

# Balanced Budget Proposal 2012: A Bridge to 2013 (Still)

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Office of the  
Town Manager  
1.25.2011



**“Resilience: the ability to recover from or adjust easily to misfortune or change – Merriam Webster**

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# Balanced Budget Framework

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- Contain rate of growth in RTS rates
  - Account for Drains/NPDES Program
  - Slow growth in Townwide & Legacy Costs
  - Mitigate (and not worsen) structural budget gap for FY2013
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# Contain rate of growth in RTS rates

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- Use of \$200,000 in retained earnings to mitigate loss of revenue
- Reduce operating costs by \$65,000



# Account for Drains/NPDES Program

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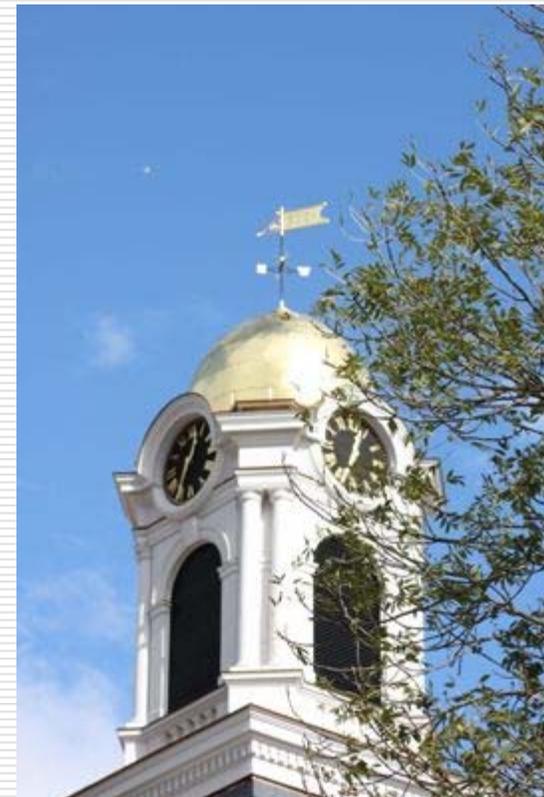
- ❑ Transfer Drains Program to Sewer
- ❑ More precisely allocate personnel among funds
- ❑ The GF continues to pay costs of Drains Program



# Slow growth in Townwide & Legacy Costs

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- Elimination of 7 benefit-eligible positions:
  - 2 Firefighters
  - 2 Parks & Forestry Craftworkers
  - 1 Library Administrative Specialist
  - 1 Parking Enforcement Attendant
  - 1 Water Enterprise Fund position



# Mitigate (and not worsen) structural budget gap for FY2013

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- ❑ Allocate \$300,000 in tax levy to Needham Public Schools to lower the proposed use of \$800,900 in one time funds
- ❑ Reduce the number of benefit-eligible positions



# Citizen Survey 2010

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## Good or Excellent

- Overall quality of life in Needham (96%)
- Needham as a place to live (98%)
- Overall increase satisfaction levels 2008 - 2010



# Facility and Infrastructure Investment

Table 1  
Facility and Infrastructure Investment  
2007 to 2011

Description	2007	2008	2009	2010	2011	Total	Five Year Average
Open Space				920,000	800,000	1,720,000	344,000
Municipal Facilities	79,960	180,000	7,760,000	18,204,837	548,000	26,772,797	5,354,559
Townwide Facilities and Community Services	391,000	291,500	1,870,000	556,291	455,600	3,564,391	712,878
Public Works Infrastructure Program	900,000	1,150,000	1,090,000	1,000,000	2,186,300	6,326,300	1,265,260
School Facilities	1,366,000	20,475,000	1,030,000	27,668,728	4,052,000	54,591,728	10,918,346
Drains, Sewer, and Water Infrastructure	3,336,950	2,956,800	4,322,500	2,533,300	1,483,800	14,633,350	2,926,670
<b>Total</b>	<b>6,073,910</b>	<b>25,053,300</b>	<b>16,072,500</b>	<b>50,883,156</b>	<b>9,525,700</b>	<b>107,608,566</b>	<b>21,521,713</b>

# Vehicles, Equipment & Technology

Table 4  
Vehicles, Equipment and Technology Capital  
2007 to 2011

Description	2007	2008	2009	2010	2011	Total	Five Year Average
<b>Equipment</b>	278,478	1,241,235	448,061	1,083,681	1,364,903	4,416,358	883,272
All Other Functions		25,000	43,500	25,000	68,000	161,500	32,300
Public Facilities & Works	173,329	1,081,200	352,511	977,000	1,189,253	3,773,293	754,659
Public Safety		58,700				58,700	11,740
Public School	105,149	76,335	52,050	81,681	107,650	422,865	84,573
<b>Technology</b>	199,000	219,079	443,520	194,393	389,400	1,445,392	289,078
All Other Functions				25,000	282,800	307,800	61,560
Public Facilities & Works			85,280			85,280	17,056
Public Safety	33,000	25,000	100,000		68,000	226,000	45,200
Public School	166,000	194,079	258,240	169,393	38,600	826,312	165,262
<b>Vehicles</b>	623,975	804,123	862,427	635,133	743,334	3,668,992	733,798
All Other Functions			14,000			14,000	2,800
Public Facilities	54,000	28,500			65,046	147,546	29,509
Public Safety	176,162	197,832	343,034	153,900	176,888	1,047,816	209,563
Public Works	393,813	577,791	505,393	481,233	501,400	2,459,630	491,926
<b>Total</b>	1,101,453	2,264,437	1,754,008	1,913,207	2,497,637	9,530,742	1,906,148

# Financial Forecast

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- ❑ Actual local receipts in FY2010 were \$379,746 **less** than FY2009
  - ❑ Actual local receipts in FY2009 were \$1,817,827 **less** than FY2008
  - ❑ State aid estimate is \$49,676 **less** than FY2011
  - ❑ Townwide Expenses are \$288,690 **less** than FY2011
  - ❑ Department budgets are \$2.07 million **higher** than FY2011
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# Revenue Projection Changes

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- ☐ Tax Levy      3%
- ☐ State Aid      (1%)
- ☐ Local Receipts (2)%



# State Aid: Governor's Proposal

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- ❑ \$140 million increase in C. 70
  - ❑ \$80 million increase in SPED Circuit Breaker
  - ❑ \$45 million increase in C.90
  - ❑ \$65 million reduction in UGGA
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# General Fund Revenue Sources

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	Actual	Budget	Estimate
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
Property Taxes	80.0%	81.2%	82.8%
State Aid	7.7%	7.8%	7.7%
Local Receipts	8.2%	6.2%	6.0%
Other Sources	1.3%	1.6%	0.5%
Free Cash	2.9%	3.1%	2.9%

\*Due to rounding may not total 100%

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## FY2012 Budget Recap

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Townwide Expenses	\$31,535,023
Departments	\$80,708,302
Financial Warrant Articles	\$ 180,051
Appropriate to Other Funds	\$ 1,013,478
Capital Budget	<u>\$ 1,711,359</u>
General Fund Appropriation	\$115,148,213

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# Budget Proposal: Needham Public Schools

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- ❑ Reduce reliance on one-time revenue to fund the operating budget by increasing the Department's spending request by \$300,000
  - ❑ One-time revenue freed up by this proposal to be used for School cash capital
  - ❑ Cash capital freed up by this proposal to be used for Walker Gordon/Snow & Ice Equipment
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# Changes from Base Budget Requests

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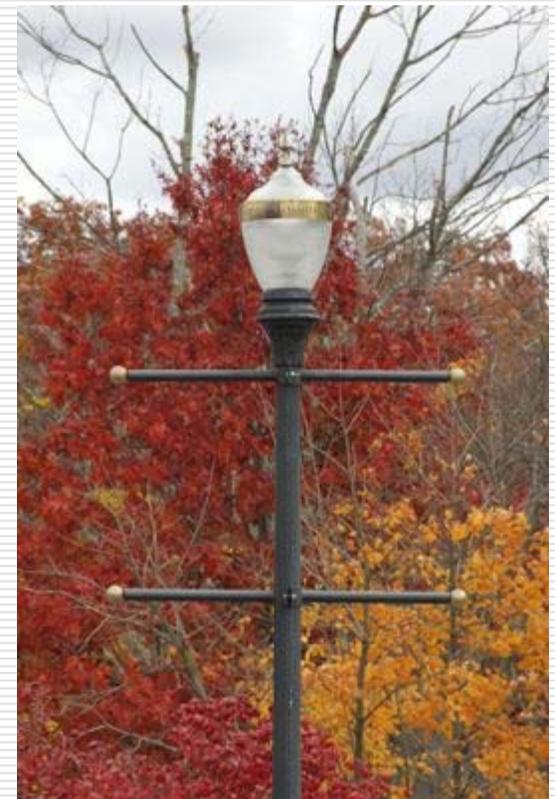
- ❑ Reserve Fund (\$388,502)
- ❑ Employee Benefits (\$50,000)
- ❑ Parking Enforcement (\$4,000)
- ❑ Fire Overtime \$100,000
- ❑ PFD Energy (\$50,000)



# Changes from Base Budget Requests

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- DPW Staffing (\$109,944)
- DPW Services \$55,000
- DPW Expenses \$20,000
- DPW Supplies (\$11,056)
- DPW Staff Transfer  
(\$40,985)
- Minuteman \$126,948



# Changes from Base Budget Requests

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- ❑ NPS Nonrecurring Revenue \$300,000
- ❑ PFD Transfer Internet (\$17,557) to NPS
- ❑ Library Collection \$30,802
- ❑ School SPED \$105,000
- ❑ MBTA Lot Management (\$227,900)



# Recommended Funding Through Alternative Approaches

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- Library Priorities
- Fire Overtime
- Turf Management



# Performance Budget

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<input type="checkbox"/> Library 9:00 a.m. opening	\$13,579
<input type="checkbox"/> PT Children's Librarian	\$10,324
<input type="checkbox"/> Memorial & DeFazio Fencing	\$17,650
<input type="checkbox"/> Street Layout Monumentation	\$25,000
<input type="checkbox"/> Crowd Control Fencing	\$11,400

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# Performance Budget/Capital

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<input type="checkbox"/> Walker Gordon Field*	\$137,500
<input type="checkbox"/> Snow & Ice Equipment*	\$165,000
<input type="checkbox"/> Large Specialty Equipment	\$139,000
<input type="checkbox"/> Construction Equipment	\$39,700
<input type="checkbox"/> School Technology (balance)	\$201,900

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# Enterprise Fund Changes from Base Budget Requests

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## □ RTS

■ Reserve Fund	(\$20,000)
■ Expenses	(\$30,000)
■ Operating Capital	(\$15,000)

## □ Sewer

■ Salaries	(\$61,879)
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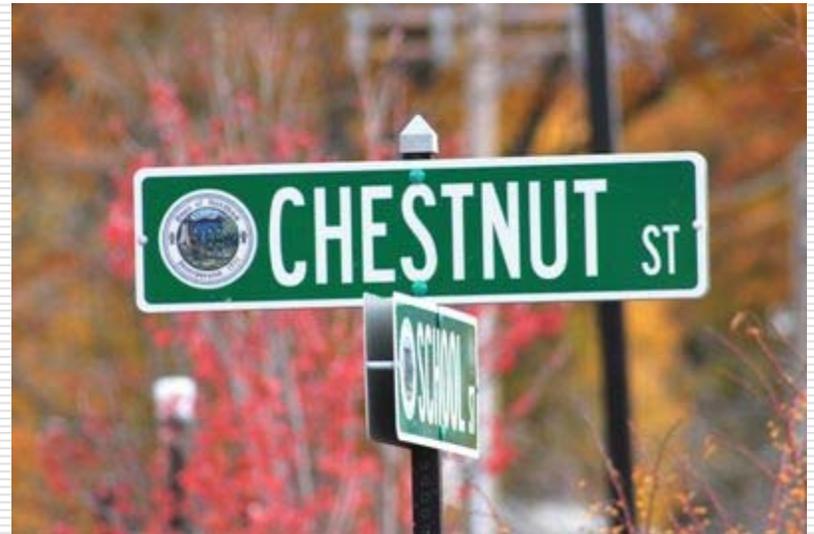
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# Enterprise Fund Changes from Base Budget Requests

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## □ Water

- Electricity (\$58,409)
- Salaries \$56,950



# Board of Selectmen/Town Manager Budget Priorities

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- Maintain Existing Town Services
  - Sustainability (reducing energy use, balancing revenue and financial commitments)
  - Coordination and Efficiency
  - Economic Vitality
  - Land Stewardship
  - Transportation & Appearance of Town
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