATE OF APPOINTMENT

I appoint **Robert Oliva** to the position of **City Engineer**, and I certify that in my opinion he/she is a person specially fitted by education, training, or experience to perform the duties of said office, and that I make the appointment solely in the interests of the City.

 Mayor  
Michael J. Nicholson

Confirmed by City Council: \_\_\_\_\_

\_\_\_\_\_  
Titi Siriphan  
City Clerk

Expires: April 15, 2025

Worcester, ss., \_\_\_\_\_

Then personally appeared the above named **Robert Oliva** and made oath that he/she would faithfully and impartially perform the duties of the office of **City Engineer** according to law and the best of his/her abilities.

Before me,

\_\_\_\_\_  
City Clerk

Chapter 303 Acts of 1975  
and  
Chapter 409 Acts of 1983

Received \_\_\_\_\_

RECEIVED

April 15, 2022

2022 APR 20 11:10 PM

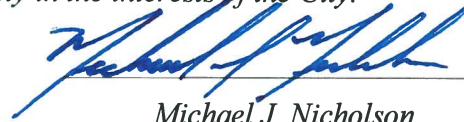
Commonwealth of Massachusetts

CITY CLERK'S OFFICE  
Worcester County  
WORCESTER, MA

City of Gardner

## CERTIFICATE OF APPOINTMENT

I appoint **Michael Zlotnik** to the position of **Member, Bandstand Committee**, and I certify that in my opinion he/she is a person specially fitted by education, training, or experience to perform the duties of said office, and that I make the appointment solely in the interests of the City.

 Mayor  
Michael J. Nicholson

Confirmed by City Council \_\_\_\_\_

\_\_\_\_\_  
Titi Siriphan  
City Clerk

Expires: April 15, 2025

Worcester, ss., \_\_\_\_\_

Then personally appeared the above named **Michael Zlotnik** and made oath that he/she would faithfully and impartially perform the duties of the office of **Member, Bandstand Committee** according to law and the best of his/her abilities.

Before me,

\_\_\_\_\_  
City Clerk

Chapter 303 Acts of 1975  
and  
Chapter 409 Acts of 1983

Received \_\_\_\_\_



RECEIVED

April 13, 2022

2022 APR 20

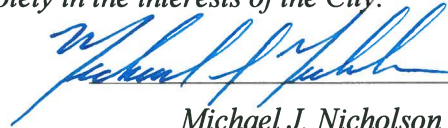
**Commonwealth of Massachusetts**

Worcester County

City of Gardner

**CERTIFICATE OF APPOINTMENT**

I appoint **Nevonya Smith** to the position of **Member, Youth Commission**, and I certify that in my opinion he/she is a person specially fitted by education, training, or experience to perform the duties of said office, and that I make the appointment solely in the interests of the City.

 Mayor  
Michael J. Nicholson

Confirmed by City Council \_\_\_\_\_

\_\_\_\_\_  
Titi Siriphan  
City Clerk

Expires: April 13, 2025

Worcester, ss., \_\_\_\_\_

Then personally appeared the above named **Nevonya Smith** and made oath that he/she would faithfully and impartially perform the duties of the office of **Member, Youth Commission** according to law and the best of his/her abilities.

Before me,

\_\_\_\_\_  
City Clerk

Chapter 303 Acts of 1975  
and  
Chapter 409 Acts of 1983

Received \_\_\_\_\_

April 13, 2022

RECEIVED

## Commonwealth of Massachusetts

Worcester County

2022 APR 20 PM 12:31

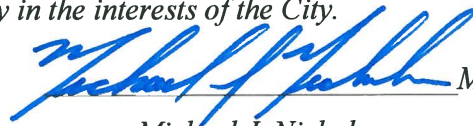
CITY CLERK'S OFFICE  
GARDNER, MA

City of Gardner

## CERTIFICATE OF APPOINTMENT

I appoint Paul Leone to the position of Member, Council on Aging, and I certify

that in my opinion he/she is a person specially fitted by education, training, or experience to perform the duties of said office, and that I make the appointment solely in the interests of the City.



Mayor  
Michael J. Nicholson

Confirmed by City Council \_\_\_\_\_

\_\_\_\_\_  
City Clerk  
Titi Siriphan

Expires: April 13, 2025

Worcester, ss., \_\_\_\_\_

Then personally appeared the above named Paul Leone and made oath that he/she would faithfully and impartially perform the duties of the office of Member, Council on Aging according to law and the best of his/her abilities.

Before me,

\_\_\_\_\_  
City Clerk

Chapter 303 Acts of 1975  
and  
Chapter 409 Acts of 1983

Received \_\_\_\_\_

# City of Gardner, *Executive Department*

Michael J. Nicholson, Mayor



April 28, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Councilors  
Gardner City Hall, Rm 121  
95 Pleasant St  
Gardner, MA 01440

RE: Conflict of Interest Disclosure – Golf Course

Dear Madam President and Councilors,

The Golf Commission would like to extend an offer of employment to Mr. Todd Antoniac to work as a summer groundskeeper for the course.

Mr. Antoniac, however, also has a contract with the City for his restaurant services.

As such, he cannot begin employment unless and until the Council accepts the attached conflict of interest disclosure.

Respectfully Submitted,

Michael J. Nicholson  
Mayor, City of Gardner

**DISCLOSURE BY MUNICIPAL EMPLOYEE  
OF FINANCIAL INTEREST IN A MUNICIPAL CONTRACT  
AS REQUIRED BY G. L. c. 268A, § 20(b)**

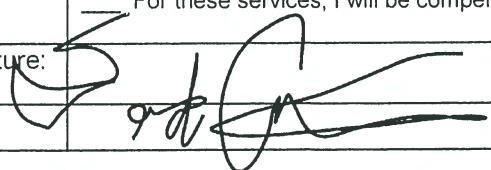
2022 APR 21 PM 12:49

CITY CLERK'S OFFICE  
GARDNER, MA

|                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                   | <b>MUNICIPAL EMPLOYEE INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Name of municipal employee:                                                                                                       | Todd Antoniac                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Title/ Position                                                                                                                   | Golf Course Maintenance Worker                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Fill in this box if it applies to you.</b>                                                                                     | If you are a municipal employee because a municipal agency has contracted with your company or organization, please provide the name and address of the company or organization.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Agency/ Department                                                                                                                | City of Gardner - Municipal Golf Course                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Agency Address                                                                                                                    | 152 Eaton Street, Gardner, MA 01440                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Office phone:                                                                                                                     | (978) 632-9703                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Office e-mail:                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                   | Check one: <input type="checkbox"/> Elected or <input checked="" type="checkbox"/> Non-elected                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Starting date as a municipal employee.                                                                                            | Pending                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>BOX # 1</b><br><br><b>Select either STATEMENT #1 or STATEMENT #2.</b><br><br><b>Write an X beside your financial interest.</b> | <p><b>ELECTED MUNICIPAL EMPLOYEE</b></p> <p>I am an <b>elected municipal employee</b>.</p> <p><input type="checkbox"/> <b>STATEMENT #1:</b> I had one of the following financial interests in a contract made by a municipal agency before I was elected to my municipal employee position. I will continue to have this financial interest in a municipal contract. <b>OR</b></p> <p><input type="checkbox"/> <b>STATEMENT #2:</b> I will have a new financial interest in a contract made by a municipal agency.</p> <p><b>My financial interest in a municipal contract is:</b></p> <p><input type="checkbox"/> I have a non-elected, compensated municipal employee position.</p> <p><input type="checkbox"/> A municipal agency has a contract with me.</p> <p><input type="checkbox"/> I have a financial benefit or obligation because of a contract that a municipal agency has with another person or an entity, such as a company or organization.</p> <p><input type="checkbox"/> I work for a company or organization that has a contract with a municipal agency, and I am a "key employee" because the contract identifies me by name or it is otherwise clear that the city or town has contracted for my services in particular.</p> |
| <b>BOX # 2</b><br><br><b>Select either STATEMENT #1 or STATEMENT #2.</b>                                                          | <p><b>NON-ELECTED, COMPENSATED MUNICIPAL EMPLOYEE</b></p> <p>I am a <b>non-elected municipal employee</b>.</p> <p><input checked="" type="checkbox"/> <b>STATEMENT #1:</b> I had one of the following financial interests in a contract made by a municipal agency <b>before</b> I took a position as a non-elected municipal employee. I will continue to have this financial interest in a municipal contract.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



|                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Write an X beside your financial interest.</p>                  | <p><b>My financial interest in a municipal contract is:</b></p> <p><input checked="" type="checkbox"/> A municipal agency has a contract with me, but not an employment contract.</p> <p><input type="checkbox"/> I have a financial benefit or obligation because of a contract that a municipal agency has with another person or an entity, such as a company or organization.</p> <p>-- OR --</p> <p><input type="checkbox"/> <b>STATEMENT # 2:</b> I will have a <b>new</b> financial interest in a contract made by a municipal agency.</p> <p><b>My financial interest in a municipal contract is:</b></p> <p><input type="checkbox"/> I have a non-elected, compensated municipal employee position.</p> <p><input type="checkbox"/> A municipal agency has a contract with me.</p> <p><input type="checkbox"/> I have a financial benefit or obligation because of a contract that a municipal agency has with another person or an entity, such as a company or organization.</p> <p><input type="checkbox"/> I work for a company or organization that has a contract with a municipal agency, and I am a "key employee" because the contract identifies me by name or it is otherwise clear that the city or town has contracted for my services in particular.</p> |
| <p><b>FINANCIAL INTEREST IN A MUNICIPAL CONTRACT</b></p>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>Name and address of municipal agency that made the contract</p> | <p>Zoey's on the Green<br/>located at the Gardner Municipal Golf Course<br/>152 Eaton Street, Gardner, MA 01440</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>Please put in an X to confirm these facts.</p>                  | <p><b>"My Municipal Agency"</b> is the municipal agency that I serve as a <b>municipal employee</b>.</p> <p>The <b>"contracting agency"</b> is the <b>municipal agency that made the contract</b>.</p> <p><input type="checkbox"/> My Municipal Agency is not the contracting agency.</p> <p><input type="checkbox"/> My Municipal Agency does not regulate the activities of the contracting agency.</p> <p><input checked="" type="checkbox"/> In my work for my Municipal Agency, I do not participate in or have official responsibility for any of the activities of the contracting agency.</p> <p><input checked="" type="checkbox"/> The contract was made after public notice or through competitive bidding.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>FILL IN THIS BOX OR THE BOX BELOW</b></p>                    | <p><b>ANSWER THE QUESTION IN THIS BOX IF THE CONTRACT IS BETWEEN THE CITY OR TOWN AND YOU.</b></p> <p>- Please explain what the contract is for.</p> <p>Operation of the seasonal restaurant at the Gardner Municipal Golf Course.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p><b>FILL IN THIS BOX OR THE BOX ABOVE</b></p>                    | <p><b>ANSWER THE QUESTIONS IN THIS BOX IF THE CONTRACT IS BETWEEN THE CITY OR TOWN AND ANOTHER PERSON OR ENTITY.</b></p> <p>- Please identify the person or entity that has the contract with the municipal agency.</p> <p>- What is your relationship to the person or entity?</p> <p>- What is the contract for?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What is your financial interest in the municipal contract?    | - Please explain the financial interest and include the dollar amount if you know it.<br><br>Owner/Operator of Zoe's on the Green (the seasonal restaurant located at the Gardner Municipal Golf Course. Dollar amount is unknown.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Date when you acquired a financial interest                   | March 9, 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| What is the financial interest of your immediate family?      | - Please explain the financial interest and include the dollar amount if you know it.<br><br>N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Date when your immediate family acquired a financial interest | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Write an X to confirm each statement.                         | <p><b>FOR A CONTRACT FOR PERSONAL SERVICES –</b></p> <p><b>Answer the questions in this box ONLY if you will have a contract for personal services with a municipal agency (i.e., you will do work directly for the contracting agency).</b></p> <p>I will have a contract with a municipal agency to provide personal services.</p> <p><input checked="" type="checkbox"/> The services will be provided outside my normal working hours as a municipal employee.</p> <p><input checked="" type="checkbox"/> The services are not required as part of my regular duties as a municipal employee.</p> <p><input checked="" type="checkbox"/> For these services, I will be compensated for not more than 500 hours during a calendar year.</p> |
| Employee signature:                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Date:                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Attach additional pages if necessary.

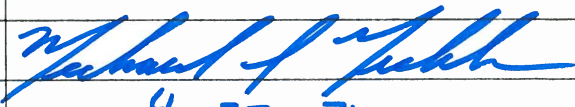
NOT A PERSONAL SERVICES CONTRACT -- File disclosure with the city or town clerk.

SEE CERTIFICATION AND APPROVAL REQUIRED FOR PERSONAL SERVICES CONTRACTS, BELOW.

**FOR CONTRACTS FOR PERSONAL SERVICES ONLY:**

If you are disclosing a financial interest in a contract for personal services with a municipal agency, you must file the Certification below signed by the head of the contracting agency, and you must get approval of the exemption from the city council, board of aldermen, board of selectmen or town council.

**CERTIFICATION BY HEAD OF CONTRACTING AGENCY**

|                   |                                                                                                                                                                                                                                                                                                        |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | <b>INFORMATION ABOUT HEAD OF CONTRACTING AGENCY</b>                                                                                                                                                                                                                                                    |
| Name:             | Michael Nicholson                                                                                                                                                                                                                                                                                      |
| Title/ Position   | Mayor                                                                                                                                                                                                                                                                                                  |
| Municipal Agency: | City of Gardner<br>Municipal Golf Course                                                                                                                                                                                                                                                               |
| Agency Address:   | 95 Pleasant Street<br>Gardner, MA 01440                                                                                                                                                                                                                                                                |
| Office Phone:     | (978) 632-1900                                                                                                                                                                                                                                                                                         |
|                   | <b>CERTIFICATION</b>                                                                                                                                                                                                                                                                                   |
|                   | I have received a disclosure under G.L. c. 268A, § 20(b) from a municipal employee who seeks to provide personal services to my municipal agency, identified above. I certify that no employee of my agency is available to perform the services described above as part of his or her regular duties. |
| Signature:        |                                                                                                                                                                                                                     |
| Date:             | 4-22-21                                                                                                                                                                                                                                                                                                |

**APPROVAL BY CITY COUNCIL, BOARD OF ALDERMEN,  
BOARD OF SELECTMEN OR TOWN COUNCIL**

|                 |                                                                                                                                                                                                             |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <b>INFORMATION ABOUT APPROVING BODY</b>                                                                                                                                                                     |
| Name:           |                                                                                                                                                                                                             |
| Title/ Position |                                                                                                                                                                                                             |
| Agency Address: |                                                                                                                                                                                                             |
| Office Phone:   |                                                                                                                                                                                                             |
|                 | <b>APPROVAL</b>                                                                                                                                                                                             |
|                 | I have received a disclosure under G.L. c. 268A, § 20(b) from a municipal employee who seeks to provide personal services to a municipal agency, identified above. The exemption under § 20(b) is approved. |
| Signature:      | On behalf of the Council or Board, I sign this approval.                                                                                                                                                    |
| Date:           |                                                                                                                                                                                                             |

**Attach additional pages if necessary.**  
**File disclosure, Certification and Approval with the city or town clerk.**

# City of Gardner, *Executive Department*

Michael J. Nicholson, Mayor

RECEIVED

2022 APR 26 AM 10:41

CITY CLERK'S OFFICE  
GARDNER, MA



April 26, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Councilors  
Gardner City Hall, Rm 121  
95 Pleasant St  
Gardner, MA 01440

RE: Completed FY2021 Outside Audit Report

Dear Madam President and Councilors,

Massachusetts General Law requires that every municipality in the Commonwealth annually conduct an audit of their finances by an external auditing firm approved by the Massachusetts Department of Revenue.

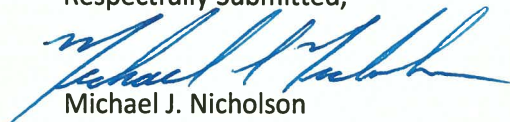
Following their review of a municipality's finances, these firms then issue reports in which they list their methodology in conducting the audit, overview reports of the finances reviewed, and findings of items required to be changed in order to avoid negative bond rating impact. The report is also usually accompanied by a Management Letter that outlines recommendations for improvements that could be made. These recommended changes usually relate to practices that do not violate financial standards but could still be improved to increase financial protections and efficiency.

This is the first year since at least 2004<sup>1</sup> that our outside auditors had no findings, nor any recommendations that resulted in the drafting of a management letter. A copy of the Audit Report is attached.

This is a major accomplishment for the City and shows our strong financial standing. There are many municipalities across the Commonwealth and Nation that are still in tough financial straights due to the impacts of the COVID-19 Pandemic, current inflation rates, and housing issues, however, we have been able to preserve and push through these challenges and remain on a strong, solid foundation.

I want to thank our financial department heads, City Treasurer Jennifer Dymek, City Assessor Christine Kumar, Director of Purchasing Joshua Cormier, and especially City Auditor John Richard for their help in making this accomplishment a reality.

Respectfully Submitted,

  
Michael J. Nicholson  
Mayor, City of Gardner

<sup>1</sup> The last year we have readily accessible audit records



## **CITY OF GARDNER, MASSACHUSETTS**

Financial Statements  
For the Year Ended June 30, 2021

(With Independent Auditors' Report Thereon)



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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
City of Gardner, Massachusetts

### Report on the Financial Statements

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

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

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

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Levi Heywood Library Association, which represents 100% of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Levi Heywood Library Association is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Levi Heywood Library Association were not audited in accordance with *Government Auditing Standards*.

---

Nashua, New Hampshire  
Manchester, New Hampshire  
Andover, Massachusetts  
Greenfield, Massachusetts  
Ellsworth, Maine

800.282.2440 | [melansoncpas.com](http://melansoncpas.com)





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gardner, Massachusetts, as of June 30, 2021 (except for the Gardner Contributory Retirement System which is as of and for the year ended December 31, 2020), and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Merrimack, New Hampshire  
March 28, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### **Overview of the Financial Statements**

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

### ***Government-Wide Financial Statements***

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

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

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

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

### ***Fund Financial Statements***

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

### ***Governmental Funds***

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

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

### ***Proprietary Funds***

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

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

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

#### ***Fiduciary Funds***

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

#### ***Notes to Financial Statements***

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

#### ***Required Supplementary Information***

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

#### **Financial Highlights**

- As of the close of the current fiscal year, net position in governmental activities was \$(83,429,459), a change of \$(645,200), and net position in business-type activities was \$25,327,316, a change of \$408,757.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$3,000,671, a change of \$(6,631,522) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,451,600, a change of \$1,554,429 in comparison to the prior year.



## Government-Wide Financial Analysis

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

|                                   | NET POSITION           |                        |                      |                      |                        |                        |
|-----------------------------------|------------------------|------------------------|----------------------|----------------------|------------------------|------------------------|
|                                   | Governmental           |                        | Business-Type        |                      | Total                  |                        |
|                                   | Activities             |                        | Activities           |                      |                        |                        |
|                                   | 2021                   | 2020                   | 2021                 | 2020                 | 2021                   | 2020                   |
| <b>Assets:</b>                    |                        |                        |                      |                      |                        |                        |
| Current and other assets          | \$ 31,517,814          | \$ 26,383,510          | \$ 13,731,396        | \$ 14,061,364        | \$ 45,249,210          | \$ 40,444,874          |
| Capital assets                    | <u>87,015,066</u>      | <u>69,656,642</u>      | <u>34,060,228</u>    | <u>29,442,237</u>    | <u>121,075,294</u>     | <u>99,098,879</u>      |
| Total Assets                      | 118,532,880            | 96,040,152             | 47,791,624           | 43,503,601           | 166,324,504            | 139,543,753            |
| Deferred outflows of resources    | 31,562,616             | 39,144,293             | 533,535              | 1,071,956            | 32,096,151             | 40,216,249             |
| <b>Liabilities:</b>               |                        |                        |                      |                      |                        |                        |
| Long-term liabilities outstanding | 192,441,557            | 203,786,827            | 18,025,872           | 9,685,451            | 210,467,429            | 213,472,278            |
| Other liabilities                 | <u>20,491,962</u>      | <u>8,873,816</u>       | <u>4,396,737</u>     | <u>9,754,112</u>     | <u>24,888,699</u>      | <u>18,627,928</u>      |
| Total Liabilities                 | 212,933,519            | 212,660,643            | 22,422,609           | 19,439,563           | 235,356,128            | 232,100,206            |
| Deferred inflows of resources     | 20,591,436             | 5,308,061              | 575,234              | 217,435              | 21,166,670             | 5,525,496              |
| Invested in capital assets, net   | 50,722,266             | 47,554,660             | 16,874,853           | 15,460,186           | 67,597,119             | 63,014,846             |
| Restricted                        | 7,498,247              | 7,157,609              | -                    | -                    | 7,498,247              | 7,157,609              |
| Unrestricted                      | <u>(141,649,972)</u>   | <u>(137,496,528)</u>   | <u>8,452,463</u>     | <u>9,458,373</u>     | <u>(133,197,509)</u>   | <u>(128,038,155)</u>   |
| Total Net Position                | \$ <u>(83,429,459)</u> | \$ <u>(82,784,259)</u> | \$ <u>25,327,316</u> | \$ <u>24,918,559</u> | \$ <u>(58,102,143)</u> | \$ <u>(57,865,700)</u> |

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. At the close of the most recent fiscal year, total net position was \$(58,102,143), a change of \$(236,443) in comparison to the prior year.

The largest portion of net position \$67,597,119 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$7,498,247 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(133,197,509) primarily resulting from unfunded pension and OPEB liabilities.

| CHANGES IN NET POSITION                                      |                            |                        |                             |                      |                        |                        |
|--------------------------------------------------------------|----------------------------|------------------------|-----------------------------|----------------------|------------------------|------------------------|
|                                                              | Governmental<br>Activities |                        | Business-Type<br>Activities |                      | Total                  |                        |
|                                                              | 2021                       | 2020                   | 2021                        | 2020                 | 2021                   | 2020                   |
| <b>Revenues</b>                                              |                            |                        |                             |                      |                        |                        |
| Program revenues:                                            |                            |                        |                             |                      |                        |                        |
| Charges for services                                         | \$ 4,038,755               | \$ 4,731,886           | \$ 9,811,319                | \$ 8,897,350         | \$ 13,850,074          | \$ 13,629,236          |
| Operating grants and contributions                           | 40,699,564                 | 37,472,893             | -                           | -                    | 40,699,564             | 37,472,893             |
| Capital grants and contributions                             | 3,175,971                  | 4,282,875              | 1,180,140                   | 288,391              | 4,356,111              | 4,571,266              |
| General revenues:                                            |                            |                        |                             |                      |                        |                        |
| Property taxes                                               | 28,858,820                 | 27,696,193             | -                           | -                    | 28,858,820             | 27,696,193             |
| Excises                                                      | 2,557,990                  | 2,416,916              | -                           | -                    | 2,557,990              | 2,416,916              |
| Penalties, interest on taxes                                 | 587,121                    | 400,034                | -                           | -                    | 587,121                | 400,034                |
| Grants and contributions not restricted to specific programs | 4,768,000                  | 4,816,430              | -                           | -                    | 4,768,000              | 4,816,430              |
| Investment income                                            | 275,348                    | 348,202                | 49,611                      | 61,410               | 324,959                | 409,612                |
| Miscellaneous                                                | 967,011                    | 726,423                | 27,762                      | 20,607               | 994,773                | 747,030                |
| <b>Total Revenues</b>                                        | <b>85,928,580</b>          | <b>82,891,852</b>      | <b>11,068,832</b>           | <b>9,267,758</b>     | <b>96,997,412</b>      | <b>92,159,610</b>      |
| <b>Expenses</b>                                              |                            |                        |                             |                      |                        |                        |
| General government                                           | 6,109,951                  | 5,499,200              | -                           | -                    | 6,109,951              | 5,499,200              |
| Public safety                                                | 13,533,882                 | 15,275,384             | -                           | -                    | 13,533,882             | 15,275,384             |
| Education                                                    | 54,838,102                 | 52,896,700             | -                           | -                    | 54,838,102             | 52,896,700             |
| Public works                                                 | 5,844,674                  | 5,560,893              | -                           | -                    | 5,844,674              | 5,560,893              |
| Health and human services                                    | 1,695,358                  | 1,614,711              | -                           | -                    | 1,695,358              | 1,614,711              |
| Culture and recreation                                       | 1,629,626                  | 1,771,291              | -                           | -                    | 1,629,626              | 1,771,291              |
| Interest on long-term debt                                   | 635,101                    | 641,732                | -                           | -                    | 635,101                | 641,732                |
| Intergovernmental                                            | 2,195,136                  | 2,156,681              | -                           | -                    | 2,195,136              | 2,156,681              |
| Water operations                                             | -                          | -                      | 3,907,769                   | 2,722,266            | 3,907,769              | 2,722,266              |
| Sewer operations                                             | -                          | -                      | 4,077,338                   | 2,694,036            | 4,077,338              | 2,694,036              |
| Golf operations                                              | -                          | -                      | 978,578                     | 900,519              | 978,578                | 900,519                |
| Nonmajor                                                     | -                          | -                      | 1,788,340                   | 1,699,045            | 1,788,340              | 1,699,045              |
| <b>Total Expenses</b>                                        | <b>86,481,830</b>          | <b>85,416,592</b>      | <b>10,752,025</b>           | <b>8,015,866</b>     | <b>97,233,855</b>      | <b>93,432,458</b>      |
| Change in net position before transfers                      | (553,250)                  | (2,524,740)            | 316,807                     | 1,251,892            | (236,443)              | (1,272,848)            |
| Transfers, net                                               | (91,950)                   | (190,456)              | 91,950                      | 190,456              | -                      | -                      |
| <b>Change in Net Position</b>                                | <b>(645,200)</b>           | <b>(2,715,196)</b>     | <b>408,757</b>              | <b>1,442,348</b>     | <b>(236,443)</b>       | <b>(1,272,848)</b>     |
| Net assets - beginning of year, as restated                  | (82,784,259)               | (80,069,063)           | 24,918,559                  | 23,476,211           | (57,865,700)           | (56,592,852)           |
| <b>Net Assets - End of Year</b>                              | <b>\$ (83,429,459)</b>     | <b>\$ (82,784,259)</b> | <b>\$ 25,327,316</b>        | <b>\$ 24,918,559</b> | <b>\$ (58,102,143)</b> | <b>\$ (57,865,700)</b> |

**Governmental Activities**

Governmental activities for the year resulted in a change in net position of \$(645,200). Key elements of this change are as follows:

|                                                         |                     |
|---------------------------------------------------------|---------------------|
| General fund budgetary surplus                          | \$ 2,320,552        |
| Intergovernmental revenue used to offset capital assets | 2,377,948           |
| Effect of GASB 68/75 on pension expense                 | (6,458,513)         |
| Other                                                   | <u>1,114,813</u>    |
| Total                                                   | \$ <u>(645,200)</u> |

**Business-Type Activities**

Business-type activities for the year resulted in a change in net position of \$408,757, primarily from an increase in water and golf operating revenue.

**Financial Analysis of the City's Funds**

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

**Governmental Funds**

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

**General Fund**

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,451,600, while total fund balance was \$9,814,064. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. Refer to the table below.

| <u>General Fund</u>             | <u>6/30/21</u>      | <u>6/30/20</u>      | <u>Change</u>       | <u>% of<br/>General Fund<br/>Expenditures*</u> |
|---------------------------------|---------------------|---------------------|---------------------|------------------------------------------------|
| Unassigned - General fund       | \$ 4,313,430        | \$ 3,072,842        | \$ 1,240,588        | 7.1%                                           |
| Unassigned - Stabilization fund | <u>3,138,170</u>    | <u>2,824,329</u>    | <u>313,841</u>      | <u>5.2%</u>                                    |
| Total Unassigned Fund Balance   | \$ <u>7,451,600</u> | \$ <u>5,897,171</u> | \$ <u>1,554,429</u> | <u>12.3%</u>                                   |
| Total Fund Balance              | \$ 9,814,064        | \$ 7,877,325        | \$ 1,936,739        | 15.4%                                          |

\* Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth to the Massachusetts Teachers Retirement System of \$3,257,903.



The total fund balance of the General Fund changed by \$1,936,739 during the current fiscal year. Key factors in this change are as follows:

|                                                            |                     |
|------------------------------------------------------------|---------------------|
| <b>General Fund Operating Results</b>                      |                     |
| Excess of state and local revenues over budget             | \$ 1,037,214        |
| Budgetary appropriations unspent by departments            | 1,258,544           |
| Use of free cash (fund balance) as a funding source        | (2,788,474)         |
| <b>Timing Differences</b>                                  |                     |
| Current year encumbrances to be spent in subsequent period | 2,273,270           |
| <b>Other</b>                                               |                     |
| Stabilization Fund interest and transfers in               | 315,316             |
| Reverse effect of GAAP accruals                            | <u>(159,131)</u>    |
| Total                                                      | \$ <u>1,936,739</u> |

#### *School Improvement Bond Fund*

The school improvement bond fund balance changed by \$(12,901,188) primarily due to a timing difference between Waterford Street School improvements and Massachusetts School Building Authority reimbursements and issuance of debt.

#### *School State Grants Fund*

The school State grants fund balance changed by \$749,369 primarily due to school choice revenue in excess of expenditures due to timing differences between receipt of grants and expenditures.

#### *Non-Major Governmental Funds*

The non-major fund balance changed by \$3,583,558 primarily from the permanent financing of capital projects.

#### **Proprietary Funds**

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$8,452,463, a change of \$1,391,573 in comparison to the prior year, primarily due to an increase in water and golf operating revenue.

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

#### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget resulted in an overall change in appropriations and other financing uses of \$1,948,362. This resulted primarily from the use of free cash of \$1,916,141.

## **Capital Asset and Debt Administration**

### ***Capital Assets***

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$121,075,294 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

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

- \$15,409,176 – Waterford Street school project
- \$3,012,965 – Water main replacement

### ***Long-Term Debt***

At the end of the current fiscal year, total bonded debt outstanding was \$28,027,413, all of which was backed by the full faith and credit of the government.

During the fiscal year, the S&P Global credit rating assigned a rating of AA-.

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

## **Requests for Information**

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

Mr. John Richard, City Auditor  
City of Gardner  
Gardner City Hall  
95 Pleasant Street  
Gardner, MA 01440

## CITY OF GARDNER, MASSACHUSETTS

Statement of Net Position  
June 30, 2021

|                                                   | Primary Government |                   |                    | Component                         |
|---------------------------------------------------|--------------------|-------------------|--------------------|-----------------------------------|
|                                                   | Governmental       | Business-Type     | Total              | Unit                              |
|                                                   | <u>Activities</u>  | <u>Activities</u> |                    | <u>Levi Heywood</u>               |
| <b>Assets</b>                                     |                    |                   |                    | <b><u>Library Association</u></b> |
| <b>Current:</b>                                   |                    |                   |                    |                                   |
| Cash and short-term investments                   | \$ 17,984,516      | \$ 11,000,034     | \$ 28,984,550      | \$ 63,279                         |
| Investments                                       | 9,240,940          | -                 | 9,240,940          | 1,051,372                         |
| Receivables, net of allowance for uncollectibles: |                    |                   |                    |                                   |
| Property taxes                                    | 1,041,497          | -                 | 1,041,497          | -                                 |
| Excises                                           | 420,092            | -                 | 420,092            | -                                 |
| User fees                                         | 42,885             | 2,731,362         | 2,774,247          | -                                 |
| Departmental and other                            | 725,822            | -                 | 725,822            | -                                 |
| Intergovernmental                                 | -                  | -                 | -                  | 447,599                           |
| Other assets                                      | 719,959            | -                 | 719,959            | 6,427                             |
| <b>Total Current Assets</b>                       | <b>30,175,711</b>  | <b>13,731,396</b> | <b>43,907,107</b>  | <b>1,568,677</b>                  |
| <b>Noncurrent:</b>                                |                    |                   |                    |                                   |
| Receivables, net of allowance for uncollectibles: |                    |                   |                    |                                   |
| Property taxes                                    | 1,342,103          | -                 | 1,342,103          | -                                 |
| Land and construction in progress                 | 32,956,871         | 20,231,549        | 53,188,420         | 389,162                           |
| Capital assets, net of accumulated depreciation   | 54,058,195         | 13,828,679        | 67,886,874         | 4,329,911                         |
| <b>Total Noncurrent Assets</b>                    | <b>88,357,169</b>  | <b>34,060,228</b> | <b>122,417,397</b> | <b>4,719,073</b>                  |
| <b>Total Assets</b>                               | <b>118,532,880</b> | <b>47,791,624</b> | <b>166,324,504</b> | <b>6,287,750</b>                  |
| <b>Deferred Outflows of Resources</b>             |                    |                   |                    |                                   |
| Related to pensions                               | 3,392,962          | 437,431           | 3,830,393          | -                                 |
| Related to OPEB                                   | 28,169,654         | 96,104            | 28,265,758         | -                                 |
| <b>Total Deferred Outflows of Resources</b>       | <b>31,562,616</b>  | <b>533,535</b>    | <b>32,096,151</b>  | <b>-</b>                          |

(continued)

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

## CITY OF GARDNER, MASSACHUSETTS

Statement of Net Position  
June 30, 2021

(continued)

|                                            | Primary Government     |                      |                        | Component                  |
|--------------------------------------------|------------------------|----------------------|------------------------|----------------------------|
|                                            | Governmental           | Business-Type        | Total                  | Unit                       |
|                                            | <u>Activities</u>      | <u>Activities</u>    |                        | Levi Heywood               |
| <b>Liabilities</b>                         |                        |                      |                        | <u>Library Association</u> |
| <b>Current:</b>                            |                        |                      |                        |                            |
| Warrants payable                           | 8,306,592              | 626,923              | 8,933,515              | -                          |
| Accounts payable                           | -                      | -                    | -                      | 1,158                      |
| Accrued payroll and withholdings           | 611,129                | -                    | 611,129                | 331,328                    |
| Accrued claims payable                     | 565,462                | -                    | 565,462                | -                          |
| Notes payable                              | 10,000,000             | 3,769,814            | 13,769,814             | -                          |
| Unearned revenue                           | 62,500                 | -                    | 62,500                 | -                          |
| Other current liabilities                  | 946,279                | -                    | 946,279                | -                          |
| Current portion of long-term liabilities:  |                        |                      |                        |                            |
| Bonds payable                              | 913,626                | 1,123,911            | 2,037,537              | -                          |
| Capital leases                             | 259,146                | -                    | 259,146                | -                          |
| Landfill liability                         | -                      | 33,225               | 33,225                 | -                          |
| <b>Total Current Liabilities</b>           | <b>21,664,734</b>      | <b>5,553,873</b>     | <b>27,218,607</b>      | <b>332,486</b>             |
| <b>Noncurrent:</b>                         |                        |                      |                        |                            |
| Bonds payable, net of current portion      | 14,298,619             | 11,691,257           | 25,989,876             | -                          |
| Net pension liability                      | 32,749,902             | 4,222,216            | 36,972,118             | -                          |
| Net OPEB liability                         | 137,415,115            | 468,805              | 137,883,920            | -                          |
| Landfill liability, net of current portion | -                      | 431,924              | 431,924                | -                          |
| Capital leases, net of current portion     | 5,496,770              | -                    | 5,496,770              | -                          |
| Compensated absences                       | 1,308,379              | 54,534               | 1,362,913              | -                          |
| <b>Total Noncurrent Liabilities</b>        | <b>191,268,785</b>     | <b>16,868,736</b>    | <b>208,137,521</b>     | <b>-</b>                   |
| <b>Total Liabilities</b>                   | <b>212,933,519</b>     | <b>22,422,609</b>    | <b>235,356,128</b>     | <b>332,486</b>             |
| <b>Deferred Inflows of Resources</b>       |                        |                      |                        |                            |
| Related to pensions                        | 4,023,402              | 518,710              | 4,542,112              | -                          |
| Related to OPEB                            | 16,568,034             | 56,524               | 16,624,558             | -                          |
| <b>Total Deferred Inflows of Resources</b> | <b>20,591,436</b>      | <b>575,234</b>       | <b>21,166,670</b>      | <b>-</b>                   |
| <b>Net Position</b>                        |                        |                      |                        |                            |
| Invested in capital assets                 | 50,722,266             | 16,874,853           | 67,597,119             | 4,719,073                  |
| Restricted for:                            |                        |                      |                        |                            |
| School choice                              | 3,021,204              | -                    | 3,021,204              | -                          |
| Circuit breaker                            | 379,502                | -                    | 379,502                | -                          |
| Receipts reserved for appropriation        | 1,107,875              | -                    | 1,107,875              | -                          |
| Other purposes                             | 2,474,358              | -                    | 2,474,358              | -                          |
| Permanent funds:                           |                        |                      |                        |                            |
| Nonexpendable                              | 452,771                | -                    | 452,771                | 342,467                    |
| Expendable                                 | 62,537                 | -                    | 62,537                 | 155,061                    |
| Unrestricted                               | (141,649,972)          | 8,452,463            | (133,197,509)          | 738,663                    |
| <b>Total Net Position</b>                  | <b>\$ (83,429,459)</b> | <b>\$ 25,327,316</b> | <b>\$ (58,102,143)</b> | <b>\$ 5,955,264</b>        |

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

CITY OF GARDNER, MASSACHUSETTS

Statement of Activities  
For the Year Ended June 30, 2021

| Program Revenues                                             |                      |                                    |                                  | Net (Expenses) Revenues and Changes in Net Position |                          |                |           | Component Unit                   |
|--------------------------------------------------------------|----------------------|------------------------------------|----------------------------------|-----------------------------------------------------|--------------------------|----------------|-----------|----------------------------------|
|                                                              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                             | Business-Type Activities | Total          |           | Levi Heywood Library Association |
| <b>Expenses</b>                                              |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Governmental Activities                                      |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| General government                                           | \$ 6,109,951         | \$ 1,775,019                       | \$ 854,348                       | \$ 183,025                                          | \$ (3,297,559)           | \$ (3,297,559) | \$ -      | -                                |
| Public safety                                                | 13,533,882           | 2,065,877                          | 1,123,717                        | -                                                   | (10,344,288)             | (10,344,288)   | -         | -                                |
| Education                                                    | 54,838,102           | 56,922                             | 36,538,622                       | 2,377,948                                           | (15,864,610)             | (15,864,610)   | -         | -                                |
| Public works                                                 | 5,844,674            | 79,252                             | 1,284,425                        | 614,998                                             | (3,865,999)              | (3,865,999)    | -         | -                                |
| Health and human services                                    | 1,695,358            | 7,941                              | 765,571                          | -                                                   | (921,846)                | (921,846)      | -         | -                                |
| Culture and recreation                                       | 1,629,626            | 53,744                             | 132,881                          | -                                                   | (1,443,001)              | (1,443,001)    | -         | -                                |
| Interest                                                     | 635,101              | -                                  | -                                | -                                                   | (635,101)                | (635,101)      | -         | -                                |
| Intergovernmental                                            | 2,195,136            | -                                  | -                                | -                                                   | (2,195,136)              | (2,195,136)    | -         | -                                |
| Total Governmental Activities                                | 86,481,830           | 4,038,755                          | 40,699,564                       | 3,175,971                                           | (38,567,540)             | (38,567,540)   | -         | -                                |
| <b>Business-Type Activities</b>                              |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Water operations                                             | 3,907,769            | 3,778,014                          | -                                | 115,436                                             | (14,319)                 | (14,319)       | -         | -                                |
| Sewer operations                                             | 4,077,338            | 3,210,881                          | -                                | 1,064,704                                           | 198,247                  | 198,247        | -         | -                                |
| Golf operations                                              | 978,578              | 1,092,996                          | -                                | -                                                   | 114,418                  | 114,418        | -         | -                                |
| Solid waste operations                                       | 1,680,863            | 1,729,428                          | -                                | -                                                   | 48,565                   | 48,565         | -         | -                                |
| Landfill operations                                          | 107,477              | -                                  | -                                | -                                                   | (107,477)                | (107,477)      | -         | -                                |
| Total Business-type Activities                               | 10,752,025           | 9,811,319                          | -                                | 1,180,140                                           | 239,434                  | 239,434        | -         | -                                |
| Total Primary Government                                     | \$ 97,233,855        | \$ 13,850,074                      | \$ 40,699,564                    | \$ 4,356,111                                        | (38,567,540)             | (38,328,106)   | -         | -                                |
| <b>Component Unit</b>                                        |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Levi Heywood Library Association                             | \$ 1,212,233         | \$ 4,360                           | \$ 1,007,357                     | \$ -                                                | -                        | -              | (200,516) |                                  |
| <b>General Revenues and Transfers</b>                        |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Property taxes                                               |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Excises                                                      |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Penalties, interest and other taxes                          |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Grants and contributions not restricted to specific programs |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Investment income                                            |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Miscellaneous                                                |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Transfers                                                    |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Total General Revenues and Transfers                         |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Change in Net Position                                       |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| <b>Net Position</b>                                          |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| Beginning of Year, as restated                               |                      |                                    |                                  |                                                     |                          |                |           |                                  |
| End of Year                                                  |                      |                                    |                                  |                                                     |                          |                |           |                                  |

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

## CITY OF GARDNER, MASSACHUSETTS

Governmental Funds  
Balance Sheet  
June 30, 2021

|                                                                       | General<br>Fund      | School<br>Improvement<br>Bond Fund | School<br>State Grants<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------------------------|----------------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                                                         |                      |                                    |                                |                                   |                                |
| Cash and short-term investments                                       | \$ 7,453,599         | \$ 3,112,658                       | \$ 4,199,280                   | \$ 2,247,641                      | \$ 17,013,178                  |
| Investments                                                           | 5,048,495            | -                                  | -                              | 509,732                           | 5,558,227                      |
| Receivables:                                                          |                      |                                    |                                | -                                 |                                |
| Property taxes                                                        | 1,145,184            | -                                  | -                              | -                                 | 1,145,184                      |
| Tax title                                                             | 1,677,629            | -                                  | -                              | -                                 | 1,677,629                      |
| Excises                                                               | 675,783              | -                                  | -                              | -                                 | 675,783                        |
| Departmental and other                                                | 907,630              | -                                  | -                              | 46,520                            | 954,150                        |
| Other assets                                                          | 759                  | -                                  | -                              | -                                 | 759                            |
| Total Assets                                                          | <u>\$ 16,909,079</u> | <u>\$ 3,112,658</u>                | <u>\$ 4,199,280</u>            | <u>\$ 2,803,893</u>               | <u>\$ 27,024,910</u>           |
| <b>Liabilities</b>                                                    |                      |                                    |                                |                                   |                                |
| Warrants payable                                                      | \$ 1,325,253         | \$ 5,871,645                       | \$ 730,077                     | \$ 262,313                        | \$ 8,189,288                   |
| Accrued payroll and withholdings                                      | 611,129              | -                                  | -                              | -                                 | 611,129                        |
| Notes payable                                                         | -                    | 10,000,000                         | -                              | -                                 | 10,000,000                     |
| Other liabilities                                                     | 927,611              | 2,424                              | -                              | 16,245                            | 946,280                        |
| Total Liabilities                                                     | 2,863,993            | 15,874,069                         | 730,077                        | 278,558                           | 19,746,697                     |
| <b>Deferred Inflows of Resources</b>                                  |                      |                                    |                                |                                   |                                |
| Unavailable revenues                                                  | 4,231,022            | -                                  | -                              | 46,520                            | 4,277,542                      |
| <b>Fund Balances</b>                                                  |                      |                                    |                                |                                   |                                |
| Nonspendable                                                          | -                    | -                                  | -                              | 452,771                           | 452,771                        |
| Restricted                                                            | -                    | -                                  | 3,469,203                      | 4,548,883                         | 8,018,086                      |
| Committed                                                             | 89,194               | -                                  | -                              | -                                 | 89,194                         |
| Assigned                                                              | 2,273,270            | -                                  | -                              | -                                 | 2,273,270                      |
| Unassigned                                                            | 7,451,600            | (12,761,411)                       | -                              | (2,522,839)                       | (7,832,650)                    |
| Total Fund Balances                                                   | <u>9,814,064</u>     | <u>(12,761,411)</u>                | <u>3,469,203</u>               | <u>2,478,815</u>                  | <u>3,000,671</u>               |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances | <u>\$ 16,909,079</u> | <u>\$ 3,112,658</u>                | <u>\$ 4,199,280</u>            | <u>\$ 2,803,893</u>               | <u>\$ 27,024,910</u>           |

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

## CITY OF GARDNER, MASSACHUSETTS

Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
in the Statement of Net Position  
June 30, 2021

|                                                                                                                                                                                                                                                            |                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>Total Governmental Fund Balances</b>                                                                                                                                                                                                                    | \$ 3,000,671                  |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.                                                                                                                     | 87,015,066                    |
| Revenues are reported on the accrual basis of accounting (net of allowance for uncollectible accounts) and are not deferred until collection.                                                                                                              | 3,334,695                     |
| Internal service funds are used by management to account for health insurance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. | 4,690,486                     |
| Long-term liabilities, including bonds payable, net pension liability and net OPEB liability (net of related deferrals) are not due and payable in the current period and, therefore are not reported in the governmental funds.                           | <u>(181,470,377)</u>          |
| <b>Net Position of Governmental Activities</b>                                                                                                                                                                                                             | \$ <u><u>(83,429,459)</u></u> |

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



**CITY OF GARDNER, MASSACHUSETTS**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2021

|                                                      | General<br>Fund   | School<br>Improvement<br>Bond Fund | School<br>State Grants<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------|-------------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                      |                   |                                    |                                |                                   |                                |
| Property taxes                                       | \$ 29,011,908     | \$ -                               | \$ -                           | \$ -                              | \$ 29,011,908                  |
| Excises                                              | 2,386,879         | -                                  | -                              | -                                 | 2,386,879                      |
| Penalties, interest and other taxes                  | 587,121           | -                                  | -                              | -                                 | 587,121                        |
| Charges for services                                 | 3,046,124         | -                                  | -                              | 803,281                           | 3,849,405                      |
| Intergovernmental                                    | 29,908,432        | 2,377,948                          | 2,785,558                      | 6,894,764                         | 41,966,702                     |
| Licenses and permits                                 | 330,495           | -                                  | -                              | -                                 | 330,495                        |
| Fines and forfeitures                                | 97,389            | -                                  | -                              | -                                 | 97,389                         |
| Investment income                                    | 159,786           | -                                  | -                              | 20,740                            | 180,526                        |
| Miscellaneous                                        | 757,710           | 8,868                              | -                              | 66,917                            | 833,495                        |
| <b>Total Revenues</b>                                | <b>66,285,844</b> | <b>2,386,816</b>                   | <b>2,785,558</b>               | <b>7,785,702</b>                  | <b>79,243,920</b>              |
| <b>Expenditures</b>                                  |                   |                                    |                                |                                   |                                |
| <b>Current:</b>                                      |                   |                                    |                                |                                   |                                |
| General government                                   | 2,971,526         | -                                  | -                              | 3,474,983                         | 6,446,509                      |
| Public safety                                        | 8,851,624         | -                                  | -                              | 1,095,808                         | 9,947,432                      |
| Education                                            | 29,402,536        | 15,413,004                         | 2,036,189                      | 3,779,628                         | 50,631,357                     |
| Public works                                         | 3,686,974         | -                                  | -                              | 1,944,610                         | 5,631,584                      |
| Health and human services                            | 930,796           | -                                  | -                              | 127,588                           | 1,058,384                      |
| Culture and recreation                               | 941,760           | -                                  | -                              | 216,292                           | 1,158,052                      |
| Employee benefits                                    | 13,314,882        | -                                  | -                              | -                                 | 13,314,882                     |
| <b>Debt service:</b>                                 |                   |                                    |                                |                                   |                                |
| Principal                                            | 510,000           | -                                  | -                              | -                                 | 510,000                        |
| Interest                                             | 915,156           | -                                  | -                              | -                                 | 915,156                        |
| Intergovernmental                                    | 2,195,136         | -                                  | -                              | -                                 | 2,195,136                      |
| <b>Total Expenditures</b>                            | <b>63,720,390</b> | <b>15,413,004</b>                  | <b>2,036,189</b>               | <b>10,638,909</b>                 | <b>91,808,492</b>              |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 2,565,454         | (13,026,188)                       | 749,369                        | (2,853,207)                       | (12,564,572)                   |
| <b>Other Financing Sources (Uses)</b>                |                   |                                    |                                |                                   |                                |
| Transfers in                                         | 175,254           | 125,000                            | -                              | 587,019                           | 887,273                        |
| Transfers out                                        | (803,969)         | -                                  | -                              | (175,254)                         | (979,223)                      |
| Bond proceeds                                        | -                 | -                                  | -                              | 5,659,000                         | 5,659,000                      |
| Bond premium                                         | -                 | -                                  | -                              | 366,000                           | 366,000                        |
| <b>Total Other Financing Sources (Uses)</b>          | <b>(628,715)</b>  | <b>125,000</b>                     | <b>-</b>                       | <b>6,436,765</b>                  | <b>5,933,050</b>               |
| Change in fund balance                               | 1,936,739         | (12,901,188)                       | 749,369                        | 3,583,558                         | (6,631,522)                    |
| Fund Balance at Beginning of Year, as restated       | 7,877,325         | 139,777                            | 2,719,834                      | (1,104,743)                       | 9,632,193                      |
| Fund Balance at End of Year                          | \$ 9,814,064      | \$ (12,761,411)                    | \$ 3,469,203                   | \$ 2,478,815                      | \$ 3,000,671                   |

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



## CITY OF GARDNER, MASSACHUSETTS

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2021

|                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Net Changes in Fund Balances - Total Governmental Funds</b>                                                                                                                                                                                                                                                                                                                                                                                    | <b>\$ (6,631,522)</b>      |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:                                                                                                                                                                                                                                  |                            |
| Capital purchases                                                                                                                                                                                                                                                                                                                                                                                                                                 | 20,916,908                 |
| Net effect on disposal of assets                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |
| Depreciation                                                                                                                                                                                                                                                                                                                                                                                                                                      | (3,558,484)                |
| The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and changes in other long term liabilities consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:                                                                                                                  |                            |
| Issuance of debt                                                                                                                                                                                                                                                                                                                                                                                                                                  | (5,659,000)                |
| Repayments of debt                                                                                                                                                                                                                                                                                                                                                                                                                                | 510,000                    |
| Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, loans, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (220,513)                  |
| Internal service funds are used by management to account for health insurance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities.                                                                                                                                                                                                                                          |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 368,192                    |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:                                                                                                                                                                                                                                                           |                            |
| Change in pension expense from GASB 68                                                                                                                                                                                                                                                                                                                                                                                                            | 2,162,944                  |
| Change in OPEB expense from GASB 75                                                                                                                                                                                                                                                                                                                                                                                                               | (8,621,457)                |
| Other                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>87,732</u>              |
| <b>Changes in Net Position of Governmental Activities</b>                                                                                                                                                                                                                                                                                                                                                                                         | <b>\$ <u>(645,200)</u></b> |

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

## CITY OF GARDNER, MASSACHUSETTS

## Proprietary Funds

## Statement of Net Position

June 30, 2021

|                                                 | Business-Type Activities |              |            |                |               | Governmental Activities |
|-------------------------------------------------|--------------------------|--------------|------------|----------------|---------------|-------------------------|
|                                                 | Enterprise Funds         |              |            |                |               |                         |
| Assets                                          | Water Fund               | Sewer Fund   | Golf Fund  | Nonmajor Funds | Total         | Internal Service Funds  |
| Current:                                        |                          |              |            |                |               |                         |
| Cash and short-term investments                 | \$ 2,523,382             | \$ 7,324,389 | \$ 409,942 | \$ 742,321     | \$ 11,000,034 | \$ 971,339              |
| Investments                                     | -                        | -            | -          | -              | -             | 3,682,713               |
| User fees                                       | 1,191,511                | 1,001,385    | -          | 538,466        | 2,731,362     | -                       |
| Other assets                                    | -                        | -            | -          | -              | -             | 719,200                 |
| Total Current Assets                            | 3,714,893                | 8,325,774    | 409,942    | 1,280,787      | 13,731,396    | 5,373,252               |
| Noncurrent:                                     |                          |              |            |                |               |                         |
| Land and construction in progress               | 5,236,650                | 14,575,246   | 419,653    | -              | 20,231,549    | -                       |
| Capital assets, net of accumulated depreciation | 11,050,370               | 2,665,694    | 96,754     | 15,861         | 13,828,679    | -                       |
| Total Noncurrent Assets                         | 16,287,020               | 17,240,940   | 516,407    | 15,861         | 34,060,228    | -                       |
| Total Assets                                    | 20,001,913               | 25,566,714   | 926,349    | 1,296,648      | 47,791,624    | 5,373,252               |
| Deferred Outflows of Resources                  |                          |              |            |                |               |                         |
| Related to pensions                             | 144,406                  | 153,982      | 108,400    | 30,643         | 437,431       | -                       |
| Related to OPEB                                 | 53,705                   | 8,480        | 33,919     | -              | 96,104        | -                       |
| Total Deferred Outflows of Resources            | 198,111                  | 162,462      | 142,319    | 30,643         | 533,535       | -                       |
|                                                 |                          |              |            |                |               | (continued)             |

(continued)

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

## CITY OF GARDNER, MASSACHUSETTS

## Proprietary Funds

## Statement of Net Position

June 30, 2021

(continued)

|                                                 | Business-Type Activities |               |              |                | Governmental Activities |
|-------------------------------------------------|--------------------------|---------------|--------------|----------------|-------------------------|
|                                                 | Enterprise Funds         |               |              |                |                         |
|                                                 | Water Fund               | Sewer Fund    | Golf Fund    | Nonmajor Funds | Total                   |
| <b>Liabilities</b>                              |                          |               |              |                |                         |
| Current:                                        |                          |               |              |                |                         |
| Warrants payable                                | 420,717                  | 53,042        | 17,507       | 135,657        | 626,923                 |
| Accrued claims payable                          | -                        | -             | -            | -              | -                       |
| Notes payable                                   | 3,054,814                | 715,000       | -            | -              | 3,769,814               |
| Current portion of long-term liabilities:       |                          |               |              |                |                         |
| Bonds payable                                   | 869,213                  | 254,698       | -            | -              | 1,123,911               |
| Landfill liability                              | -                        | -             | -            | 33,225         | 33,225                  |
| Total Current Liabilities                       | 4,344,744                | 1,022,740     | 17,507       | 168,882        | 5,553,873               |
| Noncurrent:                                     |                          |               |              |                |                         |
| Bonds payable, net of current portion           | 1,671,028                | 10,020,229    | -            | -              | 11,691,257              |
| Net pension liability                           | 1,393,849                | 1,486,279     | 1,046,311    | 295,777        | 4,222,216               |
| Net OPEB liability                              | 261,979                  | 41,365        | 165,461      | -              | 468,805                 |
| Landfill liability, net of current portion      | -                        | -             | -            | 431,924        | 431,924                 |
| Compensated absences, net of current portion    | -                        | -             | 54,534       | -              | 54,534                  |
| Total Noncurrent Liabilities                    | 3,326,856                | 11,547,873    | 1,266,306    | 727,701        | 16,868,736              |
| Total Liabilities                               | 7,671,600                | 12,570,613    | 1,283,813    | 896,583        | 22,422,609              |
| <b>Deferred Inflows of Resources</b>            |                          |               |              |                |                         |
| Related to pensions                             | 171,238                  | 182,593       | 128,542      | 36,337         | 518,710                 |
| Related to OPEB                                 | 31,587                   | 4,987         | 19,950       | -              | 56,524                  |
| Total Deferred Inflows of Resources             | 202,825                  | 187,580       | 148,492      | 36,337         | 575,234                 |
| <b>Net Position</b>                             |                          |               |              |                |                         |
| Invested in capital assets, net of related debt | 10,261,151               | 6,081,434     | 516,407      | 15,861         | 16,874,853              |
| Unrestricted                                    | 2,064,448                | 6,889,549     | (880,044)    | 378,510        | 8,452,463               |
| Total Net Position                              | \$ 12,325,599            | \$ 12,970,983 | \$ (363,637) | \$ 394,371     | \$ 25,327,316           |
|                                                 |                          |               |              |                | \$ 4,690,486            |

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

## CITY OF GARDNER, MASSACHUSETTS

## Proprietary Funds

Statement Of Revenues, Expenses and Changes in Fund Net Position  
For the Year Ended June 30, 2021

|                                                | Business-Type Activities<br>Enterprise Funds |               |              |                   | Governmental<br>Activities |                             |
|------------------------------------------------|----------------------------------------------|---------------|--------------|-------------------|----------------------------|-----------------------------|
|                                                | Water<br>Fund                                | Sewer<br>Fund | Golf<br>Fund | Nonmajor<br>Funds | Total                      | Internal<br>Service<br>Fund |
| Operating Revenues                             |                                              |               |              |                   |                            |                             |
| Charges for services                           | \$ 3,778,014                                 | \$ 3,210,881  | \$ 1,092,996 | \$ 1,729,428      | \$ 9,811,319               | \$ -                        |
| Employee contributions                         | -                                            | -             | -            | -                 | -                          | 2,520,559                   |
| Employer contributions                         | -                                            | -             | -            | -                 | -                          | 7,323,598                   |
| Other                                          | -                                            | -             | 22,385       | 5,377             | 27,762                     | -                           |
| Total Operating Revenues                       | 3,778,014                                    | 3,210,881     | 1,115,381    | 1,734,805         | 9,839,081                  | 9,844,157                   |
| Operating Expenses                             |                                              |               |              |                   |                            |                             |
| Salary and benefits                            | 1,206,961                                    | 1,660,397     | 535,155      | 169,490           | 3,572,003                  | 9,724,289                   |
| Other operating expenses                       | 2,074,317                                    | 1,913,765     | 432,861      | 1,602,890         | 6,023,833                  | -                           |
| Depreciation                                   | 587,036                                      | 422,378       | 10,562       | 15,960            | 1,035,936                  | -                           |
| Total Operating Expenses                       | 3,868,314                                    | 3,996,540     | 978,578      | 1,788,340         | 10,631,772                 | 9,724,289                   |
| Operating Income (Loss)                        | (90,300)                                     | (785,659)     | 136,803      | (53,535)          | (792,691)                  | 119,868                     |
| Nonoperating Revenues (Expenses)               |                                              |               |              |                   |                            |                             |
| Intergovernmental revenue                      | 115,436                                      | 1,064,704     | -            | -                 | 1,180,140                  | -                           |
| Insurance reimbursement                        | -                                            | -             | -            | -                 | -                          | 153,501                     |
| Investment income                              | 34,501                                       | 13,530        | 473          | 1,107             | 49,611                     | 94,823                      |
| Interest expense                               | (39,455)                                     | (80,798)      | -            | -                 | (120,253)                  | -                           |
| Total Nonoperating Revenues (Expenses), Net    | 110,482                                      | 997,436       | 473          | 1,107             | 1,109,498                  | 248,324                     |
| Income (Loss) Before Transfers                 | 20,182                                       | 211,777       | 137,276      | (52,428)          | 316,807                    | 368,192                     |
| Transfers in                                   | -                                            | -             | -            | 91,950            | 91,950                     | -                           |
| Change in Net Position                         | 20,182                                       | 211,777       | 137,276      | 39,522            | 408,757                    | 368,192                     |
| Net Position at Beginning of Year, as restated | 12,305,417                                   | 12,759,206    | (500,913)    | 354,849           | 24,918,559                 | 4,322,294                   |
| Net Position at End of Year                    | \$ 12,325,599                                | \$ 12,970,983 | \$ (363,637) | \$ 394,371        | \$ 25,327,316              | \$ 4,690,486                |

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

**CITY OF GARDNER, MASSACHUSETTS**

**Proprietary Funds**

**Statement of Cash Flows**

For the Year Ended June 30, 2021

|                                                              | Business-Type Activities |              |              |                |               | Governmental Activities<br>Internal Service Fund |
|--------------------------------------------------------------|--------------------------|--------------|--------------|----------------|---------------|--------------------------------------------------|
|                                                              | Enterprise Funds         |              |              |                |               |                                                  |
|                                                              | Water Fund               | Sewer Fund   | Golf Fund    | Nonmajor Funds | Total         |                                                  |
| Cash Flows From Operating Activities                         |                          |              |              |                |               |                                                  |
| Receipts from customers and users                            | \$ 3,766,337             | \$ 3,240,576 | \$ 1,115,382 | \$ 1,742,705   | \$ 9,865,000  | \$ -                                             |
| Payments to vendors and employees                            | (2,580,162)              | (2,453,011)  | (785,854)    | (1,696,033)    | (7,515,060)   | -                                                |
| Receipts from employees and employer                         | -                        | -            | -            | -              | -             | 9,844,157                                        |
| Payments of employee benefits and expenses                   | -                        | -            | -            | -              | -             | (9,762,181)                                      |
| Net Cash Provided By Operating Activities                    | 1,186,175                | 787,565      | 329,528      | 46,672         | 2,349,940     | 81,976                                           |
| Cash Flows From Non-Capital Financing Activities             |                          |              |              |                |               |                                                  |
| Insurance reimbursements                                     | -                        | -            | -            | -              | -             | 153,501                                          |
| Transfer in                                                  | -                        | -            | -            | 91,950         | 91,950        | -                                                |
| Net Cash Provided By Non-Capital Activities                  | -                        | -            | -            | 91,950         | 91,950        | 153,501                                          |
| Cash Flows From Capital and Related Financing Activities     |                          |              |              |                |               |                                                  |
| Receipts from governments                                    | 115,436                  | 448,140      | -            | -              | 563,576       | -                                                |
| Acquisition and construction of capital assets               | (3,744,843)              | (1,951,594)  | -            | -              | (5,696,437)   | -                                                |
| Debt forgiveness                                             | -                        | 1,045,675    | -            | -              | 1,045,675     | -                                                |
| Principal payments on bonds                                  | (470,777)                | (245,212)    | -            | -              | (715,989)     | -                                                |
| Note paydowns                                                | -                        | (7,440,178)  | -            | -              | (7,440,178)   | -                                                |
| Proceeds from issuance of bonds                              | 1,411,000                | 6,333,060    | -            | -              | 7,744,060     | -                                                |
| Proceeds from issuance of notes                              | 1,554,814                | 715,000      | -            | -              | 2,269,814     | -                                                |
| Interest paid                                                | (52,950)                 | (84,011)     | -            | -              | (136,961)     | -                                                |
| Net Cash (Used For) Capital and Related Financing Activities | (1,187,320)              | (1,179,120)  | -            | -              | (2,366,440)   | -                                                |
| Cash Flows From Investing Activities                         |                          |              |              |                |               |                                                  |
| Investment income                                            | 34,501                   | 13,530       | 473          | 1,107          | 49,611        | -                                                |
| Net Cash Provided by Investing Activities                    | 34,501                   | 13,530       | 473          | 1,107          | 49,611        | -                                                |
| Net Change in Cash and Short-Term Investments                | 33,356                   | (378,025)    | 330,001      | 139,729        | 125,061       | 235,477                                          |
| Cash and Short Term Investments, Beginning of Year           | 2,490,026                | 7,702,414    | 79,941       | 602,592        | 10,874,973    | 735,862                                          |
| Cash and Short Term Investments, End of Year                 | \$ 2,523,382             | \$ 7,324,389 | \$ 409,942   | \$ 742,321     | \$ 11,000,034 | \$ 971,339                                       |

(continued)

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

## CITY OF GARDNER, MASSACHUSETTS

## Proprietary Funds

## Statement of Cash Flows

For the Year Ended June 30, 2021

(continued)

|                                                                                                             | Business-Type Activities |              |            |                | Total        | Governmental Activities |
|-------------------------------------------------------------------------------------------------------------|--------------------------|--------------|------------|----------------|--------------|-------------------------|
|                                                                                                             | Enterprise Funds         |              |            |                |              |                         |
|                                                                                                             | Water Fund               | Sewer Fund   | Golf Fund  | Nonmajor Funds |              | Internal Service Fund   |
| Reconciliation of Operating Income (Loss) to Net Cash Provided By / (Used For) Operating Activities         |                          |              |            |                |              |                         |
| Operating income (loss)                                                                                     | \$ (90,300)              | \$ (785,659) | \$ 136,803 | \$ (53,535)    | \$ (792,691) | \$ 119,868              |
| Adjustments to reconcile operating income (loss) to net cash provided by / (used for) operating activities: |                          |              |            |                |              |                         |
| Depreciation                                                                                                | 587,036                  | 422,378      | 10,562     | 15,960         | 1,035,936    | -                       |
| Changes in assets, liabilities, and deferred outflows/inflows:                                              |                          |              |            |                |              |                         |
| User fee receivables                                                                                        | (11,677)                 | 29,695       | -          | 7,900          | 25,918       | -                       |
| Other assets                                                                                                | -                        | -            | -          | -              | -            | (5,000)                 |
| Deferred outflows - related to pensions                                                                     | (34,075)                 | (96,876)     | 59,591     | 20,919         | (50,441)     | -                       |
| Deferred outflows - related to OPEB                                                                         | 100,794                  | 110,651      | 285,336    | 92,081         | 588,862      | -                       |
| Warrants and other payables                                                                                 | (56,621)                 | (101,108)    | 11,861     | 1,368          | (144,500)    | (62,982)                |
| Accrued/other liabilities                                                                                   | -                        | -            | -          | 45,712         | 45,712       | 30,090                  |
| Compensated absences                                                                                        | -                        | -            | (100)      | -              | (100)        | -                       |
| Net OPEB liability                                                                                          | (19,958)                 | (3,151)      | (12,606)   | -              | (35,715)     | -                       |
| Net pension liability                                                                                       | 566,187                  | 1,057,891    | (213,898)  | (91,020)       | 1,319,160    | -                       |
| Deferred inflows - related to pensions                                                                      | 128,183                  | 160,308      | 62,985     | 16,216         | 367,692      | -                       |
| Deferred inflows - related to OPEB                                                                          | 16,606                   | (6,564)      | (11,006)   | (8,929)        | (9,893)      | -                       |
| Net Cash Provided By Operating Activities                                                                   | \$ 1,186,175             | \$ 787,565   | \$ 329,528 | \$ 46,672      | \$ 2,349,940 | \$ 81,976               |

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

## CITY OF GARDNER, MASSACHUSETTS

Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2021

|                                                               | Private<br>Purpose<br><u>Trust Funds</u> | Pension<br>and OPEB<br><u>Trust Funds</u> | Custodial<br><u>Funds</u> |
|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------|
| <b>Assets</b>                                                 |                                          |                                           |                           |
| Cash and short-term investments                               | \$ 170,389                               | \$ -                                      | \$ 122,082                |
| Investments:                                                  |                                          |                                           |                           |
| Market-linked certificates of deposit                         | 162,157                                  | -                                         | -                         |
| Federal agency securities                                     | 99,811                                   | -                                         | -                         |
| Corporate bonds                                               | 518,993                                  | -                                         | -                         |
| Corporate equities                                            | 148,825                                  | -                                         | -                         |
| Mutual funds                                                  | 106,432                                  | 152,392                                   | -                         |
| U.S. Treasury notes                                           | 200,833                                  | -                                         | -                         |
| Exchange-traded products                                      | 2,534,497                                | -                                         | -                         |
| External investment pool                                      | <u>-</u>                                 | <u>66,808,507</u>                         | <u>-</u>                  |
| Total Investments                                             | 3,771,548                                | 66,960,899                                | -                         |
| Accounts receivable                                           | <u>-</u>                                 | <u>362,798</u>                            | <u>-</u>                  |
| Total Assets                                                  | 3,941,937                                | 67,323,697                                | 122,082                   |
| <b>Liabilities and Net Position</b>                           |                                          |                                           |                           |
| Cash overdraft                                                | -                                        | 12,810                                    | -                         |
| Accounts payable                                              | <u>2,709</u>                             | <u>219,569</u>                            | <u>-</u>                  |
| Total Liabilities                                             | 2,709                                    | 232,379                                   | -                         |
| <b>Net Position</b>                                           |                                          |                                           |                           |
| Restricted for pensions                                       | -                                        | 66,938,926                                | -                         |
| Restricted for OPEB purposes                                  | -                                        | 152,392                                   | -                         |
| Restricted for individual organizations and other governments | <u>3,939,228</u>                         | <u>-</u>                                  | <u>122,082</u>            |
| Total Net Position                                            | <u>\$ 3,939,228</u>                      | <u>\$ 67,091,318</u>                      | <u>122,082</u>            |

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



**CITY OF GARDNER, MASSACHUSETTS**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2021**

|                                                                          | Private<br>Purpose<br><u>Trust Funds</u> | Pension<br>and OPEB<br><u>Trust Funds</u> | Custodial<br><u>Funds</u> |
|--------------------------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------|
| <b>Additions</b>                                                         |                                          |                                           |                           |
| Contributions:                                                           |                                          |                                           |                           |
| Employers                                                                | \$ -                                     | \$ 8,213,746                              | \$ -                      |
| Other systems and Commonwealth<br>of Massachusetts                       | -                                        | 121,223                                   | -                         |
| Plan members                                                             | -                                        | 1,678,725                                 | -                         |
| Other                                                                    | <u>210,941</u>                           | <u>8,450</u>                              | <u>45,818</u>             |
| Total Contributions                                                      | 210,941                                  | 10,022,144                                | 45,818                    |
| Investment Income:                                                       |                                          |                                           |                           |
| Interest and dividends                                                   | 803,418                                  | -                                         | -                         |
| Appreciation (depreciation) in fair value of investments                 | -                                        | 7,406,305                                 | -                         |
| Less: Management fees                                                    | <u>-</u>                                 | <u>(290,568)</u>                          | <u>-</u>                  |
| Net Investment Income                                                    | <u>803,418</u>                           | <u>7,115,737</u>                          | <u>-</u>                  |
| Total Additions                                                          | 1,014,359                                | 17,137,881                                | 45,818                    |
| <b>Deductions</b>                                                        |                                          |                                           |                           |
| Benefit payments to plan members<br>and beneficiaries                    | -                                        | 10,367,353                                | -                         |
| Refunds to plan members and other systems                                | -                                        | 43,237                                    | -                         |
| Transfers to other systems                                               | -                                        | 188,135                                   | -                         |
| Administrative expenses                                                  | -                                        | 150,870                                   | -                         |
| Student activity expenses                                                | -                                        | -                                         | 47,944                    |
| Scholarships                                                             | <u>569,531</u>                           | <u>-</u>                                  | <u>-</u>                  |
| Total Deductions                                                         | <u>569,531</u>                           | <u>10,749,595</u>                         | <u>47,944</u>             |
| Net Increase (Decrease)                                                  | 444,828                                  | 6,388,286                                 | (2,126)                   |
| <b>Net Position Restricted for Pensions, OPEB<br/>and Other Purposes</b> |                                          |                                           |                           |
| Beginning of Year                                                        | <u>3,494,400</u>                         | <u>60,703,032</u>                         | <u>124,208</u>            |
| End of Year                                                              | \$ <u><u>3,939,228</u></u>               | \$ <u><u>67,091,318</u></u>               | \$ <u><u>122,082</u></u>  |

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

## CITY OF GARDNER, MASSACHUSETTS

### Notes to Financial Statements

#### 1. Summary of Significant Accounting Policies

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

##### ***Reporting Entity***

The City is a municipal corporation governed by an elected City Council. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2021, it was determined that the following entities met the required GASB 14 (as amended) criteria of component units:

Discretely Presented Component Unit - Levi Heywood Library Association (the Association):

The Association is a Massachusetts corporation that is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The mission of the Association is to provide library services to the citizens of Gardner and neighboring cities.

The Association's staff is employed by the City and this support accounts for over 90% of the Association's operating revenue. Due to the significance of the City's support to the Association's operations, it has been determined to be a component unit of the City.

The Association was audited by other auditors. Additional financial information can be obtained by contacting the Association located at 55 West Lynde Street, Gardner, MA 01440.

Blended Component Units - Blended component units are entities that are legally separate, but are so related that they are, in substance, the same as the primary government, providing services entirely or almost entirely for the benefit of the primary government. The following component unit is blended within the primary government and is audited by other auditors:

In the Fiduciary Funds: The Gardner Contributory Retirement System, which was established to provide retirement benefits primarily to employees and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

Additional financial information of the System can be obtained by contacting the System located at Gardner Retirement Board, 95 Pleasant St. #17, Gardner, Massachusetts 01440.

## **Government-Wide and Fund Financial Statements**

### ***Government-Wide Financial Statements***

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

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

### ***Fund Financial Statements***

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

## **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

### ***Government-Wide Financial Statements***

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

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

### *Fund Financial Statements*

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

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *School Improvement Bond Fund* is used to account for long-term capital projects related to various school properties. The projects are mostly funded by borrowing and free cash.
- The *School State Grants Fund* is used to account for school State grant revenue and expenditures.

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

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

The City reports the following major proprietary funds:

- Water fund
- Sewer fund
- Golf fund

The *self-insured employee health program* is reported as an internal service fund in the accompanying financial statements.

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

The City reports the following fiduciary funds:

- The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *pension and OPEB trust funds* are used to accumulate resources for retiree post-employment benefits.
- The *custodial funds* account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include student activity funds.

#### ***Cash and Investments***

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

Deposits with financial institutions consist primarily of demand deposits, market-linked certificates of deposits, money markets and savings accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents".

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

Investments, generally, are presented at fair value. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using the net asset value (NAV). The NAV per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period. Investments measured at the NAV for fair value are not subject to level classification.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution.



***Property Tax Limitations***

Legislation known as “Proposition 2½” has limited the amount of revenue that can be derived from property taxes. The prior fiscal year’s tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted. The actual fiscal year 2021 tax levy reflected an excess capacity of \$130,992. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <u>Assets</u>                  | <u>Years</u> |
|--------------------------------|--------------|
| Buildings                      | 40           |
| Land improvements              | 40           |
| Infrastructure                 | 30 - 50      |
| Machinery and equipment        | 5 - 10       |
| Office equipment and furniture | 5 - 10       |
| Vehicles                       | 5            |

***Compensated Absences***

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

***Long-Term Obligations***

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



***Fund Equity***

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

***Fund Balance***

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

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

***Net Position***

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

***Use of Estimates***

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

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

The Mayor presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by the City Council, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at City Council meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the City Council is empowered to transfer funds from the reserve fund (a contingency appropriation) to a departmental appropriation. “Extraordinary” includes expenses

which are not in the usual line, or are great or exceptional. “Unforeseen” includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

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

Formal budgetary integration is employed as a management control device during the year for the general fund and proprietary funds.

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

### ***Deficit Fund Equity***

Certain individual funds reflected deficit balances as of June 30, 2021:

|                              |                 |
|------------------------------|-----------------|
| School Improvement Bond fund | \$ (12,761,411) |
| Federal grants fund          | (233,706)       |
| State grants fund            | (986,652)       |
| Comm dev block grant fund    | (720,621)       |
| Police detail                | (42,884)        |

It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, bond proceeds, and/or transfers from other funds.

## **3. Deposits and Investments**

### ***City (Excluding the Pension Trust Fund)***

State statutes (MGL Chapter 44, Section 55) place certain limitation on the nature of deposits and investments available to the City. Deposits, including demand deposits, money markets, certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations have maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consists of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, *Certain External Investment Pools and Pool Participants*, to report its investments at amortized cost, which approximates the net asset value of 1.00 per share. MMDT has an average maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44,

Section 54 provides additional investment options for certain special revenue, trust and OPEB funds.

#### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. The City's policies related to the custodial credit risk of deposits consist of complying with applicable Massachusetts General Laws and obtaining collateralization agreements for any amounts in excess of FDIC or DIF.

As of June 30, 2021, \$2,918,419, of the City's bank balance of \$29,667,276 was exposed to custodial credit risk as uninsured and uncollateralized. Additionally, \$261,237 is on deposit with the Massachusetts Municipal Depository Trust, which is the state investment pool as authorized by Massachusetts General Law, Chapter 29, Section 38A.

#### *Investment Summary*

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

| <u>Investment Type</u>                | <u>Amount</u>        |
|---------------------------------------|----------------------|
| Market-linked certificates of deposit | \$ 1,373,490         |
| Corporate bonds                       | 4,395,944            |
| Corporate equities                    | 1,260,572            |
| Equity mutual funds                   | 901,487              |
| Exchange-traded products              | 2,534,497            |
| U.S. Treasury and agencies            | <u>2,546,498</u>     |
| Total investments                     | <u>\$ 13,012,488</u> |

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

| <u>Investment Type</u>    | <u>Amount</u>     |
|---------------------------|-------------------|
| Equity mutual funds       | \$ 101,950        |
| Fixed income mutual funds | <u>50,443</u>     |
| Total investments         | <u>\$ 152,393</u> |

#### *Custodial Credit Risk – Investments*

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

As of June 30, 2021, the City did not have investments subject to custodial credit risk exposure as all assets were held in the City's name.

*Credit Risk – Investments of Debt Securities*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. The City does not have formal investment policies related to credit risk.

As of June 30, 2021, the credit quality ratings, as rated by Moody's Investors Service, Inc., of the City's debt securities are as follows:

| <u>Investment Type</u>     | <u>Amount</u>       | <u>AAA</u>          | <u>A1</u>         | <u>A2</u>           | <u>BAA1/BAA2</u>    |
|----------------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| Corporate bonds            | \$ 4,395,944        | \$ -                | \$ 487,379        | \$ 1,402,756        | \$ 2,505,809        |
| U.S. Treasury and agencies | <u>2,546,498</u>    | <u>2,546,498</u>    | <u>-</u>          | <u>-</u>            | <u>-</u>            |
| Total                      | <u>\$ 6,942,442</u> | <u>\$ 2,546,498</u> | <u>\$ 487,379</u> | <u>\$ 1,402,756</u> | <u>\$ 2,505,809</u> |

*Concentration of Credit Risk - Investments*

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City places no limit on the amount invested in any one issuer. The City does not have formal investment policies related to concentration of credit risk exposure.

As of June 30, 2021, the City does not have investments in any one issuer that exceeded 5% of total investments.

*Interest Rate Risk – Investments of Debt Securities*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, however, it manages risk by the diversification and prudent selection of investment instruments and choice of depository.

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

| <u>Investment Type</u>                | <u>Amount</u>       | <u>Investment Maturities (in Years)</u> |                     |                   |
|---------------------------------------|---------------------|-----------------------------------------|---------------------|-------------------|
|                                       |                     | <u>Less</u>                             |                     |                   |
|                                       |                     | <u>Than 1</u>                           | <u>1-5</u>          | <u>6-10</u>       |
| Market-linked certificates of deposit | \$ 1,373,490        | \$ 294,287                              | \$ 1,079,203        | \$ -              |
| Corporate bonds                       | 4,395,944           | 1,037,773                               | 3,358,171           | -                 |
| U.S. Treasury and agencies            | <u>2,546,498</u>    | <u>905,859</u>                          | <u>1,422,078</u>    | <u>218,561</u>    |
| Total                                 | <u>\$ 8,315,932</u> | <u>\$ 2,237,919</u>                     | <u>\$ 5,859,452</u> | <u>\$ 218,561</u> |

*Foreign Currency Risk – Investments*

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The City does not permit investments in foreign currency, which is prohibited under Massachusetts General Laws.

*Fair Value*

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.

Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.

Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.



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

|                                       |                      | Fair Value Measurements Using:                                |                                     |
|---------------------------------------|----------------------|---------------------------------------------------------------|-------------------------------------|
|                                       |                      | Quoted prices<br>in active<br>markets for<br>identical assets | Significant<br>observable<br>inputs |
| <u>Investment Type</u>                | <u>Amount</u>        | <u>(Level 1)</u>                                              | <u>(Level 2)</u>                    |
| Investments by fair value level:      |                      |                                                               |                                     |
| Market-linked certificates of deposit | \$ 1,373,490         | \$ -                                                          | \$ 1,373,490                        |
| Corporate bonds                       | 4,395,944            | -                                                             | 4,395,944                           |
| Corporate equities                    | 1,260,572            | 1,260,572                                                     | -                                   |
| Equity mutual funds                   | 901,487              | 901,487                                                       | -                                   |
| Exchange-traded products              | 2,534,497            | 2,534,497                                                     | -                                   |
| U.S. Treasury and agencies            | <u>2,546,498</u>     | <u>1,701,086</u>                                              | <u>845,412</u>                      |
| Total                                 | \$ <u>13,012,488</u> | \$ <u>6,397,642</u>                                           | \$ <u>6,614,846</u>                 |

The OPEB Trust Fund has the following fair value measurements as of June 30, 2021:

|                                  |                   | Fair Value Measurements<br>Using:                                          |                                                  |
|----------------------------------|-------------------|----------------------------------------------------------------------------|--------------------------------------------------|
|                                  |                   | Quoted prices<br>in active<br>markets for<br>identical assets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) |
| <u>Investment Type</u>           | <u>Amount</u>     |                                                                            |                                                  |
| Investments by fair value level: |                   |                                                                            |                                                  |
| Equity mutual funds              | \$ 101,950        | \$ 101,950                                                                 | \$ -                                             |
| Fixed income mutual funds        | <u>50,443</u>     | <u>-</u>                                                                   | <u>50,443</u>                                    |
| Total                            | <u>\$ 152,393</u> | <u>\$ 101,950</u>                                                          | <u>\$ 50,443</u>                                 |

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



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

#### **4. Investments - Pension Trust Fund (The System)**

All of the System's investments totaling \$66,808,507 are in an external (State) investment pool.\*

*\* Fair value is the same as the value of the pool share. The Pension Reserves Investment Trust was created under Massachusetts General Law, Chapter 32, Section 22, in December 1983. The Pension Reserves Investment Trust (PRIT) is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board. The Pension Reserves Investment Management Board shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts General Law, Chapter 30B.*

##### ***Custodial Credit Risk***

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The System does not have formal investment policy for custodial credit risk but manages custodial risk through diversification and "prudent person" principles outlines in PERAC guidelines. The System manages this risk with SIPC and Excess SIPC.

All the System's investments of \$66,808,507 are comprised of pooled investment funds, which are exempt from custodial risk disclosure.

##### ***Credit Risk – Investments of Debt Securities***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Massachusetts General Law, Chapter 32, Section 23, limits the investment of System funds, to the extent not required for current disbursements, in the PRIT Fund or in securities, other than mortgages or collateral loans, which are legal for the investment of funds in savings banks under the laws of the Commonwealth, provided that no more than the established percentage of assets, is invested in any one security.

All the System's investments of \$66,808,507 are comprised of pooled investment funds, which are exempt from credit risk disclosure.

***Concentration of Credit Risk***

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

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

All the System's Investments are in the PRIT fund, which are exempt from concentration of credit risk disclosure.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The System does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the System's investments to market interest rate fluctuations is not applicable as all of the System's investments are immediately liquid.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The System does not have formal investment policies related to foreign currency risk.

***Fair Value***

The System categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – Inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.

- Level 2 – Inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 – Unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

The net asset value (NAV) per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period. Investments measured at the NAV for fair value are not subject to level classification.

The System has the following fair value measurements as of December 31, 2020:

| <u>Investment Type</u>                             | <u>Amount</u> | <u>Unfunded<br/>Commitments</u> | <u>Redemption<br/>Frequency<br/>(If currently<br/>eligible)</u> | <u>Redemption<br/>Notice<br/>Period</u> |
|----------------------------------------------------|---------------|---------------------------------|-----------------------------------------------------------------|-----------------------------------------|
| Investments measured at the net asset value (NAV): |               |                                 |                                                                 |                                         |
| External investment pools                          | \$ 66,808,507 | \$ -                            | Monthly                                                         | 30 Days                                 |

## 5. Property Taxes and Excises Receivable

Real and personal property taxes are based on market values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the accrual and modified accrual basis of accounting on the government-wide and fund basis statements accordingly.

The City bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the City's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally occurs annually. The City ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2 ½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the City. Secondly, the tax levy cannot increase by more than 2 1/2 % of the prior year's levy plus the taxes on property newly added to the tax rolls.

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

Property taxes, excise, and departmental receivables at June 30, 2021 consist of the following:

|                                  | Gross<br>Amount<br>(fund basis) | Allowance<br>for Doubtful<br>Accounts | Current<br>Portion  | Long-<br>Term<br>Portion |
|----------------------------------|---------------------------------|---------------------------------------|---------------------|--------------------------|
| Real estate taxes (current)      | \$ 1,016,718                    | \$ (20,104)                           | \$ 996,614          | \$ -                     |
| Personal property taxes          | 128,466                         | (83,583)                              | 44,883              | -                        |
| Tax liens                        | <u>1,677,629</u>                | <u>(335,526)</u>                      | <u>-</u>            | <u>1,342,103</u>         |
| Total Property Taxes             | <u>\$ 2,822,813</u>             | <u>\$ (439,213)</u>                   | <u>\$ 1,041,497</u> | <u>\$ 1,342,103</u>      |
| Motor vehicle excise             | <u>\$ 675,783</u>               | <u>\$ (255,691)</u>                   | <u>\$ 420,092</u>   | <u>\$ -</u>              |
| Total Excises                    | <u>\$ 675,783</u>               | <u>\$ (255,691)</u>                   | <u>\$ 420,092</u>   | <u>\$ -</u>              |
| User fees                        | \$ 42,884                       | \$ -                                  | \$ 42,884           | \$ -                     |
| Other departmental               | <u>911,266</u>                  | <u>(185,443)</u>                      | <u>725,823</u>      | <u>-</u>                 |
| Total user fees and departmental | <u>\$ 954,150</u>               | <u>\$ (185,443)</u>                   | <u>\$ 768,707</u>   | <u>\$ -</u>              |

## 6. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2021.

## 7. Other Assets

The balance reported in the internal service fund represents the City's prepayment of one month's insurance premium.

## 8. Transfers

The City reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of major interfund transfers:

| <u>Governmental Funds</u>    | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------|---------------------|----------------------|
| General fund                 | \$ 175,254          | \$ 803,969           |
| School Improvement Bond fund | 125,000             | -                    |
| Nonmajor funds:              |                     |                      |
| Special revenue funds        | <u>587,019</u>      | <u>175,254</u>       |
| Subtotal Nonmajor Funds      | 587,019             | 175,254              |
| <u>Business-Type Funds:</u>  |                     |                      |
| Solid waste fund             | 16,950              | -                    |
| Landfill                     | <u>75,000</u>       | <u>-</u>             |
| Subtotal Business-Type Funds | <u>91,950</u>       | <u>-</u>             |
| Total                        | \$ <u>979,223</u>   | \$ <u>979,223</u>    |

The City's routine transfers include transfers made to move (1) unrestricted revenues or balances that have been collected or accumulated in the general fund to other funds based on budgetary authorization, and (2) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them.

## 9. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

|                                              | Beginning<br>Balance | Increases            | Decreases             | Ending<br>Balance    |
|----------------------------------------------|----------------------|----------------------|-----------------------|----------------------|
| <b>Governmental Activities</b>               |                      |                      |                       |                      |
| Capital assets, being depreciated:           |                      |                      |                       |                      |
| Buildings and improvements                   | \$ 58,105,282        | \$ -                 | \$ -                  | \$ 58,105,282        |
| Machinery, equipment, and furnishings        | 13,011,904           | 1,883,449            | (205,486)             | 14,689,867           |
| Infrastructure                               | <u>35,854,006</u>    | <u>4,634,330</u>     | <u>-</u>              | <u>40,488,336</u>    |
| Total Capital Assets, Being Depreciated      | 106,971,192          | 6,517,779            | (205,486)             | 113,283,485          |
| Less accumulated depreciation for:           |                      |                      |                       |                      |
| Buildings and improvements                   | (26,898,841)         | (1,762,159)          | -                     | (28,661,000)         |
| Machinery, equipment, and furnishings        | (10,679,999)         | (611,277)            | 205,486               | (11,085,790)         |
| Infrastructure                               | <u>(18,293,452)</u>  | <u>(1,185,048)</u>   | <u>-</u>              | <u>(19,478,500)</u>  |
| Total Accumulated Depreciation               | <u>(55,872,292)</u>  | <u>(3,558,484)</u>   | <u>205,486</u>        | <u>(59,225,290)</u>  |
| Total Capital Assets, Being Depreciated, Net | 51,098,900           | 2,959,295            | -                     | 54,058,195           |
| Capital assets, not being depreciated:       |                      |                      |                       |                      |
| Land                                         | 4,244,848            | 155,387              | -                     | 4,400,235            |
| Construction in progress (CIP)               | <u>14,312,894</u>    | <u>18,613,523</u>    | <u>(4,369,781)</u>    | <u>28,556,636</u>    |
| Total capital assets, not being depreciated  | <u>18,557,742</u>    | <u>18,768,910</u>    | <u>(4,369,781)</u>    | <u>32,956,871</u>    |
| Governmental Activities Capital Assets, Net  | <u>\$ 69,656,642</u> | <u>\$ 21,728,205</u> | <u>\$ (4,369,781)</u> | <u>\$ 87,015,066</u> |
| <b>Business-Type Activities</b>              |                      |                      |                       |                      |
| Capital assets, being depreciated:           |                      |                      |                       |                      |
| Buildings and improvements                   | \$ 21,316,918        | \$ -                 | \$ -                  | \$ 21,316,918        |
| Machinery, equipment, and furnishings        | 4,301,432            | 1,057,834            | -                     | 5,359,266            |
| Infrastructure                               | <u>18,407,856</u>    | <u>-</u>             | <u>-</u>              | <u>18,407,856</u>    |
| Total Capital Assets, Being Depreciated      | 44,026,206           | 1,057,834            | -                     | 45,084,040           |
| Less accumulated depreciation for:           |                      |                      |                       |                      |
| Buildings and improvements                   | (12,198,330)         | (525,474)            | -                     | (12,723,804)         |
| Machinery, equipment, and furnishings        | (3,614,326)          | (242,958)            | -                     | (3,857,284)          |
| Infrastructure                               | <u>(14,406,769)</u>  | <u>(267,504)</u>     | <u>-</u>              | <u>(14,674,273)</u>  |
| Total Accumulated Depreciation               | <u>(30,219,425)</u>  | <u>(1,035,936)</u>   | <u>-</u>              | <u>(31,255,361)</u>  |
| Total Capital Assets, Being Depreciated, Net | 13,806,781           | 21,898               | -                     | 13,828,679           |
| Capital assets, not being depreciated:       |                      |                      |                       |                      |
| Land                                         | 1,011,422            | -                    | -                     | 1,011,422            |
| Construction in progress (CIP)               | <u>14,624,034</u>    | <u>4,596,093</u>     | <u>-</u>              | <u>19,220,127</u>    |
| Total Capital Assets, Not Being Depreciated  | <u>15,635,456</u>    | <u>4,596,093</u>     | <u>-</u>              | <u>20,231,549</u>    |
| Business-Type Activities Capital Assets, Net | <u>\$ 29,442,237</u> | <u>\$ 4,617,991</u>  | <u>\$ -</u>           | <u>\$ 34,060,228</u> |



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

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| <b>Governmental Activities</b>                        |                     |
| General government                                    | \$ 287,827          |
| Public safety                                         | 534,730             |
| Education                                             | 986,775             |
| Public works                                          | 1,610,777           |
| Human services                                        | 78,649              |
| Culture and recreation                                | <u>59,726</u>       |
| Total Depreciation Expense - Governmental Activities  | \$ <u>3,558,484</u> |
| <b>Business-Type Activities</b>                       |                     |
| Water                                                 | \$ 587,036          |
| Sewer                                                 | 422,378             |
| Golf                                                  | 10,562              |
| Solid Waste                                           | <u>15,960</u>       |
| Total Depreciation Expense - Business-Type Activities | \$ <u>1,035,936</u> |

#### 10. Deferred Outflows of Resources

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

#### 11. Warrants and Accounts Payable

Warrants payable represent 2021 expenditures paid by July 15, 2021 as permitted by law. Accounts payable represent additional 2021 expenditures paid after July 15, 2021.

#### 12. Accrued Liabilities

Accrued liabilities represent 2021 expenditures paid in 2022.

### 13. Notes Payable

The City had the following notes outstanding at June 30, 2021:

| <u>Purpose</u>            | <u>Interest<br/>Rate(s) %</u> | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Balance at<br/>June 30, 2021</u> |
|---------------------------|-------------------------------|--------------------------|-----------------------------|-------------------------------------|
| Bond Anticipation         | 1.25%                         | 06/30/21                 | 08/20/21                    | \$ 10,000,000                       |
| Bond Anticipation - Sewer | 1.25%                         | 06/30/21                 | 08/20/21                    | 715,000                             |
| Bond Anticipation - Water | 1.25%                         | 06/30/21                 | 08/20/21                    | <u>3,054,814</u>                    |
|                           |                               |                          | Total                       | <u>\$ 13,769,814</u>                |

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

| <u>Purpose</u>    | <u>Balance<br/>Beginning<br/>of Year</u> | <u>New<br/>Issues</u> | <u>Maturities</u>      | <u>Balance<br/>End of<br/>Year</u> |
|-------------------|------------------------------------------|-----------------------|------------------------|------------------------------------|
| Bond anticipation | \$ 7,525,000                             | \$ 13,769,814         | \$ (7,525,000)         | \$ 13,769,814                      |
| MCWT loan         | <u>7,440,178</u>                         | <u>-</u>              | <u>(7,440,178)</u>     | <u>-</u>                           |
| Total             | <u>\$ 14,965,178</u>                     | <u>\$ 13,769,814</u>  | <u>\$ (14,965,178)</u> | <u>\$ 13,769,814</u>               |

### 14. Capital Lease

In August 2016 the City signed a lease-purchase agreement with a total cost of \$6.7 million to upgrade and/or replace numerous items throughout the City with more energy efficient alternatives. Future minimum lease payments under the capital lease consisted of the following as of June 30, 2021:

| <u>Fiscal Year</u>                      |                     |
|-----------------------------------------|---------------------|
| 2022                                    | \$ 380,000          |
| 2023                                    | 380,000             |
| 2024                                    | 380,000             |
| 2025                                    | 400,000             |
| 2026                                    | 400,001             |
| 2027 - 2031                             | 2,290,000           |
| 2032 - 2036                             | <u>2,599,999</u>    |
| Total payments                          | 6,830,000           |
| Less amounts representing interest      | <u>(1,074,084)</u>  |
| Present value of minimum lease payments | <u>\$ 5,755,916</u> |

## 15. Long-Term Debt

### ***General Obligation Bonds and Loans***

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

| <u>Governmental Activities</u>          | Serial<br>Maturities<br>Through | Interest<br>Rate(s) % | Amount<br>Outstanding<br>as of<br><u>June 30, 2021</u> |
|-----------------------------------------|---------------------------------|-----------------------|--------------------------------------------------------|
| <u>General Obligation Bonds</u>         |                                 |                       |                                                        |
| Public offerings:                       |                                 |                       |                                                        |
| Police Station                          | 03/01/34                        | 3.0-5.0%              | \$ 8,845,000                                           |
| General Obligation                      | 12/15/40                        | 1.0-4.0%              | <u>5,659,000</u>                                       |
| Total public offerings                  |                                 |                       | \$ 14,504,000                                          |
| <br><u>Business-Type Activities</u>     |                                 |                       |                                                        |
| <u>General Obligation Bonds</u>         | Serial<br>Maturities<br>Through | Interest<br>Rate(s) % | Amount<br>Outstanding<br>as of<br><u>June 30, 2021</u> |
| Public offerings:                       |                                 |                       |                                                        |
| General obligation 2012 - water portion | 04/01/22                        | 2.0%                  | \$ 270,000                                             |
| General Obligation                      | 12/15/40                        | 1.0-4.0%              | <u>1,411,000</u>                                       |
| Total public offerings                  |                                 |                       | 1,681,000                                              |
| <br><u>Loans - Direct Borrowings</u>    |                                 |                       |                                                        |
| Water treatment (MWPAT 03-10)           | 08/01/24                        | 2.0%                  | \$ 812,319                                             |
| Sewer treatment (MWPAT 03-10)           | 08/01/24                        | 2.0%                  | 236,817                                                |
| Sewer treatment (MCWT 15-21)            | 01/15/37                        | 2.0%                  | 3,692,201                                              |
| Sewer Treatment (CWP-17-23)             | 01/15/41                        | 2.0%                  | 5,802,527                                              |
| Sewer Treatment (CWP-17-23A)            | 01/15/41                        | 2.0%                  | <u>530,533</u>                                         |
| Total loans - direct borrowings         |                                 |                       | <u>11,074,397</u>                                      |
| Total business-type activities          |                                 |                       | <u>\$ 12,755,397</u>                                   |

**Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding (excluding bond premium amortization) as of June 30, 2021 are as follows:

| <u>Governmental</u> | <u>Bonds - Public Offerings</u> |                     |
|---------------------|---------------------------------|---------------------|
|                     | <u>Principal</u>                | <u>Interest</u>     |
| 2022                | \$ 869,000                      | \$ 474,975          |
| 2023                | 885,000                         | 435,045             |
| 2024                | 885,000                         | 394,645             |
| 2025                | 915,000                         | 353,345             |
| 2026                | 930,000                         | 323,045             |
| 2027 - 2031         | 4,920,000                       | 1,133,119           |
| 2032 - 2036         | 3,770,000                       | 356,123             |
| Thereafter          | <u>1,330,000</u>                | <u>66,300</u>       |
| Total               | \$ <u>14,504,000</u>            | \$ <u>3,536,597</u> |

| <u>Business-Type</u> | <u>Bonds - Public Offerings</u> |                   | <u>Loans - Direct Borrowings</u> |                     |
|----------------------|---------------------------------|-------------------|----------------------------------|---------------------|
|                      | <u>Principal</u>                | <u>Interest</u>   | <u>Principal</u>                 | <u>Interest</u>     |
| 2022                 | \$ 346,000                      | \$ 41,385         | \$ 761,202                       | \$ 197,937          |
| 2023                 | 75,000                          | 32,965            | 774,849                          | 215,463             |
| 2024                 | 70,000                          | 30,065            | 788,590                          | 191,457             |
| 2025                 | 70,000                          | 27,265            | 798,706                          | 169,524             |
| 2026                 | 70,000                          | 24,465            | 529,641                          | 159,021             |
| 2027 - 2031          | 350,000                         | 81,375            | 2,719,681                        | 634,332             |
| 2032 - 2036          | 350,000                         | 45,763            | 2,848,653                        | 357,316             |
| Thereafter           | <u>350,000</u>                  | <u>17,500</u>     | <u>1,853,075</u>                 | <u>100,388</u>      |
| Total                | \$ <u>1,681,000</u>             | \$ <u>300,783</u> | \$ <u>11,074,397</u>             | \$ <u>2,025,437</u> |

**Changes in General Long-Term Liabilities**

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

|                                | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>      | <u>Ending<br/>Balance</u> | <u>Less<br/>Current<br/>Portion</u> | <u>Equals<br/>Long-Term<br/>Portion</u> |
|--------------------------------|------------------------------|---------------------|------------------------|---------------------------|-------------------------------------|-----------------------------------------|
| <b>Governmental Activities</b> |                              |                     |                        |                           |                                     |                                         |
| Bonds payable                  | \$ 9,355,000                 | \$ 5,659,000        | \$ (510,000)           | \$ 14,504,000             | \$ (869,000)                        | \$ 13,635,000                           |
| Unamortized bond premium       | <u>368,571</u>               | <u>366,000</u>      | <u>(26,326)</u>        | <u>708,245</u>            | <u>(44,626)</u>                     | <u>663,619</u>                          |
| Subtotal                       | 9,723,571                    | 6,025,000           | (536,326)              | 15,212,245                | (913,626)                           | 14,298,619                              |
| Net pension liability          | 38,687,987                   | -                   | (5,938,085)            | 32,749,902                | -                                   | 32,749,902                              |
| Net OPEB liability             | 147,883,569                  | -                   | (10,468,454)           | 137,415,115               | -                                   | 137,415,115                             |
| Capital lease                  | 6,009,645                    | -                   | (253,729)              | 5,755,916                 | (259,146)                           | 5,496,770                               |
| Compensated absences           | <u>1,482,055</u>             | <u>-</u>            | <u>(173,676)</u>       | <u>1,308,379</u>          | <u>-</u>                            | <u>1,308,379</u>                        |
| Totals                         | \$ <u>203,786,827</u>        | \$ <u>6,025,000</u> | \$ <u>(17,370,270)</u> | \$ <u>192,441,557</u>     | \$ <u>(1,172,772)</u>               | \$ <u>191,268,785</u>                   |

|                                 | Beginning<br>Balance | Additions    | Reductions     | Ending<br>Balance | Less<br>Current<br>Portion | Equals<br>Long-Term<br>Portion |
|---------------------------------|----------------------|--------------|----------------|-------------------|----------------------------|--------------------------------|
| <b>Business-Type Activities</b> |                      |              |                |                   |                            |                                |
| Bonds payable                   | \$ 555,000           | \$ 1,411,000 | \$ (285,000)   | \$ 1,681,000      | \$ (346,000)               | \$ 1,335,000                   |
| Direct borrowings               | 5,172,326            | 6,333,060    | (430,989)      | 11,074,397        | (761,202)                  | 10,313,195                     |
| Unamortized bond premium        | 76,479               | -            | (16,708)       | 59,771            | (16,709)                   | 43,062                         |
| Subtotal                        | 5,803,805            | 7,744,060    | (732,697)      | 12,815,168        | (1,123,911)                | 11,691,257                     |
| Net pension liability           | 2,903,056            | 1,624,078    | (304,918)      | 4,222,216         | -                          | 4,222,216                      |
| Net OPEB liability              | 504,519              | -            | (35,714)       | 468,805           | -                          | 468,805                        |
| Landfill liability              | 419,437              | 78,937       | (33,225)       | 465,149           | (33,225)                   | 431,924                        |
| Compensated absences            | 54,634               | -            | (100)          | 54,534            | -                          | 54,534                         |
| Totals                          | \$ 9,685,451         | \$ 9,447,075 | \$ (1,106,654) | \$ 18,025,872     | \$ (1,157,136)             | \$ 16,868,736                  |

### ***Long-Term Debt Supporting Governmental and Business-Type Activities***

Bonds and loans issued by the City for various municipal projects are approved by City Council and repaid with revenues recorded in the general fund and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost related to, primarily the general fund and enterprise fund(s).

## **16. Landfill Closure and Postclosure Care Costs**

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

The \$465,149 reported as landfill post-closure care liability at June 30, 2021 represents the remaining estimated post-closure costs. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The City's Landfill Enterprise Fund is expected to fund the future monitoring costs, with funds transferred from the general fund.

## **17. Deferred Inflows of Resources**

Deferred inflows of resources are the acquisition of net position by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

## 18. Governmental Funds – Balances

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

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

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

### ***Nonspendable***

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

### ***Restricted***

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

### ***Committed***

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing special article appropriations approved by City Council.

### ***Assigned***

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

### ***Unassigned***

Represents amounts that are available to be spent in future periods and deficit balances in non-general fund accounts.



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

|                           | General<br>Fund | School<br>Improvement<br>Bond Fund | School<br>State Grants<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------|-----------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| <b>Nonspendable</b>       |                 |                                    |                                |                                   |                                |
| Permanent funds           | \$ -            | \$ -                               | \$ -                           | \$ 452,771                        | \$ 452,771                     |
| Total Nonexpendable       | -               | -                                  | -                              | 452,771                           | 452,771                        |
| <b>Restricted</b>         |                 |                                    |                                |                                   |                                |
| Bonded projects           | -               | -                                  | -                              | 972,610                           | 972,610                        |
| Special revenue funds     | -               | -                                  | 3,469,203                      | 3,513,736                         | 6,982,939                      |
| Permanent funds           | -               | -                                  | -                              | 62,537                            | 62,537                         |
| Total Restricted          | -               | -                                  | 3,469,203                      | 4,548,883                         | 8,018,086                      |
| <b>Committed</b>          |                 |                                    |                                |                                   |                                |
| Assessor's stabilization* | 89,194          | -                                  | -                              | -                                 | 89,194                         |
| Total Committed           | 89,194          | -                                  | -                              | -                                 | 89,194                         |
| <b>Assigned</b>           |                 |                                    |                                |                                   |                                |
| Encumbrances              |                 |                                    |                                |                                   |                                |
| General government        | 918,158         | -                                  | -                              | -                                 | 918,158                        |
| Public safety             | 323,700         | -                                  | -                              | -                                 | 323,700                        |
| Education                 | 232,378         | -                                  | -                              | -                                 | 232,378                        |
| Public works              | 666,647         | -                                  | -                              | -                                 | 666,647                        |
| Health and human services | 14,000          | -                                  | -                              | -                                 | 14,000                         |
| Culture and recreation    | 118,387         | -                                  | -                              | -                                 | 118,387                        |
| Total Assigned            | 2,273,270       | -                                  | -                              | -                                 | 2,273,270                      |
| <b>Unassigned</b>         |                 |                                    |                                |                                   |                                |
| General fund              | 4,313,430       | -                                  | -                              | -                                 | 4,313,430                      |
| Stabilization fund        | 3,138,170       | -                                  | -                              | -                                 | 3,138,170                      |
| Deficit fund balances     | -               | (12,761,411)                       | -                              | (2,522,839)                       | (15,284,250)                   |
| Total Unassigned          | 7,451,600       | (12,761,411)                       | -                              | (2,522,839)                       | (7,832,650)                    |
| Total Fund Balance        | \$ 9,814,064    | \$ (12,761,411)                    | \$ 3,469,203                   | \$ 2,478,815                      | \$ 3,000,671                   |

\* Massachusetts General Law Ch. 40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund, along with any additions to or appropriations from the fund, requires a two-thirds vote of the legislative body.

## 19. Gardner Contributory Retirement System

The City follows the provisions of GASB Statement No. 67 *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees' retirement funds.

***Plan Description***

The System is a member of the Massachusetts Contributory Retirement Systems (MA System) and is governed by Chapter 32 of the Massachusetts General Laws. Because of the significance of its operational and financial relationship with the City, the System is included as a pension trust fund in the City's basic financial systems.

Substantially all employees of the City (except teachers and administrators under contract employed by the School Department) scheduled to work a minimum of 20 hours per week, are members of the Gardner Contributory Retirement System (the System), a cost-sharing, multiple employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid.

The System is governed by a five-member board. The five members include two appointed by the City, two elected by the members and retirees, and a fifth member chosen by the other four members with the approval of the Public Employee Retirement Administration Commission. The System Retirement Board does not have the authority to amend benefit provisions.

Membership of each plan consisted of the following at January 1, 2020:

|                                                                    |            |
|--------------------------------------------------------------------|------------|
| Retirees and beneficiaries receiving benefits                      | 259        |
| Terminated plan members entitled to but not yet receiving benefits | 93         |
| Active plan members                                                | <u>308</u> |
| Total                                                              | <u>660</u> |
| Number of participating employers                                  | 2          |

***Participant Contributions***

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

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

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

#### *Participant Retirement Benefits*

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

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

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

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

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that

participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

#### *Methods of Payment*

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member’s death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree’s beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member’s designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or “pops up” to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

#### *Participant Refunds*

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

#### *Employer Contributions*

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

The City’s contribution to the System for the year ended June 30, 2021 was \$4,424,510 which was equal to its annual required contribution.

#### *Summary of Significant Accounting Policies*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/deductions from System’s fiduciary

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

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

At June 30, 2021, the City reported a liability of \$36,972,118 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was 95.82%, which was an increase of 0.13% from its proportion measured as of June 30, 2020.)

For the year ended June 30, 2021, the City recognized pension expense of \$3,906,070. In addition, the City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

|                                                                                                      | Deferred<br>Outflows of<br>Resources | Deferred<br>(Inflows) of<br>Resources |
|------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|
| Net difference between projected and actual earnings on pension plan investments                     | \$ 781,991                           | \$ -                                  |
| Changes in assumptions                                                                               | 2,935,626                            | (1,069,796)                           |
| Differences between expected and actual experience                                                   | -                                    | (3,386,536)                           |
| Changes in proportion and differences between contributions and proportionate share of contributions | <u>112,776</u>                       | <u>(85,780)</u>                       |
|                                                                                                      | <u>\$ 3,830,393</u>                  | <u>\$ (4,542,112)</u>                 |

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

|                     |                     |
|---------------------|---------------------|
| Year ended June 30: |                     |
| 2022                | \$ 71,621           |
| 2023                | 671,560             |
| 2024                | (799,847)           |
| 2025                | (609,679)           |
| 2026                | <u>(45,374)</u>     |
| Total               | <u>\$ (711,719)</u> |



**Actuarial Assumptions**

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

|                                           |                                         |
|-------------------------------------------|-----------------------------------------|
| Valuation Date                            | 1/1/2020                                |
| Actuarial cost method                     | Entry Age Normal Cost Method            |
| Actuarial assumptions:                    |                                         |
| Investment rate of return                 | 7.25%                                   |
| Projected salary increases                | Various up to year 20, 3.25% thereafter |
| Inflation rate                            | 3% per year                             |
| Post-retirement cost-of-living adjustment | 3% on first \$13,000                    |

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

Mortality rates were based on RP-2014 table adjusted to 2006 and projected generationally with MP-2019 (sex-distinct). Mortality rates for disabled retirees follows the same table as non-disabled retirees, set forward 2 years.

**Target Allocations**

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return



net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

| <u>Asset Class</u>         | <u>Target<br/>Asset<br/>Allocation</u> | <u>Long-term<br/>Expected<br/>Real Rate<br/>of Return</u> |
|----------------------------|----------------------------------------|-----------------------------------------------------------|
| U.S. equity                | 13.00%                                 | 4.11%                                                     |
| International equities     | 13.00%                                 | 4.31%                                                     |
| Emerging Equities          | 5.00%                                  | 6.07%                                                     |
| Hedged equity              | 8.00%                                  | 3.42%                                                     |
| Core bonds                 | 6.00%                                  | 0.49%                                                     |
| Short-term fixed income    | 2.00%                                  | -0.20%                                                    |
| Treasury STRIPS            | 3.00%                                  | -0.49%                                                    |
| TIPS/ILBS                  | 4.00%                                  | -0.10%                                                    |
| Value-added fixed income   | 8.00%                                  | 3.91%                                                     |
| Private equity             | 14.00%                                 | 7.83%                                                     |
| Real estate                | 10.00%                                 | 3.72%                                                     |
| Timberland                 | 4.00%                                  | 4.31%                                                     |
| Portfolio completion (PCS) | <u>10.00%</u>                          | 2.94%                                                     |
| Total                      | <u>100.00%</u>                         |                                                           |

#### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### ***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

| <u>1%<br/>Decrease<br/>(6.25%)</u> | <u>Current<br/>Discount<br/>Rate<br/>(7.25%)</u> | <u>1%<br/>Increase<br/>(8.25%)</u> |
|------------------------------------|--------------------------------------------------|------------------------------------|
| \$47,586,807                       | \$36,972,118                                     | \$27,968,262                       |

***Pension Plan Fiduciary Net Position***

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

**20. Massachusetts Teachers' Retirement System (MTRS)*****Plan Description***

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report.

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

***Benefits Provided***

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

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

### ***Contributions***

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

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

### ***Actuarial Assumptions***

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

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

**Target Allocations**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis**

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate (in thousands):

| 1% Decrease<br>(6.15%) | Current Discount<br>Rate (7.15%) | 1% Increase<br>(8.15%) |
|------------------------|----------------------------------|------------------------|
| \$35,411,955           | \$28,544,844                     | \$22,908,510           |

***Special Funding Situation***

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

***City Proportions***

In fiscal year 2020 (the most recent measurement period), the City's proportionate share of the MTRS' collective net pension liability was \$59,865,036 based on a proportionate share of 0.209723%. As required by GASB 68, the City has recognized its portion of the Commonwealth's contribution of \$3,257,903 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of \$7,394,190 as both a revenue and expense in the governmental activities.

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

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2017, the City established a single employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

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

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

***General Information about the OPEB Plan******Plan Description***

The City provides post-employment healthcare benefits for retired employees through the City's plan. The City provides health insurance coverage through Blue Cross/Blue Shield. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws.



***Benefits Provided***

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

***Funding Policy***

The City's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on actuarially determined amounts or annual budget limitations/authorizations.

***Plan Membership***

At June 30, 2021, the following employees were covered by the benefit terms:

|                                              |            |
|----------------------------------------------|------------|
| Inactive employees or beneficiaries          |            |
| currently receiving benefit payments         | 227        |
| Inactive employees or beneficiaries entitled |            |
| to but not yet receiving benefit payments    | 14         |
| Active employees                             | <u>474</u> |
| Total                                        | <u>715</u> |

***Investments***

The OPEB trust fund assets consist of corporate equities and mutual funds.

***Rate of return.*** For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 22.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Actuarial Assumptions and Other Inputs***

The net OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                                                  |
|-----------------------------|------------------------------------------------------------------|
| Inflation                   | 2.5%                                                             |
| Investment rate of return   | 6.0%                                                             |
| Municipal bond rate         | 2.16%                                                            |
| Discount rate               | 2.16%                                                            |
| Healthcare cost trend rates | 8% for 2021, decreasing .5% per year to an ultimate rate of 3.9% |



Mortality rates were based on Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for Employees (for pre-retirement) and Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for Healthy Retirees (for post-retirement), projected using generational mortality and scale MP-2020.

### ***Target Allocations***

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table.

| <u>Asset Class</u>   | <u>Target<br/>Asset<br/>Allocation</u> | <u>Long-term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------|----------------------------------------|-------------------------------------------------------|
| Domestic equity      | 29.00%                                 | 5.43%                                                 |
| International equity | 19.00%                                 | 6.10%                                                 |
| Domestic bond        | 26.00%                                 | 1.62%                                                 |
| International bond   | 6.00%                                  | 1.26%                                                 |
| Alternatives         | <u>20.00%</u>                          | 4.21%                                                 |
| Total                | <u>100.00%</u>                         |                                                       |

### ***Contributions***

In addition to the implicit subsidy contribution, the City's policy is to contribute amounts provided annually by the budget.

### ***Discount Rate***

The discount rate used to measure the net OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. As a result, the discount rate was based on the municipal bond rate of 2.16%.

**Net OPEB Liability**

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

|                                                                         |                       |
|-------------------------------------------------------------------------|-----------------------|
| Total OPEB liability                                                    | \$ 138,036,434        |
| Plan fiduciary net position                                             | <u>(152,514)</u>      |
| Net OPEB liability                                                      | <u>\$ 137,883,920</u> |
|                                                                         |                       |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.11%                 |

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

**Changes in the Net OPEB Liability**

The following summarizes the changes in the net OPEB liability for the past year:

|                                                    | Increase (Decrease)   |                    |                       |
|----------------------------------------------------|-----------------------|--------------------|-----------------------|
|                                                    | Total OPEB            | Plan               | Net OPEB              |
|                                                    | Liability             | Fiduciary          | Liability             |
|                                                    | (a)                   | Net Position       | (a) - (b)             |
|                                                    | (b)                   |                    |                       |
| Balances, beginning of year                        | \$ 148,491,385        | \$ 103,297         | \$ 148,388,088        |
| Changes for the year:                              |                       |                    |                       |
| Service cost                                       | 6,201,627             | -                  | 6,201,627             |
| Interest                                           | 3,379,232             | -                  | 3,379,232             |
| Contributions - employer                           | -                     | 3,596,224          | (3,596,224)           |
| Net investment income                              | -                     | 26,197             | (26,197)              |
| Differences between expected and actual experience | (11,993,763)          | -                  | (11,993,763)          |
| Changes in assumptions*                            | (4,468,843)           | -                  | (4,468,843)           |
| Benefit payments                                   | <u>(3,573,204)</u>    | <u>(3,573,204)</u> | <u>-</u>              |
| Net Changes                                        | <u>(10,454,951)</u>   | <u>49,217</u>      | <u>(10,504,168)</u>   |
| Balances, end of year                              | <u>\$ 138,036,434</u> | <u>\$ 152,514</u>  | <u>\$ 137,883,920</u> |

\* Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it was calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

| 1%<br>Decrease<br>(1.16%) | Current<br>Discount<br>Rate<br>(2.16%) | 1%<br>Increase<br>(3.16%) |
|---------------------------|----------------------------------------|---------------------------|
| <u>\$ 162,285,463</u>     | <u>\$ 137,883,920</u>                  | <u>\$ 118,159,056</u>     |

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it as calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

| 1%<br>Decrease<br>(7%) | Current<br>Healthcare<br>Cost Trend<br>Rates<br>(8%) | 1%<br>Increase<br>(9%) |
|------------------------|------------------------------------------------------|------------------------|
| <u>\$ 113,790,265</u>  | <u>\$ 137,883,920</u>                                | <u>\$ 167,532,971</u>  |

***OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB***

For the year ended June 30, 2021, the City recognized an OPEB expense of \$12,760,935. At June 30, 2021, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

|                                                                      | Deferred<br>Outflows of<br><u>Resources</u> | Deferred<br>(Inflows) of<br><u>Resources</u> |
|----------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|
| Difference between expected and actual experience                    | \$ -                                        | \$ (10,897,521)                              |
| Change in assumptions                                                | 28,265,758                                  | (5,708,489)                                  |
| Net difference between projected and actual OPEB investment earnings | <u>-</u>                                    | <u>(18,548)</u>                              |
| Total                                                                | \$ <u>28,265,758</u>                        | \$ <u>(16,624,558)</u>                       |

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

| <u>Year Ended June 30:</u> |                      |
|----------------------------|----------------------|
| 2022                       | \$ 3,182,614         |
| 2023                       | 3,182,277            |
| 2024                       | 3,556,825            |
| 2025                       | 3,427,866            |
| 2026                       | 881,243              |
| Thereafter                 | <u>(2,589,625)</u>   |
| Total                      | \$ <u>11,641,200</u> |

**22. Consolidation of Pension and OPEB Trust Funds**

The Gardner Contributory Retirement System and the OPEB Trust Fund are presented in a single column on pages 24 and 25. Details of the financial position and changes in net position are as follows:

|                                                                    | Pension<br>Trust Fund<br>(December 31, 2020) | Other<br>Post-Employment<br>Benefits Trust<br>Fund | Pension<br>and OPEB<br>Trust Funds |
|--------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------|------------------------------------|
| <b>Assets</b>                                                      |                                              |                                                    |                                    |
| Investments:                                                       |                                              |                                                    |                                    |
| Mutual funds                                                       | \$ -                                         | \$ 152,392                                         | \$ 152,392                         |
| External investment pool                                           | <u>66,808,507</u>                            | <u>-</u>                                           | <u>66,808,507</u>                  |
| Total Investments                                                  | 66,808,507                                   | 152,392                                            | 66,960,899                         |
| Accounts receivable                                                | <u>362,798</u>                               | <u>-</u>                                           | <u>362,798</u>                     |
| Total Assets                                                       | 67,171,305                                   | 152,392                                            | 67,323,697                         |
| <b>Liabilities and Net Position</b>                                |                                              |                                                    |                                    |
| Cash overdraft                                                     | 12,810                                       | -                                                  | 12,810                             |
| Accounts payable                                                   | <u>219,569</u>                               | <u>-</u>                                           | <u>219,569</u>                     |
| Total Liabilities                                                  | 232,379                                      | -                                                  | 232,379                            |
| <b>Net Position</b>                                                |                                              |                                                    |                                    |
| Restricted for pensions                                            | 66,938,926                                   | -                                                  | 66,938,926                         |
| Restricted for OPEB purposes                                       | <u>-</u>                                     | <u>152,392</u>                                     | <u>152,392</u>                     |
|                                                                    | <u>\$ 66,938,926</u>                         | <u>\$ 152,392</u>                                  | <u>\$ 67,091,318</u>               |
| <b>Additions</b>                                                   |                                              |                                                    |                                    |
| Contributions:                                                     |                                              |                                                    |                                    |
| Employers                                                          | 4,617,522                                    | 3,596,224                                          | 8,213,746                          |
| Other systems and Commonwealth<br>of Massachusetts                 | 121,223                                      | -                                                  | 121,223                            |
| Plan members                                                       | 1,678,725                                    | -                                                  | 1,678,725                          |
| Other                                                              | <u>8,450</u>                                 | <u>-</u>                                           | <u>8,450</u>                       |
| Total contributions                                                | 6,425,920                                    | 3,596,224                                          | 10,022,144                         |
| Investment Income:                                                 |                                              |                                                    |                                    |
| Appreciation in fair value of investments                          | 7,380,230                                    | 26,075                                             | 7,406,305                          |
| Less: management fees                                              | <u>(290,568)</u>                             | <u>-</u>                                           | <u>(290,568)</u>                   |
| Net investment income                                              | <u>7,089,662</u>                             | <u>26,075</u>                                      | <u>7,115,737</u>                   |
| Total Additions                                                    | 13,515,582                                   | 3,622,299                                          | 17,137,881                         |
| <b>Deductions</b>                                                  |                                              |                                                    |                                    |
| Benefit payments to plan members and beneficiaries                 | 6,794,149                                    | 3,573,204                                          | 10,367,353                         |
| Refunds to plan members                                            | 43,237                                       | -                                                  | 43,237                             |
| Transfers to other systems                                         | 188,135                                      | -                                                  | 188,135                            |
| Administrative expenses                                            | <u>150,870</u>                               | <u>-</u>                                           | <u>150,870</u>                     |
| Total Deductions                                                   | <u>7,176,391</u>                             | <u>3,573,204</u>                                   | <u>10,749,595</u>                  |
| Net Increase                                                       | 6,339,191                                    | 49,095                                             | 6,388,286                          |
| <b>Net position restricted for pensions<br/>and other purposes</b> |                                              |                                                    |                                    |
| Beginning of Year                                                  | <u>60,599,735</u>                            | <u>103,297</u>                                     | <u>60,703,032</u>                  |
| End of Year                                                        | <u>\$ 66,938,926</u>                         | <u>\$ 152,392</u>                                  | <u>\$ 67,091,318</u>               |

### 23. Self-Insurance

The City self-insures against claims for most employee health coverage. Annual estimated requirements for claims are provided in the City's annual operating budget.

The City's insurance plans are retrospectively rated policies. In other words, the City contributes a level monthly premium which is adjusted quarterly for actual claims paid.

The City contracts with an insurance carrier for excess liability coverage and an insurance consultant for claims processing. Under the terms of its insurance coverage, the City is liable for up to \$110,000 per incident. The City has no maximum aggregate liability for all claims paid within one year. The claims liability represents an estimate of claims incurred but unpaid at year-end, based on past historical costs and claims paid subsequent to year-end.

Changes in the aggregate liability for claims for the years ended June 30, 2021 and 2020 are as follows:

|                                     | 2021<br>Health<br><u>Coverage</u> | 2020<br>Health<br><u>Coverage</u> |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Claims liability, beginning of year | \$ 535,372                        | \$ 505,939                        |
| Claims incurred/recognized          | 9,724,289                         | 9,503,707                         |
| Claims paid                         | <u>(9,694,199)</u>                | <u>(9,474,274)</u>                |
| Claims Liability, End of Year       | \$ <u>565,462</u>                 | \$ <u>535,372</u>                 |

The claims liability at year-end was comprised entirely of an estimate of claims incurred but not reported by year-end.

### 24. Subsequent Events

Management has evaluated subsequent events through March 28, 2022, which is the date the financial statements were available to be issued.

The City appropriated \$1,317,493 of free cash to be spent in the subsequent year.



**Debt**

Subsequent to June 30, 2021, the City has incurred the following additional debt:

|                         | <u>Amount</u> | <u>Interest<br/>Rate (%)</u> | <u>Issue<br/>Date</u> | <u>Maturity<br/>Date</u> |
|-------------------------|---------------|------------------------------|-----------------------|--------------------------|
| General obligation bond | \$ 22,145,000 | 2.0-5.0%                     | 07/27/21              | 08/01/51                 |

**25. Change in Accounting Principle**

During fiscal year 2021, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This required moving certain items previously recorded through an agency fund to nonmajor governmental funds and to the newly established custodial fund that reports additions and deductions for these activities.

**26. Commitments and Contingencies*****Outstanding Legal Issues***

On an ongoing basis, there are typically pending legal issues in which the City is involved. The City's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

***Grants***

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

***Encumbrances***

At year-end the City's general fund has \$2,273,270 in encumbrances that will be honored in the next fiscal year.

## 27. Beginning Net Position/Fund Balance Restatement

The beginning (July 1, 2020) net position/fund balance of the City has been restated as follows:

|                           | Government-Wide Financial Statements: |                      |                      |                     |                   |                      |
|---------------------------|---------------------------------------|----------------------|----------------------|---------------------|-------------------|----------------------|
|                           | Governmental Activities               | Water Fund           | Sewer Fund           | Golf Fund           | Nonmajor Funds    | Total                |
| As previously reported    | \$ (80,342,228)                       | \$ 11,925,531        | \$ 12,329,324        | \$ (1,714,604)      | \$ (19,175)       | \$ 22,521,076        |
| GASB 84 implementation    | (44,548)                              | -                    | -                    | -                   | -                 | -                    |
| Reclassify OPEB liability | <u>(2,397,483)</u>                    | <u>379,886</u>       | <u>429,882</u>       | <u>1,213,691</u>    | <u>374,024</u>    | <u>2,397,483</u>     |
| As restated               | \$ <u>(82,784,259)</u>                | \$ <u>12,305,417</u> | \$ <u>12,759,206</u> | \$ <u>(500,913)</u> | \$ <u>354,849</u> | \$ <u>24,918,559</u> |

|                        | City Capital Project Fund | Improvement Bond Fund | State Grants Fund   | Governmental Funds    |
|------------------------|---------------------------|-----------------------|---------------------|-----------------------|
| As previously reported | \$ (5,321,082)            | \$ -                  | \$ -                | \$ 7,120,498          |
| GASB 84 implementation | -                         | -                     | -                   | (44,548)              |
| Change in major fund   | <u>5,321,082</u>          | <u>139,777</u>        | <u>2,719,834</u>    | <u>(8,180,693)</u>    |
| As restated            | \$ <u>-</u>               | \$ <u>139,777</u>     | \$ <u>2,719,834</u> | \$ <u>(1,104,743)</u> |

## 28. New Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the City beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements. Management is currently evaluating the impact of implementing this GASB pronouncement.

## CITY OF GARDNER, MASSACHUSETTS

Required Supplemental Information  
General FundSchedule of Revenues, Expenditures, and Other Financing Sources/(Uses) –  
Budget and Actual  
For the Year Ended June 30, 2021

|                                                   | Budgeted Amounts   |                   |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-------------------|---------------------|---------------------------------------------------------|
|                                                   | Original<br>Budget | Final<br>Budget   | Actual<br>Amounts   |                                                         |
| <b>Revenues</b>                                   |                    |                   |                     |                                                         |
| Property taxes                                    | \$ 28,693,351      | \$ 28,693,351     | \$ 29,011,908       | \$ 318,557                                              |
| Excise                                            | 2,110,211          | 2,110,211         | 2,386,879           | 276,668                                                 |
| Penalties, interest and other taxes               | 386,616            | 386,616           | 587,121             | 200,505                                                 |
| Charges for services                              | 2,754,160          | 2,754,160         | 3,046,124           | 291,964                                                 |
| Intergovernmental                                 | 26,945,791         | 26,794,086        | 26,650,529          | (143,557)                                               |
| Licenses and permits                              | 327,855            | 327,855           | 330,495             | 2,640                                                   |
| Fines and forfeitures                             | 130,403            | 130,403           | 97,389              | (33,014)                                                |
| Investment income                                 | 35,000             | 35,000            | 65,382              | 30,382                                                  |
| Miscellaneous                                     | 359,000            | 359,000           | 452,069             | 93,069                                                  |
| <b>Total Revenues</b>                             | <b>61,742,387</b>  | <b>61,590,682</b> | <b>62,627,896</b>   | <b>1,037,214</b>                                        |
| <b>Expenditures</b>                               |                    |                   |                     |                                                         |
| General government                                | 3,367,386          | 3,335,745         | 3,287,480           | 48,265                                                  |
| Public safety                                     | 8,576,217          | 9,300,276         | 9,175,324           | 124,952                                                 |
| Education                                         | 26,077,365         | 26,077,367        | 26,377,011          | (299,644)                                               |
| Public works                                      | 2,733,873          | 3,647,826         | 4,353,621           | (705,795)                                               |
| Health and human services                         | 1,299,776          | 1,322,531         | 944,796             | 377,735                                                 |
| Culture and recreation                            | 965,770            | 1,074,056         | 1,060,147           | 13,909                                                  |
| Employee benefits                                 | 14,127,947         | 14,127,947        | 13,291,862          | 836,085                                                 |
| Debt service                                      | 2,735,340          | 2,735,340         | 2,027,360           | 707,980                                                 |
| Intergovernmental                                 | 2,314,814          | 2,350,193         | 2,195,136           | 155,057                                                 |
| <b>Total Expenditures</b>                         | <b>62,198,488</b>  | <b>63,971,281</b> | <b>62,712,737</b>   | <b>1,258,544</b>                                        |
| Excess (Deficiency) of Revenues over Expenditures | (456,101)          | (2,380,599)       | (84,841)            | 2,295,758                                               |
| <b>Other Financing Sources (Uses)</b>             |                    |                   |                     |                                                         |
| Transfers in                                      | 456,101            | 456,101           | 480,895             | 24,794                                                  |
| Transfers out                                     | (872,333)          | (1,047,902)       | (1,047,902)         | -                                                       |
| Use of free cash:                                 |                    |                   |                     |                                                         |
| Operating and capital budget                      | 628,400            | 2,544,541         | 2,544,541           | -                                                       |
| Transfer to stabilization fund(s)                 | 220,913            | 220,913           | 220,913             | -                                                       |
| OPEB trust fund contribution                      | 23,020             | 23,020            | 23,020              | -                                                       |
| Other source(s)                                   | -                  | 183,926           | 183,926             | -                                                       |
| <b>Total Other Financing Sources (Uses)</b>       | <b>456,101</b>     | <b>2,380,599</b>  | <b>2,405,393</b>    | <b>24,794</b>                                           |
| <b>Overall Budgetary Excess</b>                   | <b>\$ -</b>        | <b>\$ -</b>       | <b>\$ 2,320,552</b> | <b>\$ 2,320,552</b>                                     |

See Independent Auditors' Report.

**Notes to Required Supplementary Information  
for General Fund Budget**

**Budgetary Basis**

The general fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

**Budget/GAAP Reconciliation**

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

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

| <u>General Fund</u>                                                                  | <u>Revenues</u>      | <u>Expenditures</u>  | <u>Other<br/>Financing<br/>Sources (Uses)</u> |
|--------------------------------------------------------------------------------------|----------------------|----------------------|-----------------------------------------------|
| GAAP basis                                                                           | \$ 66,285,844        | \$ 63,720,390        | \$ (628,715)                                  |
| Reverse the effect of including Stabilization<br>Fund and General Fund activity      | (94,403)             | -                    | (220,913)                                     |
| Add end of year appropriation carryforwards<br>to expenditures                       | -                    | 2,273,270            | -                                             |
| To reverse the effect of non-budgeted State<br>contributions for teachers retirement | (3,257,903)          | (3,257,903)          | -                                             |
| To record use of free cash                                                           | -                    | -                    | 2,788,474                                     |
| To reclassify transfers                                                              | (305,642)            | (23,020)             | 328,662                                       |
| Other                                                                                | -                    | -                    | 137,885                                       |
| Budgetary Basis                                                                      | <u>\$ 62,627,896</u> | <u>\$ 62,712,737</u> | <u>\$ 2,405,393</u>                           |

See Independent Auditors' Report.

**CITY OF GARDNER, MASSACHUSETTS**

Required Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability  
(Unaudited)

(Amounts expressed in thousands)

| Gardner Contributory Retirement System |                   |                                         |                                                  |                                                                                     |                                                                       |        |
|----------------------------------------|-------------------|-----------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------|
| Fiscal Year                            | Measurement Date  | Proportion of the Net Pension Liability | Proportionate Share of the Net Pension Liability | Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position Percentage of the Total Pension Liability |        |
| June 30, 2021                          | December 31, 2020 | 95.82%                                  | \$36,972                                         | \$14,560                                                                            | 253.93%                                                               | 63.43% |
| June 30, 2020                          | December 31, 2019 | 95.69%                                  | \$41,591                                         | \$14,156                                                                            | 293.80%                                                               | 58.23% |
| June 30, 2019                          | December 31, 2018 | 96.05%                                  | \$42,854                                         | \$12,527                                                                            | 342.09%                                                               | 54.49% |
| June 30, 2018                          | December 31, 2017 | 95.76%                                  | \$35,854                                         | \$12,285                                                                            | 291.85%                                                               | 59.78% |
| June 30, 2017                          | December 31, 2016 | 95.51%                                  | \$39,812                                         | \$11,762                                                                            | 338.48%                                                               | 53.90% |
| June 30, 2016                          | December 31, 2015 | 95.43%                                  | \$38,336                                         | \$10,920                                                                            | 351.06%                                                               | 53.57% |
| June 30, 2015                          | December 31, 2014 | 95.79%                                  | \$34,546                                         | \$10,465                                                                            | 330.11%                                                               | 56.63% |

| Massachusetts Teachers' Retirement System |                  |                                         |                                                  |                                                  |                          |                                                  |                                                                                     |                                                                       |  |
|-------------------------------------------|------------------|-----------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--|
| Fiscal Year                               | Measurement Date | Proportion of the Net Pension Liability | Proportionate Share of the Net Pension Liability | Commonwealth of Massachusetts' Total             |                          | Total Pension Liability Associated with the City | Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position Percentage of the Total Pension Liability |  |
|                                           |                  |                                         |                                                  | Proportionate Share of the Net Pension Liability | Associated with the City |                                                  |                                                                                     |                                                                       |  |
| June 30, 2021                             | June 30, 2020    | 0.21%                                   | -                                                | \$59,865                                         | \$59,865                 | \$15,590                                         | -                                                                                   | 50.67%                                                                |  |
| June 30, 2020                             | June 30, 2019    | 0.21%                                   | -                                                | \$54,016                                         | \$54,016                 | \$15,413                                         | -                                                                                   | 53.95%                                                                |  |
| June 30, 2019                             | June 30, 2018    | 0.22%                                   | -                                                | \$52,040                                         | \$52,040                 | \$14,939                                         | -                                                                                   | 54.84%                                                                |  |
| June 30, 2018                             | June 30, 2017    | 0.22%                                   | -                                                | \$50,640                                         | \$50,640                 | \$15,255                                         | -                                                                                   | 54.25%                                                                |  |
| June 30, 2017                             | June 30, 2016    | 0.23%                                   | -                                                | \$51,852                                         | \$51,852                 | \$14,904                                         | -                                                                                   | 52.73%                                                                |  |
| June 30, 2016                             | June 30, 2015    | 0.24%                                   | -                                                | \$48,175                                         | \$48,175                 | \$14,565                                         | -                                                                                   | 55.38%                                                                |  |
| June 30, 2015                             | June 30, 2014    | 0.24%                                   | -                                                | \$37,761                                         | \$37,761                 | \$14,565                                         | -                                                                                   | 61.64%                                                                |  |

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

## CITY OF GARDNER, MASSACHUSETTS

Required Supplementary Information  
Schedule of Pension Contributions

(Unaudited)

(Amounts expressed in thousands)

| Gardner Contributory Retirement System |                                           |                                                                                  |                                        |                    |                                                        |
|----------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|--------------------------------------------------------|
| Fiscal<br>Year                         | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions as<br>a Percentage of<br>Covered Payroll |
| June 30, 2021                          | \$4,425                                   | \$4,433                                                                          | (8)                                    | \$14,560           | 30.45%                                                 |
| June 30, 2020                          | \$4,075                                   | \$4,075                                                                          | -                                      | \$14,156           | 28.79%                                                 |
| June 30, 2019                          | \$3,901                                   | \$3,901                                                                          | -                                      | \$12,527           | 31.14%                                                 |
| June 30, 2018                          | \$3,686                                   | \$3,686                                                                          | -                                      | \$12,285           | 30.00%                                                 |
| June 30, 2017                          | \$3,485                                   | \$3,485                                                                          | -                                      | \$11,762           | 29.63%                                                 |
| June 30, 2016                          | \$3,279                                   | \$3,279                                                                          | -                                      | \$10,920           | 30.03%                                                 |
| June 30, 2015                          | \$3,105                                   | \$3,105                                                                          | -                                      | \$10,465           | 29.67%                                                 |

| <b>Massachusetts Teachers' Retirement System</b> |                                                                     |                                                                             |                                         |                        |                                                         |
|--------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------|------------------------|---------------------------------------------------------|
| <u>Fiscal Year</u>                               | <u>Actuarially Determined Contribution Provided by Commonwealth</u> | <u>Contributions in Relation to the Actuarially Determined Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a Percentage of Covered Payroll</u> |
| June 30, 2021                                    | \$3,258                                                             | \$3,258                                                                     | -                                       | \$16,695               | 19.51%                                                  |
| June 30, 2020                                    | \$3,093                                                             | \$3,093                                                                     | -                                       | \$15,590               | 19.84%                                                  |
| June 30, 2019                                    | \$2,886                                                             | \$2,886                                                                     | -                                       | \$15,413               | 18.72%                                                  |
| June 30, 2018                                    | \$2,734                                                             | \$2,734                                                                     | -                                       | \$14,939               | 18.30%                                                  |
| June 30, 2017                                    | \$2,608                                                             | \$2,608                                                                     | -                                       | \$15,255               | 17.10%                                                  |
| June 30, 2016                                    | \$2,403                                                             | \$2,403                                                                     | -                                       | \$14,904               | 16.12%                                                  |
| June 30, 2015                                    | \$2,227                                                             | \$2,227                                                                     | -                                       | \$14,565               | 15.29%                                                  |

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.



**CITY OF GARDNER, MASSACHUSETTS**

Required Supplementary Information  
Other Post-Employment Benefits (OPEB)  
Schedule of Changes in the Net OPEB Liability  
(Unaudited)

|                                                             | 2021           | 2020           | 2019           | 2018          | 2017          |
|-------------------------------------------------------------|----------------|----------------|----------------|---------------|---------------|
| <b>Total OPEB Liability</b>                                 |                |                |                |               |               |
| Service cost                                                | \$ 6,201,627   | \$ 5,133,601   | \$ 4,562,376   | \$ 4,790,887  | \$ 5,736,706  |
| Interest                                                    | 3,379,232      | 4,086,663      | 3,871,913      | 3,566,773     | 3,063,959     |
| Changes of benefit terms                                    | -              | (1,707,462)    | -              | -             | -             |
| Differences between expected and actual experience          | (11,993,763)   | -              | (1,066,547)    | -             | -             |
| Changes of assumptions                                      | (4,468,843)    | 30,962,161     | 11,893,059     | (4,854,961)   | (13,084,732)  |
| Benefit payments, including refunds of member contributions | (3,573,204)    | (3,223,547)    | (3,015,765)    | (2,694,837)   | (2,598,945)   |
| Net Change in Total OPEB Liability                          | (10,454,951)   | 35,251,416     | 16,245,036     | 807,862       | (6,883,012)   |
| Total OPEB Liability - Beginning                            | 148,491,385    | 113,239,969    | 96,994,933     | 96,187,071    | 103,070,083   |
| Total OPEB Liability - Ending (a)                           | 138,036,434    | 148,491,385    | 113,239,969    | 96,994,933    | 96,187,071    |
| <b>Plan Fiduciary Net Position*</b>                         |                |                |                |               |               |
| Contributions - employer                                    | 3,596,224      | 3,254,532      | 3,030,661      | 2,717,578     | 2,623,310     |
| Net investment income (loss)                                | 26,197         | 2,435          | 7,447          | (230)         | 658           |
| Benefit payments, including refunds of member contributions | (3,573,204)    | (3,223,547)    | (3,015,765)    | (2,694,837)   | (2,598,945)   |
| Net Change in Plan Fiduciary Net Position                   | 49,217         | 33,420         | 22,343         | 22,511        | 25,023        |
| Plan Fiduciary Net Position - Beginning                     | 103,297        | 69,877         | 47,534         | 25,023        | -             |
| Plan Fiduciary Net Position - Ending (b)                    | 152,514        | 103,297        | 69,877         | 47,534        | 25,023        |
| Net OPEB Liability - Ending (a-b)                           | \$ 137,883,920 | \$ 148,388,088 | \$ 113,170,092 | \$ 96,947,399 | \$ 96,162,048 |

\*May reflect certain rounding and immaterial classification differences from page 66.

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

CITY OF GARDNER, MASSACHUSETTS

Required Supplementary Information  
Other Post-Employment Benefits (OPEB)  
Schedules of Net OPEB Liability, Contributions, and Investment Returns  
(Unaudited)

| Schedule of Net OPEB Liability                                          | 2021           | 2020           | 2019           | 2018          | 2017          |
|-------------------------------------------------------------------------|----------------|----------------|----------------|---------------|---------------|
| Total OPEB liability                                                    | \$ 138,036,434 | \$ 148,491,385 | \$ 113,239,969 | \$ 96,994,933 | \$ 96,187,071 |
| Plan fiduciary net position                                             | (152,514)      | (103,297)      | (69,877)       | (47,534)      | (25,023)      |
| Net OPEB liability                                                      | \$ 137,883,920 | \$ 148,388,088 | \$ 113,170,092 | \$ 96,947,399 | \$ 96,162,048 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.10%          | 0.06%          | 0.06%          | 0.05%         | 0.03%         |
| Covered employee payroll                                                | \$ 30,424,259  | \$ 30,177,268  | \$ 28,202,316  | \$ 27,635,969 | \$ 26,575,037 |
| Net OPEB liability as a percentage of covered employee payroll          | 453.20%        | 491.72%        | 401.28%        | 350.80%       | 361.85%       |
| Schedule of Contributions                                               | 2021           | 2020           | 2019           | 2018          | 2017          |
| Actuarially determined contribution*                                    | \$ 11,920,000  | \$ 9,217,645   | \$ 8,272,247   | \$ 8,319,483  | \$ 7,413,437  |
| Contributions in relation to the actuarially determined contribution*   | (4,589,000)    | (3,254,532)    | (3,030,661)    | (2,717,578)   | (2,623,310)   |
| Contribution deficiency                                                 | \$ 7,331,000   | \$ 5,963,113   | \$ 5,241,586   | \$ 5,601,905  | \$ 4,790,127  |
| Covered employee payroll                                                | \$ 30,424,259  | \$ 30,177,268  | \$ 28,202,316  | \$ 27,635,969 | \$ 26,575,037 |
| Contributions as a percentage of covered employee payroll               | 24.10%         | 19.76%         | 18.59%         | 20.27%        | 18.02%        |
| Schedule of Investment Returns                                          | 2021           | 2020           | 2019           | 2017          | 2015          |
| Annual money weighted rate of return, net of investment expense         | 22.45%         | 2.77%          | 14.93%         | -0.60%        | 5.48%         |

\*2021 amount is rounded to the thousands.

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

City of Gardner, *Executive Department*

RECEIVED



Michael J. Nicholson, Mayor

2022 APR 26 PM 12:42

CITY CLERK'S OFFICE  
GARDNER, MA

April 26, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Councilors  
Gardner City Hall, Rm 121  
95 Pleasant St  
Gardner, MA 01440

RE: Use of ARPA Funds

Dear Madam President and Councilors,

As I have promised on many occasions, I am writing to inform you all of recent uses of the \$6.1 million of funding the City received from the American Rescue Plan Act ("ARPA").

While this grant funding is an Executive Discretionary Grant, I firmly believe that it is important to keep all of us in elected office informed about the financial operations of the City, not just those items that require appropriation by the City Council.

One of the eligible uses of these funds are programs related to economic recovery efforts.

As you are aware, we have dedicated \$400,000 of this funding toward Small Business and Shuttered Venue Assistance Grants, \$250,000 toward Sign and Façade Improvement Grants, and \$250,000 toward the Regional Business Investment Fund.

Information explaining these three programs are attached to this letter.

Respectfully Submitted,

Michael J. Nicholson  
Mayor, City of Gardner





# Gardner Small Business Assistance Program



Small Business Assistance grants will be awarded to eligible, for-profit, small businesses. Eligible businesses are those whose owner or owners:

- are at least 18 years of age
- employ **50 or fewer employees**, including the owner or owners
- **OR** are in the following industries: food service, entertainment, arts, or recreation with 75 or fewer employees due to the longer government-mandated closure
- are located within Gardner and in current operation
- are a for-profit business providing goods or services to multiple clients or customers
- were established prior to October 1, 2019
- are in good standing with the State of Massachusetts and City of Gardner with respect to taxes through March 1, 2021, required licenses and registrations, and who are not a party to any litigation involving the state or municipality

## Ineligible businesses include:

- Real Estate Rentals or Sales
- Liquor Sales
- Weapons or Firearm Sales
- Cannabis Sales
- Lobbying Activities
- Corporate Chains
- Businesses who received the maximum \$25,000 award from the Microenterprise Assistance Program are not eligible for this program. However, Businesses who received less than \$25,000 and are eligible for the full amount may apply for the difference.

## Eligible Expenses Are:

*This grant reimburses eligible expenses paid between April 1, 2020 and December 31, 2021, up to \$25,000, or \$30,000 for extended closure based on documented financial losses resulting from Covid-19*

- Rent/Mortgage (principal only)
- Utilities
  - Electricity
  - Business Phone and Internet
  - Heat
  - Water
  - Sewer
  - Garbage Collection

## How to Apply

Contact Economic Development Coordinator, Jessica DeRoy, by email [jderoy@gardner-ma.gov](mailto:jderoy@gardner-ma.gov) to receive the application packet and/or call 978-630-4074 x1 with any questions.

### The Application Packet Includes:

- Program Guidelines
- Program Application
- Duplication of Benefits Form
- Profit Loss Forms for 2019, 2020, 2021

### Supporting Documents Include:

- Proof of Payment for Eligible Expenses
- 2019 Federal Business Tax Return
- Business Certificate or License
- Lease or Mortgage Agreement

*Additional documentation may be requested*





# Gardner Sign & Façade Loan Program



## Sign Loan Program

- Sign projects are awarded a zero (0) percent interest, deferred payment loan
- The loan is forgiven after five (5) years provided title to the property remains unchanged and the owner observes all terms of the loan agreement
- Loans cannot exceed \$2,500
- If title to the property changes, or if the terms of the loan agreement are violated, the loan becomes immediately due

### Eligibility:

- Only business owners may apply
- Business must have a street entrance

### Required Documents:

- Application
- Sign Design
  - a scale drawing of the sign at a scale no smaller than 1/2" = 1'
  - a written description of the proposed sign indicating materials, colors and message
  - Cost estimate from a sign company
- Approval for hanging the sign, either:
  - Property deed, paid municipal tax bill and property insurance certificate OR
  - Business lease and property owner's release to erect the sign

## Façade Loan Program

- Façade projects are a matching, zero (0) percent interest, deferred loan
- The loan is forgiven after five (5) years provided title to the property remains unchanged and the owner observes all terms of the loan agreement
- The maximum loan is \$50,000
- Up to a maximum of 80% of the total approved project costs
- Owners execute a loan agreement, promissory note and mortgage for the loan, and agree to maintain the completed project for the term of the loan
- If title to the property changes, or if the terms of the loan agreement are violated, the loan becomes immediately due

### Eligibility:

- Only property owners may apply
- Property must have a street entrance

### Required Documents:

- Application
- Project description
- Original Property Deed
- Property Insurance Certificate
- Paid Current Municipal Tax Bill

## How to Apply

Contact Economic Development Coordinator, Jessica DeRoy, by email [jderoy@gardner-ma.gov](mailto:jderoy@gardner-ma.gov) to receive the application and/or call 978-630-4074 x1 with any questions.

***Apply Now while funds last!***



## **NCMDC Board of Directors Presentation Regional Business Investment Fund**

**April 5, 2022  
Approved 4/5/22**

### **NCMDC Program Outline**

#### **Proposal**

The Regional Business Investment Fund (RBIF) proposes to provide low or no-cost funds to developers for engineering, soft costs, site work, infrastructure and hard costs for project specific developments in the 26 communities within the *One North Central* regional business development plan service area. Loan incentives for developments in LMI communities will be available to developers.

#### **Goal**

Help mitigate the negative economic impact of COVID-19 felt in the communities of North Central Massachusetts with the establishment of a Regional Business Investment Fund, an initiative recommended in the *One North Central* plan. The RBIF will encourage new investment in the region thereby creating both construction and permanent jobs. The fund will initially be established with \$750,000 using a combination of local, state, federal and private dollars. The investment fund will operate as a self-sustaining revolving fund allowing the NCMDC to continue financially benefiting the North Central Mass region and its residents.

#### **Regional Business Investment Fund**

##### **Initial Funding**

- \$250,000 City of Fitchburg ARPA Grant
- \$250,000 City of Gardner ARPA Grant
- \$250,000 NCMDC Matched Funding

##### **Target Market**

- The 26 communities in the *One North Central* service area
- Emphasis on Underserved Communities and Populations within the target market

##### **Projects**

- New or rehab construction of projects for specific business operations
- New or rehab projects for spec purposes
- Rehab of existing facilities for the purpose of enticing new business operations
- New or redevelopment of existing structure projects for multi-family affordable housing
- Projects must have the documented support of the city or town in which located
- Non-profit entities are eligible to borrow for any of the above projects
- Priority will be given to cities and towns that contribute to the fund



## **Loans**

Loans up to \$250,000 for:

- Soft costs including engineering, feasibility studies, design and architectural fees, permits, surveying, legal fees, etc.
- Hard costs such as site work and infrastructure costs and any construction costs related directly to building and site costs.

Terms:

- Five to Ten year note with up to 25-year amortization schedule
  - Flexible repayment terms providing for a 1 to 3-year interest only period, then amortizing P&I monthly over the remaining term
  - No payments for first one to three years available while interest accrues
- Interest rate 0% - 3% will be determined based on project specific details, jobs created, location and credit
  - Scope and size of project
  - Location of project: 0% interest for investments in LMI communities
  - Strength of the project investors, i.e. project investment, capital investment, credit worthiness
- Minimum of one job created for every \$20,000 of loan funds
  - Job tracking and reporting required
- Loan repayment will be dependent on use of the project
  - Build to own and occupy for business purposes – up to 25 years
  - Build to lease to single or multiple tenants – up to 25 years
  - Build and sell – due on sale

## **Collateral**

- First mortgage on land and building
  - NCMDC mortgage will be subordinated to construction or permanent financing
  - 2<sup>nd</sup> mortgage on project if project financing in place

## **Credit Underwriting**

- Meet credit and underwriting criteria under NCMDC Loan Policy
- 20% and over owners must guaranty
- 10% cash or equivalent equity for the entire project cost

## **Loan Approvals**

- Per NCMDC Loan Policy

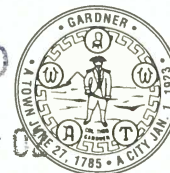
# City of Gardner, *Executive Department*

Michael J. Nicholson, Mayor

RECEIVED

2022 APR 28 AM 10:00

CITY CLERK'S OFFICE  
GARDNER, MA



April 28, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Councilors  
Gardner City Hall, Rm 121  
95 Pleasant St  
Gardner, MA 01440

RE: Free Cash Appropriation Request- Anti-Virus Cyber Security System

Dear Madam President and Councilors,

On March 28, 2022, the Federal Communications Commission ("FCC") placed Kaspersky Lab, the City's former anti-virus/cyber security provider, on their security risk list, due to their company's ownership having ties to the government of the Russian Federation.

As a result of them being placed on this list, the City was required to cut our relationship with this service and contract with a new company.

This conversion was completed on April 1<sup>st</sup>. This appropriation request is to complete onboarding of our new contractor to make sure the City stays secure.

Respectfully Submitted,

Michael J. Nicholson  
Mayor, City of Gardner

AN ORDER APPROPRIATING FROM FREE CASH TO THE INFO TECH  
DEPARTMENT - CYBER SECURITY ACCOUNT.

ORDERED:

That there be and is hereby appropriated the sum of Eleven Thousand Seven  
Hundred Dollars and No Cents (\$11,700.00) from Free Cash to the Info Tech Department  
– Cyber Security Account.

**Mayor**

---

**From:** Bob OKeefe  
**Sent:** Tuesday, April 12, 2022 12:53 PM  
**To:** Mayor  
**Subject:** FW: [EXTERNAL] CDW-G Quote Reminder: Quote #MRZR975/P.O. Ref. CROWDSTRIKE  
**Importance:** High

Mayor,

This is the quote for the CrowdStrike software to replace Kaspersky.

If I process this using my current budget I will be out of funds also immediately. How do you propose we fund this?

Bob

---

**From:** CDW <cdwsales@cdwemail.com>  
**Sent:** Monday, April 11, 2022 3:19 AM  
**To:** Bob OKeefe <rokeefe@gardner-ma.gov>  
**Subject:** [EXTERNAL] CDW-G Quote Reminder: Quote #MRZR975/P.O. Ref. CROWDSTRIKE

**CAUTION:** This email originated from a sender outside of the City of Gardner mail system. Do not click on links or open attachments unless you verify the sender and know the content is safe.



View the details of your quote below. | [View in browser](#)

---

[Hardware](#) [Software](#) [Services](#) [IT Solutions](#) [Brands](#) [Research Hub](#)

---

## Reminder: You Have a Quote

Dear Bob O'keefe,

Thank you for considering CDW for your technology needs. The details of your quote are below. Please contact your account manager or call 800.800.4239 with any questions.

**Shipping Delays:**

While CDW is processing orders normally without disruption and our Distribution Centers are operating as expected, **ongoing global supply chain challenges**

may cause order delivery delays.

[Learn More](#)

**Grand Total: \$11,700.00**

**Checkout**




**Quote #:** MRZR975

**Quote Date:** 4/8/2022

**PO#/Description:** Crowdstrike

**Customer #:** 7843554

## Quote Details

| Item                                                                                                                                                                                                                                  | Quantity | Price                                                                  | Item Total        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------|-------------------|
|  <b><u>Falcon Endpoint Protection Enterprise - subscription license (1 year) - 1 e</u></b><br>MFG Part: CS.EPPENT.SOLN.T2.12M<br>CDW Part: 5738425 | 200      | <del>\$0.00</del><br><b>\$34.06</b><br>Massachusetts It<br>Software 75 | <b>\$6,812.00</b> |
|  <b><u>CROWDSTRIKE THREAT GRAPH STD</u></b><br>MFG Part: CS.TG.STD.12M<br>CDW Part: 5343526                                                        | 200      | <del>\$0.00</del><br><b>\$6.68</b><br>Massachusetts It<br>Software 75  | <b>\$1,336.00</b> |
|  <b><u>CROWDSTRIKE FLCN PREV NGTAV B2</u></b><br>MFG Part: CS.PREVENT.SOLN.T2.12M<br>CDW Part: 5038236                                             | 200      | <b>\$0.00</b><br>My CDW Price                                          | <b>\$0.00</b>     |
|                                                                                                                                                                                                                                       | 200      | <b>\$0.00</b><br>My CDW Price                                          | <b>\$0.00</b>     |





**CROWDSTRIKE FLCN  
INSIGHT EDR B2**

MFG Part: CS.INSIGHT.SOLN.T2.12M  
CDW Part: 5038228



**CROWDSTRIKE OVERWATCH**

MFG Part: CS.OW.SVC.T2.12M  
CDW Part: 4928073

200

\$0.00

\$2,256.00

**\$11.28**

Massachusetts It  
Software 75



**CROWDSTRIKE EXPRESS  
SUPPORT 1Y**

MFG Part: RR.HOS.ENT.EXPS.12M  
CDW Part: 4915958

1

\$0.00

\$1,296.00

**\$1,296.00**

Massachusetts It  
Software 75



**CROWDSTRIKE UNIV LMS  
SUB 1Y**

MFG Part: RR.PSO.ENT.NCAP.12M  
CDW Part: 5513533

2

**\$0.00****\$0.00**

My CDW Price

Subtotal \$11,700.00

Shipping \$0.00

**Grand Total \$11,700.00**

Checkout

## Shipping & Billing Information

### Shipping Address:

CITY OF GARDNER  
BOB OKEEFE  
95 PLEASANT ST  
GARDNER, MA 01440-2630

### Billing Address:

CITY OF GARDNER  
ATTN:ACCTS PAYABLE (\$ 7843554)  
95 PLEASANT ST RM 217

P (978) 632-5600

GARDNER, MA 01440-2630

P (978) 632-5600

**Shipping Method:**

Electronic Drop Ship

**Sales Contact Info**

**Jake Kozar**

| (203) 851-7234 | [jacob.kozar@cdwg.com](mailto:jacob.kozar@cdwg.com)

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This email was sent to rokeefe@gardner-ma.gov. Please add cdwsales@cdwemail.com to your address book.

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WQR:01 | WEB 012 | Customer#: 7843554 | WEB670f5c4f-8b9f-4c69-a221-793f97f1714b

**Mayor**

---

**From:** Bob OKeefe  
**Sent:** Wednesday, March 30, 2022 10:48 AM  
**To:** City Hall Employees  
**Subject:** Urgent

Due to our antivirus company, Kaspersky, being added to the Federal Watchlist we must remove it from every device today.

Before it can be removed, we need every computer rebooted ASAP, do not wait until the end of the day, please reboot within the next hour before you go to lunch.

Once the software is removed then Microsoft Antivirus will automatically turn on, therefore we will still be protected. If you see a message stating, you need to reboot to fix AntiVirus of Microsoft Defender Security, please do so immediately.

A new security suite will be rolled out within the next week.

Thank you,

Bob OKeefe  
*Director of Technology*

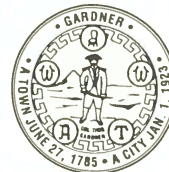
Gardner City Hall  
95 Pleasant Street, Room 209  
Gardner, MA 01440  
Office: 978-630-4019  
Fax: 978-630-4009  
[rokeefe@gardner-ma.gov](mailto:rokeefe@gardner-ma.gov)  
Website: [www.gardner-ma.gov](http://www.gardner-ma.gov)

# City of Gardner, *Executive Department*

Michael J. Nicholson, Mayor

2022 APR 28 AM 9:44

CITY CLERK'S OFFICE  
GARDNER, MA



April 27, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Councilors  
Gardner City Hall, Rm 125  
95 Pleasant St.  
Gardner, MA 01440

RE: Free Cash Appropriation Request- Snow and Ice Account

Dear Madam President and Councilors,

Attached, please find a request for a Free Cash Appropriation to cover the existing deficit in the Snow and Ice account for this past year.

As you may be aware, Snow and Ice is the only budgetary line item, aside from line items related to the COVID-19 Pandemic, that the City is legally allowed to deficit spend in, since one can never truly predict what the winter weather will bring during the budget process. As such, the guidance from the Department of Revenue is to fund the account at a minimal level and then go back and re-fill the account out of free cash.

Respectfully Submitted,

Michael J. Nicholson  
Mayor, City of Gardner

AN ORDER APPROPRIATING FROM FREE CASH TO SNOW AND ICE  
REMOVAL.

ORDERED:

That there be and is hereby appropriated the sum of Three Hundred Thirty-Five  
Thousand Dollars and No Cents (\$335,000.00) from Free Cash to Snow and Ice  
Removal.



04/28/2022 08:31  
jrichard

GARDNER, MA  
YEAR-TO-DATE BUDGET REPORT

P 1  
glytdbud

FOR 2022 10

| ACCOUNTS FOR:<br>100 GENERAL FUND | ORIGINAL<br>APPROP | REVISED<br>BUDGET | YTD EXPENDED | MTD EXPENDED | ENCUMBRANCES | AVAILABLE<br>BUDGET | PCT<br>USED |
|-----------------------------------|--------------------|-------------------|--------------|--------------|--------------|---------------------|-------------|
| 14421 PUBLIC WORKS                |                    |                   |              |              |              |                     |             |
| 14421 52210 SNOW & ICE            | 300,000            | 300,000           | 631,998.59   | 26,842.23    | 2,602.43     | -334,601.02         | 211.5%*     |
| TOTAL PUBLIC WORKS                | 300,000            | 300,000           | 631,998.59   | 26,842.23    | 2,602.43     | -334,601.02         | 211.5%      |
| TOTAL GENERAL FUND                | 300,000            | 300,000           | 631,998.59   | 26,842.23    | 2,602.43     | -334,601.02         | 211.5%      |
| TOTAL EXPENSES                    | 300,000            | 300,000           | 631,998.59   | 26,842.23    | 2,602.43     | -334,601.02         |             |

04/28/2022 08:31  
jrichard

GARDNER, MA  
YEAR-TO-DATE BUDGET REPORT

P 2  
glytdbud

FOR 2022 10

|             | ORIGINAL<br>APPROP | REVISED<br>BUDGET | YTD EXPENDED | MTD EXPENDED | ENCUMBRANCES | AVAILABLE<br>BUDGET | PCT<br>USED |
|-------------|--------------------|-------------------|--------------|--------------|--------------|---------------------|-------------|
| GRAND TOTAL | 300,000            | 300,000           | 631,998.59   | 26,842.23    | 2,602.43     | -334,601.02         | 211.5%      |

\*\* END OF REPORT - Generated by John Richard \*\*

REPORT OPTIONS

|                                    |         |       |            |                            |
|------------------------------------|---------|-------|------------|----------------------------|
| Sequence 1                         | Field # | Total | Page Break | Year/Period: 2022/10       |
| Sequence 2                         | 1       | Y     | Y          | Print revenue as credit: Y |
| Sequence 3                         | 9       | Y     | N          | Print totals only: N       |
| Sequence 4                         | 0       | N     | N          | Suppress zero bal accts: N |
|                                    | 0       | N     | N          | Print full GL account: N   |
|                                    |         |       |            | Double space: N            |
|                                    |         |       |            | Roll projects to object: N |
| Report title:                      |         |       |            |                            |
| YEAR-TO-DATE BUDGET REPORT         |         |       |            |                            |
| Print Full or Short description: F |         |       |            |                            |
| Print MTD Version: Y               |         |       |            |                            |
| Print Revenues-Version headings: N |         |       |            |                            |
| Format type: 1                     |         |       |            |                            |
| Print revenue budgets as zero: N   |         |       |            |                            |
| Include Fund Balance: N            |         |       |            |                            |
| Include requisition amount: N      |         |       |            |                            |
| Multiyear view: D                  |         |       |            |                            |
| Carry forward code: 1              |         |       |            |                            |
| Print journal detail: N            |         |       |            |                            |
| From Yr/Per: 2020/1                |         |       |            |                            |
| To Yr/Per: 2020/12                 |         |       |            |                            |
| Include budget entries: Y          |         |       |            |                            |
| Incl encumb/liq entries: Y         |         |       |            |                            |
| Sort by JE # or PO #: J            |         |       |            |                            |
| Detail format option: 1            |         |       |            |                            |

| Field Name | Find Criteria | Field Value |
|------------|---------------|-------------|
|------------|---------------|-------------|

|                |       |  |
|----------------|-------|--|
| Fund           |       |  |
| Function       |       |  |
| Department     |       |  |
| Character Code |       |  |
| Org            | 14421 |  |
| Object         | 52210 |  |
| Project        |       |  |
| Account type   |       |  |
| Account status |       |  |
| Rollup Code    |       |  |

# City of Gardner, *Executive Department*

Michael J. Nicholson, Mayor

RECEIVED

2022 APR 28 AM 11:56

CITY CLERK'S OFFICE  
GARDNER, MA



April 28, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Councilors  
Gardner City Hall, Rm 121  
95 Pleasant St.  
Gardner, MA 01440

RE: Free Cash Appropriation Request- PARC Phase 1 Design Funding

Dear Madam President and Councilors,

During the period of transition between individuals who held the position of Assistant Director of Community Development, there was an oversight missed in what was eligible to be funded through the different Design and Construction grants that the City received from the Executive Office of Energy and Environmental Affairs ("EOEEA").

A small portion of the design was accidentally funded by the construction grant for Phase 1 of the project.

EOEEA informed the City that design was not an eligible use for the construction funds, which left the design account in a deficit of \$26,903.

This appropriation request would be to cover that cost and close out that portion of the project.

Respectfully Submitted,

Michael J. Nicholson  
Mayor, City of Gardner

AN ORDER APPROPRIATING FROM FREE CASH TO THE PARC BAILEY  
BROOK PROJECT MATCH 1 - ACCOUNT.

ORDERED:

That there be and is hereby appropriated the sum of Twenty-Six Thousand Nine  
Hundred Three Dollars and No Cents (\$26,903.00) from Free Cash to the Parc Bailey  
Brook Project Match 1 – Account.



04/28/2022 08:47  
jrichard

GARDNER, MA  
YEAR-TO-DATE BUDGET REPORT

P 1  
glytdbud

FOR 2022 10

ACCOUNTS FOR:  
280 STATE GRANT FUNDS

|                                     | ORIGINAL<br>APPROP | REVISED<br>BUDGET | YTD EXPENDED | MTD EXPENDED | ENCUMBRANCES | AVAILABLE<br>BUDGET | PCT<br>USED |
|-------------------------------------|--------------------|-------------------|--------------|--------------|--------------|---------------------|-------------|
| 28182 COMM DEVEL STATE GRANT        |                    |                   |              |              |              |                     |             |
| 28182 58651 PARC BAILEY BROOK EXPE  | -380               | -31,983           | -5,080.28    | .00          | .00          | -26,902.79          | 15.9%*      |
| 28182 58651 18710 LAND AQUIS EXPENS | 697                | 697               | .00          | .00          | .00          | 696.61              | .0%         |
| TOTAL COMM DEVEL STATE GRANT        | 317                | -31,286           | -5,080.28    | .00          | .00          | -26,206.18          | 16.2%       |
| TOTAL STATE GRANT FUNDS             | 317                | -31,286           | -5,080.28    | .00          | .00          | -26,206.18          | 16.2%       |
| TOTAL EXPENSES                      | 317                | -31,286           | -5,080.28    | .00          | .00          | -26,206.18          |             |

FOR 2022 10

|             | ORIGINAL<br>APPROP | REVISED<br>BUDGET | YTD EXPENDED | MTD EXPENDED | ENCUMBRANCES | AVAILABLE<br>BUDGET | PCT<br>USED |
|-------------|--------------------|-------------------|--------------|--------------|--------------|---------------------|-------------|
| GRAND TOTAL | 317                | -31,286           | -5,080.28    | .00          | .00          | -26,206.18          | 16.2%       |

\*\* END OF REPORT - Generated by John Richard \*\*

REPORT OPTIONS

|            |         |       |            |                            |
|------------|---------|-------|------------|----------------------------|
| Sequence 1 | Field # | Total | Page Break | Year/Period: 2022/10       |
| Sequence 2 | 1       | Y     | Y          | Print revenue as credit: Y |
| Sequence 3 | 9       | Y     | N          | Print totals only: N       |
| Sequence 4 | 0       | N     | N          | Suppress zero bal accts: N |
|            | 0       | N     | N          | Print full GL account: N   |
|            |         |       |            | Double space: N            |
|            |         |       |            | Roll projects to object: N |

Report title: YEAR-TO-DATE BUDGET REPORT

Carry forward code: 1

Print journal detail: N

From Yr/Per: 2020/1

To Yr/Per: 2020/12

Include budget entries: Y

Incl encumb/liq entries: Y

Sort by JE # or PO #: J

Detail format option: 1

Print Full or Short description: F

Print MTD Version: Y

Print Revenues-Version headings: N

Format type: 1

Print revenue budgets as zero: N

Include Fund Balance: N

Include requisition amount: N

Multiyear view: D

| Field Name     | Find Criteria | Field Value |
|----------------|---------------|-------------|
| Org            |               | 28182       |
| Object         |               | 58651       |
| Project        |               |             |
| Rollup code    |               |             |
| Account type   |               |             |
| Account status |               |             |

City of Gardner, *Executive Department*

RECEIVED

Michael J. Nicholson, Mayor

2022 APR 28 AM 9:44

CITY CLERK'S OFFICE  
GARDNER, MA

April 27, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Council  
Gardner City Hall, Rm 121  
95 Pleasant St  
Gardner, MA 01440

RE: Free Cash Appropriation Request- PARC Grant Phase II Construction Match

Dear Madam President and Councilors,

The City received the Parkland Acquisitions and Renovations for Communities ("PARC") Grant for the creation of a multiuse court and playground on a portion of Bailey Brook Park on September 28, 2021.

Per the PARC Grant requirements, the City is required to provide a matching portion for the construction of the project. The Commonwealth is providing \$380,000 toward the project.

I want to re-iterate that this funding is ONLY for the athletic court and the playground for children under five (5) years old. This portion of the project does not, in any way, relate to the previous proposal that at one point contained a soccer field.

This plan was communicated to the residents at the neighborhood meeting that they had in early September.

Please note that the specific sport of the athletic field has not yet been finalized, but will be finalized after communications with residents in the area.

Respectfully Submitted,

Michael J. Nicholson  
Mayor, City of Gardner

AN ORDER APPROPRIATING FROM FREE CASH TO THE PARC BAILEY  
BROOK PROJECT MATCH 2 - ACCOUNT.

ORDERED:

That there be and is hereby appropriated the sum of One Hundred Sixty-Two  
Thousand Nine Hundred Dollars and No Cents (\$162,900.00) from Free Cash to the Parc  
Bailey Brook Project Match 2 – Account.



# CITY OF GARDNER MASSACHUSETTS 01440

95 PLEASANT STREET - ROOM 121

TELEPHONE (978) 630-4058

FACSIMILE (978) 630-2589

RECEIVED

RECEIVED

2022 APR 19 PM 3:35

CITY CLERK'S OFFICE  
GARDNER, MA

DO NOT WRITE IN THIS BOX

## APPLICATION FOR LICENSE TO COLLECT OR DEAL IN SECOND HAND ARTICLES

☐ New ☒ Renewal ☐ Change of Location

### APPLICANT INFORMATION

Applicant / Licensee Name: GameSto, Inc.Applicant / Licensee Address: 625 Westport Pkwy., Grapevine, TX 76051Applicant / Licensee phone number(s): 817-424-2000Applicant / Licensee E-mail: Licensingandsalestax@gamestop.comSocial Security number: \_\_\_\_\_ OR Business FID number 41-1609563

### ESTABLISHMENT INFORMATION

Establishment Name: GameStop #3725Establishment address (Current): 376 Timany Blvd., Gardner, MA 01440Establishment address (New, if applicable): Licensingandsalestax@gamestop.comEstablishment Phone: 976-630-0282On-Site manager / contact person: Tom Clark-MasonFor which type of license(s) are you applying? SecondHand Dealer License

### **Check all that apply to this Application:**

☐ **SECONDHAND COLLECTOR** has the same meaning as the term "junk collector" in MGL c. 140, § 56.

☒ **SECONDHAND DEALER** has the same meaning as the term "junk dealer" and "keeper of a shop for the purchase, sale or barter of junk, old metals or secondhand articles" in MGL c. 140, § 54.

What types of articles will be purchased, stored, and/or sold? \_\_\_\_\_

Retail Sales of New/Used video games, consoles, electronic device & accessories

Where at the licensed address will the articles be stored, displayed, etc? \_\_\_\_\_

Massachusetts Sales & Use Tax Registration number: 1890082816


(Attach a copy of your Massachusetts Sales &amp; Use Tax Registration Certificate)



THE APPLICANT CERTIFIES THAT ALL STATE TAX RETURNS HAVE BEEN FILED AND ALL STATE AND LOCAL TAXES REQUIRED BY LAW HAVE BEEN PAID AND AGREES TO COMPLY WITH THE TERMS OF ITS LICENSE AND APPLICABLE LAW, AND ALL RULES AND REGULATIONS PROMULGATED THERETO. I FURTHER CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE AND ALSO AUTHORIZE THE LICENSING AUTHORITY OR ITS AGENTS TO CONDUCT WHATEVER INVESTIGATION IS NECESSARY TO VERIFY THE INFORMATION CONTAINED IN THIS APPLICATION.

I HAVE RECEIVED AND READ THE PROVISIONS OF MASSACHUSETTS GENERAL LAW CHAPTER 140, §§54-56, §§202-205 AND CHAPTER 450 OF THE CODE OF THE CITY OF GARDNER GOVERNING JUNK DEALERS AND DEALERS IN SECOND HAND ARTICLES:

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY.

  
 \_\_\_\_\_  
 INDIVIDUAL, PARTNER OR AUTHORIZED CORPORATE  
 OFFICER OR APPLICANT

DATE SIGNED 04/01/2022

**NOTICE:** THE FILING OF THIS APPLICATION CONFERS NO RIGHTS ON THE PART OF THE APPLICANT TO UNDERTAKE ANY ACTIVITIES UNTIL THE LICENSE HAS BEEN GRANTED. THE ISSUANCE OF A LICENSE UNDER THIS SECTION OR SECTIONS IS SUBJECT TO THE APPLICANT'S COMPLIANCE WITH ALL OTHER APPLICABLE FEDERAL, STATE OR LOCAL STATUTES, ORDINANCES, BYLAWS, RULES OR REGULATIONS. THE LICENSING AUTHORITY RESERVES THE RIGHT TO REQUEST ANY ADDITIONAL INFORMATION IT REASONABLY DEEMS APPROPRIATE FOR THE PURPOSE OF DETERMINING THE TERMS AND CONDITIONS OF THE LICENSE AND ITS DECISION TO ISSUE A LICENSE. THE PROVISIONS OF G.L. C.152 MAY REQUIRE THE FILING OF A WORKERS' COMPENSATION INSURANCE AFFIDAVIT WITH THIS APPLICATION. FAILURE TO FILE THE AFFIDAVIT, ALONG WITH ANY OTHER REQUIRED INFORMATION AND/OR DOCUMENTATION, SHALL BE SUFFICIENT CAUSE FOR THE DENIAL OF THE LICENSE APPLICATION.

**LICENSE APPLICATION PROCESSING FEE MUST BE SUBMITTED WITH THIS FORM. MAKE CHECK PAYABLE TO CITY OF GARDNER. MAIL COMPLETED APPLICATION FORMS AND THE WORKERS' COMPENSATION AFFIDAVIT AND CHECK TO: CITY CLERK, 95 PLEASANT STREET, ROOM 121, GARDNER, MA 01440-2690.**

**JUNK DEALERS AND DEALERS IN SECOND HAND ARTICLES LICENSES  
 EXPIRE ON APRIL 30<sup>TH</sup> ANNUALLY.**

COLLECTOR LICENSE APPLICATION FEE - \$30.00  
DEALER LICENSE APPLICATION FEE - \$100.00



# **CITY OF GARDNER MASSACHUSETTS 01440**

95 PLEASANT STREET - ROOM 121  
TELEPHONE (978) 630-4058  
FACSIMILE (978) 630-2589

2022 APR 21 AM 9:20  
RECEIVED  
CITY CLERK'S OFFICE  
GARDNER, MA

DO NOT WRITE IN THIS BOX

## **APPLICATION FOR LICENSE TO COLLECT OR DEAL IN SECOND HAND ARTICLES**

### **APPLICANT INFORMATION**

Applicant / Licensee Name: The Salvation Army  
Applicant / Licensee Address: 440 West Nyack Road, West Nyack, NY 10994  
Applicant / Licensee phone number(s): 845-732-4123  
Applicant / Licensee E-mail: Reyna.Bartlebaugh@use.SalvationArmy.org  
Social Security number: \_\_\_\_\_ OR Business FID number 13-5562351

### **ESTABLISHMENT INFORMATION**

Establishment Name: The Salvation Army - Family Store & Donation Center  
Establishment address: 8 Union Street, Gardner, MA 01440  
Establishment Phone: 800-728-7825  
On-Site manager / contact person: Ms. Debra Griffith Cell: 9786606788  
For which type of license(s) are you applying? Secondhand Dealer

#### **Check all that apply to this Application:**

- ☐ **SECONDHAND COLLECTOR** has the same meaning as the term "junk collector" in MGL c. 140, § 56.
- ☒ **SECONDHAND DEALER** has the same meaning as the term "junk dealer" and "keeper of a shop for the purchase, sale or barter of junk, old metals or secondhand articles" in MGL c. 140, § 54.

What types of articles will be purchased, stored, and/or sold? clothing and  
household items

Where at the licensed address will the articles be stored, displayed, etc? MAIN SHOP

Massachusetts Sales & Use Tax Registration number: 11050335  
(Attach a copy of your Massachusetts Sales & Use Tax Registration Certificate)

THE APPLICANT CERTIFIES THAT ALL STATE TAX RETURNS HAVE BEEN FILED AND ALL STATE AND LOCAL TAXES REQUIRED BY LAW HAVE BEEN PAID AND AGREES TO COMPLY WITH THE TERMS OF ITS LICENSE AND APPLICABLE LAW, AND ALL RULES AND REGULATIONS PROMULGATED THERETO. I FURTHER CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE AND ALSO AUTHORIZE THE LICENSING AUTHORITY OR ITS AGENTS TO CONDUCT WHATEVER INVESTIGATION IS NECESSARY TO VERIFY THE INFORMATION CONTAINED IN THIS APPLICATION.

I HAVE RECEIVED AND READ THE PROVISIONS OF MASSACHUSETTS GENERAL LAW CHAPTER 140, §§54-56, 202-205 AND CITY OF GARDNER ORDINANCE No. 32 GOVERNING JUNK DEALERS AND DEALERS IN SECOND HAND ARTICLES:

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY.

  
INDIVIDUAL, PARTNER OR AUTHORIZED CORPORATE  
OFFICER OR APPLICANT

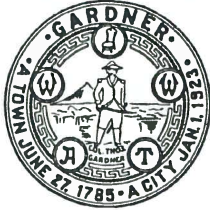
DATE SIGNED 04/14/2022

Michael J. Southwick, Secretary

NOTICE: THE FILING OF THIS APPLICATION CONFERS NO RIGHTS ON THE PART OF THE APPLICANT TO UNDERTAKE ANY ACTIVITIES UNTIL THE LICENSE HAS BEEN GRANTED. THE ISSUANCE OF A LICENSE UNDER THIS SECTION OR SECTIONS IS SUBJECT TO THE APPLICANT'S COMPLIANCE WITH ALL OTHER APPLICABLE FEDERAL, STATE OR LOCAL STATUTES, ORDINANCES, BYLAWS, RULES OR REGULATIONS. THE LICENSING AUTHORITY RESERVES THE RIGHT TO REQUEST ANY ADDITIONAL INFORMATION IT REASONABLY DEEMS APPROPRIATE FOR THE PURPOSE OF DETERMINING THE TERMS AND CONDITIONS OF THE LICENSE AND ITS DECISION TO ISSUE A LICENSE. THE PROVISIONS OF G.L. c.152 MAY REQUIRE THE FILING OF A WORKERS' COMPENSATION INSURANCE AFFIDAVIT WITH THIS APPLICATION. FAILURE TO FILE THE AFFIDAVIT, ALONG WITH ANY OTHER REQUIRED INFORMATION AND/OR DOCUMENTATION, SHALL BE SUFFICIENT CAUSE FOR THE DENIAL OF THE LICENSE APPLICATION.

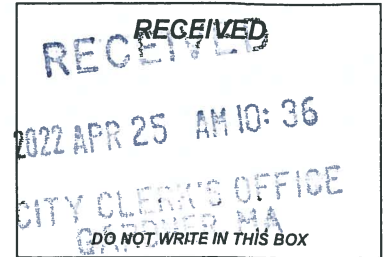
LICENSE APPLICATION PROCESSING FEE MUST BE SUBMITTED WITH THIS FORM. MAKE CHECK PAYABLE TO CITY OF GARDNER. MAIL APPLICATION FORM, WORKERS' COMPENSATION AFFIDAVIT AND CHECK TO: CITY CLERK, 95 PLEASANT STREET, ROOM 121, GARDNER, MA 01440-2690.

JUNK DEALERS AND DEALERS IN SECOND HAND ARTICLES LICENSES  
EXPIRE ON APRIL 30<sup>TH</sup> ANNUALLY.



**CITY OF GARDNER  
MASSACHUSETTS 01440**  
95 PLEASANT STREET – ROOM 121  
TELEPHONE (978) 630-4058  
FACSIMILE (978) 630-2589

COLLECTOR LICENSE APPLICATION FEE - \$30.00  
DEALER LICENSE APPLICATION FEE - \$100.00



**APPLICATION FOR LICENSE TO COLLECT  
OR DEAL IN SECOND HAND ARTICLES**

**APPLICANT INFORMATION**

Applicant / Licensee Name: Joseph Valardi  
Applicant / Licensee Address: 36 Donovan Rd, N. Brookfield, MA  
Applicant / Licensee phone number(s): 978-990-0307  
Applicant / Licensee E-mail: gardnerca@cphoo.com  
Social Security number: \_\_\_\_\_ OR Business FID number 04-3073078

**ESTABLISHMENT INFORMATION**

Establishment Name: Gardner Coins & Cards Inc  
Establishment address: 18 Parker St, Gardner  
Establishment Phone: 978-632-7123  
On-Site manager / contact person: Joe Valardi  
For which type of license(s) are you applying? Second Hand Dealer

**Check all that apply to this Application:**

- ☐ **SECONDHAND COLLECTOR** has the same meaning as the term "junk collector" in MGL c. 140, § 56.
- ☒ **SECONDHAND DEALER** has the same meaning as the term "junk dealer" and "keeper of a shop for the purchase, sale or barter of junk, old metals or secondhand articles" in MGL c. 140, § 54.

What types of articles will be purchased, stored, and/or sold? Gold & Silver  
Antiques, and Sports Cards & Memorabilia

Where at the licensed address will the articles be stored, displayed, etc? \_\_\_\_\_  
throughout location

Massachusetts Sales & Use Tax Registration number: 043073078  
(Attach a copy of your Massachusetts Sales & Use Tax Registration Certificate)

10677  
THE APPLICANT CERTIFIES THAT ALL STATE TAX RETURNS HAVE BEEN FILED AND ALL STATE AND LOCAL TAXES REQUIRED BY LAW HAVE BEEN PAID AND AGREES TO COMPLY WITH THE TERMS OF ITS LICENSE AND APPLICABLE LAW, AND ALL RULES AND REGULATIONS PROMULGATED THERETO. I FURTHER CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE AND ALSO AUTHORIZE THE LICENSING AUTHORITY OR ITS AGENTS TO CONDUCT WHATEVER INVESTIGATION IS NECESSARY TO VERIFY THE INFORMATION CONTAINED IN THIS APPLICATION.

I HAVE RECEIVED AND READ THE PROVISIONS OF MASSACHUSETTS GENERAL LAW CHAPTER 140, §§54-56, 202-205 AND CITY OF GARDNER ORDINANCE NO. 32 GOVERNING JUNK DEALERS AND DEALERS IN SECOND HAND ARTICLES:

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY.

  
INDIVIDUAL PARTNER OR AUTHORIZED CORPORATE  
OFFICER OR APPLICANT

DATE SIGNED

4/24/22

NOTICE: THE FILING OF THIS APPLICATION CONFERS NO RIGHTS ON THE PART OF THE APPLICANT TO UNDERTAKE ANY ACTIVITIES UNTIL THE LICENSE HAS BEEN GRANTED. THE ISSUANCE OF A LICENSE UNDER THIS SECTION OR SECTIONS IS SUBJECT TO THE APPLICANT'S COMPLIANCE WITH ALL OTHER APPLICABLE FEDERAL, STATE OR LOCAL STATUTES, ORDINANCES, BYLAWS, RULES OR REGULATIONS. THE LICENSING AUTHORITY RESERVES THE RIGHT TO REQUEST ANY ADDITIONAL INFORMATION IT REASONABLY DEEMS APPROPRIATE FOR THE PURPOSE OF DETERMINING THE TERMS AND CONDITIONS OF THE LICENSE AND ITS DECISION TO ISSUE A LICENSE. THE PROVISIONS OF G.L. c.152 MAY REQUIRE THE FILING OF A WORKERS' COMPENSATION INSURANCE AFFIDAVIT WITH THIS APPLICATION. FAILURE TO FILE THE AFFIDAVIT, ALONG WITH ANY OTHER REQUIRED INFORMATION AND/OR DOCUMENTATION, SHALL BE SUFFICIENT CAUSE FOR THE DENIAL OF THE LICENSE APPLICATION.

LICENSE APPLICATION PROCESSING FEE MUST BE SUBMITTED WITH THIS FORM. MAKE CHECK PAYABLE TO CITY OF GARDNER. MAIL APPLICATION FORM, WORKERS' COMPENSATION AFFIDAVIT AND CHECK TO: CITY CLERK, 95 PLEASANT STREET, ROOM 121, GARDNER, MA 01440-2690.

JUNK DEALERS AND DEALERS IN SECOND HAND ARTICLES LICENSES  
EXPIRE ON APRIL 30<sup>TH</sup> ANNUALLY.



RECEIVED

March 9, 2022

2022 MAR 10 AM 8:30

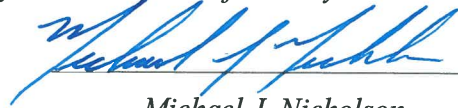
Commonwealth of Massachusetts

Worcester County

City of Gardner

## CERTIFICATE OF APPOINTMENT

I appoint Casey Bashaw to the position of Alternate Plumbing & Gas Inspector, and I certify that in my opinion he/she is a person specially fitted by education, training, or experience to perform the duties of said office, and that I make the appointment solely in the interests of the City.

 Mayor  
Michael J. Nicholson

Confirmed by City Council \_\_\_\_\_

 City Clerk  
Titi Siriphan

Expires: March 9, 2025

Worcester, ss., \_\_\_\_\_

Then personally appeared the above named Casey Bashaw and made oath that he/she would faithfully and impartially perform the duties of the office of Alternate Plumbing and Gas Inspector according to law and the best of his/her abilities.

Before me,

\_\_\_\_\_  
City Clerk

Chapter 303 Acts of 1975  
and  
Chapter 409 Acts of 1983

Received \_\_\_\_\_