

Resilient Needham: Finding a Way to Thrive in the “New Normal”

As required by the General By-laws of the Town of Needham, and after consultation with the Board of Selectmen, School Committee and Finance Committee, we present the Town’s sixth balanced budget proposal based on the principles of sustainability – meeting the needs of today without compromising the ability of future generations to meet their own needs, and resilience – withstanding the unexpected and continuing to provide high quality services.

The FY2011 budget was presented as the first year of a “bridge to 2013.” The budget message noted that a bridge is a structure carrying a pathway or roadway over a depression or obstacle, or a time, place or means of connection or transition. And, although many would prefer the bridge conversation to be over, we are – as expected – still traveling the bridge to 2013. There are indications, however, that revenue growth will begin to rebound in FY2013.

While our goal is to maintain our existing services to the extent possible given the level of revenue available for appropriation, our particular emphasis in the development of this budget has been fourfold: 1. to contain the rate of growth in RTS rates; 2. to more easily account for the challenge of meeting the growing regulation of the Town’s storm drain system; 3. to slow the rate of growth in legacy costs such as health insurance, pensions, and other post-employment benefits; and 4. to take steps to mitigate (and not worsen) the structural budget gap projected for fiscal year 2013. Specific proposals to meet these objectives are described below.

According to Merriam Webster, resilience is the ability to recover from or adjust easily to misfortune or change. To the extent that sustainability teaches us to live within our means, resilience moves us to a state in which we recognize that change is inevitable and helps us focus on the need to withstand the unexpected. “Ultimately, resilience emphasizes increasing our ability to withstand crises. Sustainability is a brittle state: Unforeseen changes (natural or otherwise) can easily cause its collapse. Resilience is all about being able to overcome the unexpected. Sustainability is about survival. The goal of resilience is to thrive.”¹

In Needham, resilience is achieved by identifying potential risks and putting safeguards in place to meet those risks. For example, despite the most recent economic downturn and decades of financial uncertainty for municipal governments, the Town of Needham has made a truly extraordinary investment in public infrastructure during the past decade. As noted in the FY2012 – FY2016 Capital Improvement Plan, the Town’s success in this area is a direct result of continued and sustained focus on asset evaluation, needs assessment, careful planning, and prioritization. Such prioritization of spending on infrastructure that is often “invisible” is the hallmark of a community that is willing to forgo growth in programs and services that are needed and desired in order to fund improvements to buildings and other capital assets, such as roads, bridges, sidewalks, and sewer, drain and water infrastructure.

The community has made other spending choices that demonstrate this resilience such as establishing and funding multiple stabilization funds, ensuring adequate levels of retained earnings, fully funding its other post-employment benefits liability, refraining from using non-recurring revenue to support operations, reducing the assumed rate of return and length of funding schedule for the pension system, and implementing alternative service-delivery models to contain personnel-related costs. As with the decision to fund capital investment, such choices are made at the expense of growth in programs and services, and help the Town better weather periods of low revenue growth.

The evidence suggests that as difficult as these choices may be, Needham is in a resilient state. The 2010 Citizen Survey reveals that an overwhelming 96% of those surveyed rate the overall quality of life in Needham as good or excellent, 98% rate Needham as a place to live as good or excellent, and 96% of those surveyed indicated that they are somewhat or very likely to recommend Needham as a place to live – all of these ratings are far above the national norm. Across the board, services offered in Needham increased in satisfaction levels between 2008 and 2010 – the period of the greatest economic recession of our time.

Budget in Brief

The FY2012 General Fund operating budget totals **\$112,243,325** or **\$2,069,046** more than FY2011, representing growth of 2%.

Department spending requests were submitted to the Finance Committee in early December, 2010, and represent an increase of 3.4% over FY2011. Targeted reductions are recommended for some line items, and other lines are recommended for increase. In addition to the noted budget reductions, a total of \$632,313 in performance improvement requests was eliminated from the proposed budget. A few of these requests have been identified, in priority order, if funding becomes available.

The School Superintendent's submitted budget reflects an increase of 4.9% over the adjusted FY2011 budget, and identifies \$800,900 in Federal stimulus and other one-time sources to reduce expenditures in FY2012. We agree with the Superintendent's recommendation to use available funds to meet FY2012 expenses as part of the bridge to 2013, providing more time for the Town to devise strategies for continuing service delivery in FY2013.

However, as in FY2011, we recommend that the reliance on one-time funding be reduced as much as possible. As such, we have recommended that only **\$500,900** of the non-recurring revenue be used to support the operating budget in FY2012, and that **\$300,000** be allocated from the operating budget to support the Superintendent's request. We further recommend that there be a corresponding reduction of \$300,000 in cash capital allocated to the Public Schools, which the District can purchase with the balance of the non-recurring revenue identified for use in FY2012. This measure in turn enables us to recommend funding for other urgently needed capital equipment, specifically the first two items in the secondary cash capital category – Athletic Facility Improvements at Walker Gordon Field, and Snow and Ice Equipment.

Budgeting Best Practices

In developing the FY2012 budget, we continue to use the following best practices in order to produce a budget that preserves the Town's fiscal sustainability: current revenues must be sufficient to support current expenditures; debt must not be used to fund on-going operating expenses; the use of Free Cash to fund operations should be minimized; adequate contingency funds should be maintained; and sufficient maintenance and replacement funds should be allocated to ensure that capital facilities and equipment are properly maintained.

Core Budget Priorities

In consultation with the Board of Selectmen, we have adopted the following core budget priorities for general government operations. These priorities served as a key guideline in our evaluation of departmental spending requests. As in FY2011, the primary goal of the Board of Selectmen in consideration of the FY2012 operating budget is the maintenance of existing Town services given the availability of revenue for appropriation. In addition to maintenance of existing services, the Board's priorities for FY2012 include:

1. Support for initiatives that contribute to sustainability, such as reducing energy use and planning for ongoing, long term balance of foreseeable revenues and financial commitments.
2. Support for initiatives aimed at achieving greater coordination and efficiency among departments and providing adequate resources to address the general administrative needs of the Town.
3. Promote initiatives that contribute to the Town's economic vitality.
4. Support the stewardship of existing land and resources, including expansion of Town-owned open space for both active and conservation uses.
5. Enhancement and improvement of multi-modal transportation on a local and regional basis.
6. Promote initiatives that contribute to the appearance of the Town.

Budget Process

The Town Manager, the Finance Committee, the Board of Selectmen, and the School Committee all play different and important roles in the budget process. The General By-laws of the Town of Needham provide for the following process:

2.2.1 Operating Budget The Town Manager shall issue budget guidelines and instructions for all Town departments to submit their spending requests for the ensuing fiscal year. The Town Manager shall consult with the Finance Committee prior to the issuance of said guidelines and instructions. The Town Manager and School Superintendent will provide the Finance Committee with copies of their respective departmental spending requests on or before the 2nd Wednesday of December. Following receipt of these spending requests, the Finance Committee may begin its consideration of same, including the commencement of budget hearings. The Town Manager, after consultation with the Board of Selectmen and School Committee, shall not later than the 31st day of January, present to the Finance Committee a balanced budget recommendation in the form of an executive budget, which shall include the spending priorities of all Town departments for the ensuing fiscal year, including in addition thereto, the voted School Committee budget request if different than that contained in the proposed balanced budget. The Town Manager's executive budget recommendation shall not be binding on the Finance Committee. Said executive budget recommendation shall include the estimates of Town revenues and proposed expenditures of all Town departments, including debt

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service and other amounts required to be raised for the ensuing fiscal year. The Town Manager may amend or otherwise revise revenue estimates as may be warranted. All such revisions shall be provided in writing to the Board of Selectmen, School Committee and Finance Committee.

The FY2012 budget calendar is shown in Table 1.1.

**Table 1.1
FY2012 Budget Calendar**

| Date | | | Activity |
|----------------|-----------|-------------|---|
| July | 01 | 2010 | Capital Submission Worksheet Review. |
| August | 02 | 2010 | Preliminary Capital Requests Due |
| August | 17 | 2010 | Town Manager budget consultation with Board of Selectmen. |
| September | 21 | 2010 | Town Manager budget consultation with Board of Selectmen. |
| September | 22 | 2010 | Town Manager budget consultation with the Finance Committee. |
| September | 23 | 2010 | Town Manager discussion of FY2012 budget season |
| September | 30 | 2010 | Final budget and capital guidelines and submission information released |
| October | 29 | 2010 | Department Spending Requests and Final Capital Requests Due |
| November | 23 | 2010 | Town Manager consultation with Board of Selectmen |
| December | 08 | 2010 | Department spending requests are due to Finance Committee from the Town Manager and School Superintendent |
| December | 21 | 2010 | Board of Selectmen Votes CIP Recommendation |
| January | 04 | 2011 | FY 2012 – FY 2016 Capital Improvement Plan is Distributed |
| January | 05 | 2011 | Town Manager Consultation with the School Committee |
| January | 11 | 2011 | Board of Selectmen opens the Annual Town Meeting Warrant |
| January | 25 | 2011 | Town Manager's Budget Presentation |
| January | 31 | 2011 | Town Manager's Budget is due to the Finance Committee |
| February | 07 | 2011 | Warrant articles for Annual Town Meeting are due to Board of Selectmen. |
| February | 08 | 2011 | Board of Selectmen closes the Annual Town Meeting Warrant. |
| February | 22 | 2011 | Finance Committee's FY 2012 draft budget is due to the Town Manager |
| March | 15 | 2011 | Finance Committee's recommendations are due for inclusion in the Annual Town Meeting Warrant. |
| April | 12 | 2011 | Town Election |
| May | 02 | 2011 | Annual Town Meeting Begins |
| July | 01 | 2011 | Start of Fiscal Year 2012 |

Budget guidelines were distributed to departments, boards, and committees on September 30, 2010, with spending requests due on October 29, 2010. The senior management team held budget review meetings with all departments during the month of November. Finance Committee and Community Preservation Committee liaisons were invited to attend these meetings in order to prepare for their own

deliberations. Discussions with the Board of Selectmen, Finance Committee, and School Committee continued during the fall and winter, and the School Committee held a public hearing on the budget for the Needham Public Schools on January 18, 2011. As the School Committee had not completed its deliberations by the release of this document, the voted budget of the School Committee will be included as an addendum, if it is different from that contained in this budget.

Departments were asked to use the following guidelines in preparing their requests:

Base Budget Request

The initial budget request reflects the amounts necessary to provide the same level of service in FY2012 as in FY2011. Spending requests include increases for contractual or mandated items, items subject to significant inflationary pressure, and/or any other item deemed appropriate by the Town Manager.

Performance Budget

Departments wishing to request additional funding did so under the performance improvement budget. These requests are identified on Form DSR4. Priority is given to performance improvement requests that are directly related to the identified goals and objectives of the department, the need for which can be demonstrated by performance measures and data, and those that demonstrate forward movement toward sustainability. When seeking performance improvement requests for additional headcount, department managers were required to include a detailed evaluation of other options for providing the proposed service, such as increased hours for other staff members, use of overtime, or use of contracted service providers. This was a critical component of the budget review process. The performance budget may also include items that were deleted from the level-service requests.

Personnel-Related Costs: Key Budget Driver

Because the primary product of local government is services, the operating budget is heavily weighted to salaries and other personnel-related costs. The balanced budget proposal includes the elimination of seven benefit-eligible positions. These reductions will, in general, have little impact on service delivery, but will positively impact the Town's Townwide expense and legacy costs. This represents a 2% reduction in full-time equivalent employees.

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**Table 1.2
Full-time Equivalent Benefit-Eligible Positions
FY07 to FY 11**

| | Funded FY07 | Funded FY08 | Funded FY09 | Funded FY10 | Funded FY11 | FY07-11 % Change |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Town Manager/Selectmen | 6.8 | 6.8 | 7.9 | 8.0 | 8.0 | 17.6% |
| Town Clerk | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 0.0% |
| Finance | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 0.0% |
| Police | 58.0 | 58.0 | 58.0 | 58.0 | 58.0 | 0.0% |
| Fire | 74.0 | 74.0 | 74.0 | 74.0 | 74.0 | 0.0% |
| Building | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 0.0% |
| DPW | 87.0 | 87.0 | 88.0 | 89.0 | 89.0 | 2.3% |
| Public Facilities | 50.5 | 52.7 | 53.2 | 53.8 | 53.8 | 5.9% |
| Health | 4.4 | 4.6 | 4.6 | 4.6 | 4.6 | 4.5% |
| Human Services | 8.1 | 8.1 | 8.3 | 8.3 | 8.3 | 2.4% |
| Planning & Community Development | 3.3 | 4.9 | 4.9 | 4.9 | 5.6 | 114.0% |
| Library | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 0.0% |
| Park and Recreation | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 0.0% |
| Total | 342.1 | 346.1 | 348.9 | 350.6 | 351.3 | 2.7% |
| Needham Public Schools | 580.8 | 607.2 | 607.6 | 621.4 | 618.5 | 6.5% |

Source: 2010 Annual Town Meeting Warrant, FY2011 Proposed Annual Budget, FY2012 School Department Spending Request

The number of General Government full-time equivalent employees increased 2.7% from FY2007 to FY2011, but is proposed to decline by 2% in FY2012. The number of School Department FTE's has grown by 6.5% over that same period, partially attributable to the opening of the High Rock School in 2009 (see Table 1.2).

Approximately 75% of the Town's budget is allocated to personnel-related costs, including salary and wages, health insurance, retirement assessments, unemployment and workers compensation. The total increase in employee benefits and assessments costs for FY2012 is lower than might have been expected this time last year, as the Town's employees and bargaining units have actively participated in efforts to moderate salary growth and reduce legacy costs. All general government union and non-union employees received no cost-of-living increase in FY2011, and all have accepted new higher out-of-pocket, lower premium health care plans for new hires. On the School side, the Teacher's Union led the Department in this direction by migrating all of its members to the new "Rate Saver" plans, and the Town and the employees shared in the premium savings to allow the teachers to receive a 1% increase in FY2011.

While insurance rates are expected to increase by 5%, the health insurance portion of this budget is expected to decline by just under 1% due to the conversion of a significant number of subscribers to the "Rate Saver" plans. As of November 1, 2010, 325 (more than 40%) subscribers have enrolled in the lower-premium/higher out-of-pocket cost plans. Employee participation in the Town's group health

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insurance program continues to experience significant fluctuations. As evidenced in table 1.3, health insurance enrollment declined 1% from FY2010 to FY2011.

**Table 1.3
Health Insurance Enrollment
FY2007 - 2011**

| Fiscal Year | Town | School | Total Actives | Retirees | Total Active & Retired |
|--------------------|-------------|---------------|----------------------|-----------------|-----------------------------------|
| FY07 | 304 | 492 | 796 | 771 | 1,567 |
| FY08 | 287 | 509 | 796 | 775 | 1,571 |
| FY09 | 293 | 491 | 784 | 804 | 1,588 |
| FY10 | 286 | 541 | 827 | 796 | 1,623 |
| FY11 | 290 | 515 | 805 | 799 | 1,604 |

| | | | | | |
|-----------------------------------|------------|-----------|-----------|-----------|-----------|
| Total Change FY07-FY11 | -5% | 5% | 1% | 4% | 2% |
|-----------------------------------|------------|-----------|-----------|-----------|-----------|

| | | | | | |
|-----------------------------------|-----------|------------|------------|-----------|------------|
| Total Change FY10-FY11 | 1% | -5% | -3% | 0% | -1% |
|-----------------------------------|-----------|------------|------------|-----------|------------|

As noted on Table 1.4, annual increases in salary line items from FY2007 to FY2011 have generally met the Town's sustainability guideline by mirroring the historical annual increase in revenue (4.5% overall, 5.1% for the Needham Public Schools, and 3.4% for General Government departments).

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Table 1.4
Changes in Salary Line Items FY2007 – FY2011

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 Current | Average % Change |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Board of Selectmen | 488,912 | 504,290 | 586,099 | 630,398 | 639,739 | 7.1% |
| Town Clerk | 251,009 | 258,026 | 276,327 | 263,081 | 282,308 | 3.1% |
| Town Counsel | 64,637 | 65,464 | 66,989 | 68,664 | 68,664 | 1.5% |
| Personnel Board | 1,641 | 1,601 | 1,641 | 1,128 | 600 | -19.5% |
| Finance Department | 1,262,829 | 1,291,273 | 1,296,242 | 1,326,597 | 1,342,043 | 1.5% |
| Finance Committee | 27,209 | 28,547 | 29,261 | 29,993 | 27,493 | 0.4% |
| Total Municipal Administration | 2,096,237 | 2,149,201 | 2,256,559 | 2,319,861 | 2,360,847 | 3.0% |
| Police Department | 4,256,517 | 4,307,656 | 4,529,149 | 4,771,895 | 4,884,190 | 3.5% |
| Fire Department | 5,152,611 | 5,330,631 | 5,616,784 | 5,722,539 | 5,812,408 | 3.1% |
| Building Inspector | 385,753 | 407,324 | 422,358 | 444,020 | 445,919 | 3.7% |
| Total Public Safety | 9,794,881 | 10,045,611 | 10,568,291 | 10,938,454 | 11,142,517 | 3.3% |
| Education | 33,251,907 | 34,895,067 | 37,287,966 | 39,247,086 | 40,629,489 | 5.1% |
| Public Works | 2,962,632 | 2,971,552 | 3,137,945 | 3,258,049 | 3,393,323 | 3.5% |
| Public Facilities | 2,432,903 | 2,540,529 | 2,608,373 | 2,875,501 | 2,870,212 | 4.3% |
| Planning Department | 137,811 | 188,469 | 196,791 | 207,833 | 215,547 | 12.6% |
| Community Development | 64,255 | 86,677 | 92,366 | 97,829 | 99,338 | 12.2% |
| Total Development | 202,066 | 275,146 | 289,157 | 305,662 | 314,885 | 12.5% |
| Health Department | 318,046 | 344,624 | 364,066 | 377,408 | 383,012 | 4.8% |
| Human Services | 468,797 | 469,698 | 501,839 | 525,393 | 487,240 | 1.1% |
| Needham Public Library | 963,323 | 1,000,410 | 1,033,541 | 1,075,014 | 1,072,844 | 2.7% |
| Park & Recreation Department | 411,918 | 423,651 | 430,134 | 441,142 | 443,185 | 1.9% |
| Total Community Services | 2,162,084 | 2,238,383 | 2,329,580 | 2,418,957 | 2,386,281 | 2.5% |
| Total | 52,902,710 | 55,115,489 | 58,477,871 | 61,363,570 | 63,097,554 | 4.5% |
| Total General Government | 19,650,803 | 20,220,422 | 21,189,905 | 22,116,484 | 22,468,065 | 3.4% |

Balanced Budget Highlights

The following is a summary of key considerations that serve as the basis of the balanced budget recommendations. The full discussion of each department is included in the submitted departmental spending requests contained in Section 4.

Townwide Expenses

Primarily attributable to a reduction in debt service and employee benefits and assessments, the change in the Townwide expense category is a .5% decline from FY2011 to FY2012.

The **Casualty, Liability and Self-Insurance** line has been level funded. We anticipate that the base premium will not be more than 2.5% over the current fiscal year. The Town Hall is scheduled to re-open in FY2012, while a portion of the Newman School coverage will be reduced during the planned construction. The Town will be required to cover the modular units to be placed at Newman. However, we expect that an increased premium will be offset by on-going loss control efforts that earn premium credits.

General Fund Debt Service reflects the amounts to be paid on current and authorized but not issued debt, and includes both general fund debt service within the levy and excluded debt. For the first time, this budget includes a line for debt

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service supported by Community Preservation Funds. Of the total budget of \$10,843,572, \$7,422,275 or 68% is allocated for excluded debt approved by the voters for major capital projects such as the Newman School, High School, Library, High Rock School, Broadmeadow School, and Eliot School. This line decreased by 4.9% over FY2011 (or 7.6% decrease excluding CPA-supported debt).

Employee Benefits and Employer Assessments includes group insurance, payroll taxes, unemployment, workers compensation, and related benefit costs for Town and School employees. The balanced budget includes a proposed 1% increase. While insurance rates are expected to increase by 5%, the health insurance portion of this budget is expected to decline by just under 1% due to the conversion of a significant number of subscribers to the so-called "Rate Saver" plans. As of November 1, 2010, 325 (or more than 40% of subscribers) have enrolled in the lower-premium/higher out-of-pocket cost plans. This is due primarily to an agreement with the school teachers (Unit A). The Town agreed to share half the savings resulting from the conversion with the teachers. In addition, the Town has agreed to fund a Health Reimbursement Arrangement program to provide a "safety net" for employees for the next three years. Based on the proposed elimination of seven benefit-eligible employees, we have recommended a **\$50,000** reduction in the health insurance line. We continue to be concerned about the level of reserves for the Town's workers compensation program, and have recommended that an additional **\$50,000** be allocated to this program line. In addition, we have recommended that the fund be replenished via a special warrant article, possibly over the next several years, as outlined below.

Retirement Assessments includes funding for Town's share of pension costs for non-contributory and contributory retirees. The funded status of the system was 78.2% on January 1, 2010, up from 73.7% the year before. It is anticipated that the system will be fully funded no later than 2027 (one year earlier than the 1/1/09 projection). The historical rate of return since the inception of the system (9% as of 9/30/10) remains favorable and above the required rate of return for actuarial purposes. However, due to the level of uncertainty about future returns, the Retirement Board also adopted a funding schedule that reduces the required rate of return from 8.25% to 8%. The proposed funding is 3.1% higher than the FY2011 appropriation.

The **Retiree Insurance and Insurance Liability Fund** line provides both the "pay-as-you-go" benefits for current retirees, and funding of the Town's post-employment benefit liability (commonly known as "OPEB"). The Town combined retiree insurance and OPEB liability into one line in accordance with an actuarial funding schedule beginning in FY2008. As of July 1, 2009, the Town's Unfunded Actuarial Liability was \$43,879,643, with a funded ratio of 10.2% (as compared to a UAL of \$43,596,991 and a funded ratio of 6.6% as of July 1, 2007). The conversion of a large percentage of existing employees and most new hires to the Rate Saver plans will have a positive impact on the Town's OPEB liability. This line item is projected to increase by 7.7% based on the actuarial funding schedule.

The **Classification, Performance and Settlements** line provides a reserve for funding General Government personnel-related items as they occur during the year. The Town has only one collective bargaining agreement that is settled for FY2012, and the Classification, Performance and Settlements line includes a placeholder amount. The Classification, Performance and Settlements line has been increased by \$172,000.

The Finance Committee evaluates recent spending and a five year average when establishing a recommendation for the **Reserve Fund**. Although the submission for FY2012 was \$1,500,000 a reduction of **\$388,502** is recommended in the balanced budget proposal. This reduction is reflective of the fact that several items that have been traditional draws on the Reserve Fund – fire overtime, legal services, and snow and ice – have been increased in the balanced budget proposal in the amount of \$336,500.

General Government

Board of Selectmen/Town Manager The Town Manager/Board of Selectmen's budget increased .2% from FY2011 to FY2012.

Town Clerk/Board of Registrars This budget is proposed to be 1.2% less than FY2011, attributable primarily to the fact that there is one fewer election planned for FY2012.

Town Counsel The balanced budget proposal includes an increase of **\$36,500** in the Legal budget based on historical spending in this program. A similar request was deferred in FY2011.

Personnel Board This line item is level-funded for FY2012.

Finance Department The recommended increase to the Finance Department budget is 2.4% attributable primarily to the full-year funding of the Assistant Town Accountant position (funded for ½ year in FY2011), changes in personnel, and increasing licensing fees. Several performance improvement requests have been deferred, including a part-time department specialist in Accounting (\$18,306), and copy and mail support services (\$16,204). A study of financial application options proposed for a special warrant article has also been deferred.

Finance Committee The recommended increase to the Finance Committee budget is 2.9%.

Planning and Community Development

The consolidated Planning and Community Development Department was created in 2010 by combining the existing Conservation and Zoning Board of Appeals budgets. The Director of Planning and Community Development oversees both the Planning budget and the Community Development budget. The full implementation of the consolidation, which included the addition of a part-time administrative assistant shared between the two budgets, as well as salary increases for a relatively new workforce hired at the lower end of the pay scale, is reflected in the atypical increase in the two budgets. The Planning Budget is proposed to increase 7.3% and the Community Development budget is proposed to increase 8.3%. While the FY2011 to FY2012 increase is higher than most other departments, the proposed increase reflects our prioritization of these departments which have historically been underfunded. In keeping with the consolidation plan, this budget assumes an allocation of targeted wetlands funds to support the Director of Conservation.

Public Safety

The Police Department budget is 1% lower than FY2011. The Department continues to experience employee turnover as veteran police officers retire and new recruits are hired at lower salaries. Another factor in the reduction of this budget is that the FY2012 vehicle replacement schedule includes one fewer vehicle than the FY2011 schedule. The recommended budget for the Police Department is **\$4,000** less than the submitted request, reflecting a change to the parking enforcement operation. The full-time, benefit-eligible parking enforcement attendant position has been eliminated, and parking enforcement duties have been assigned to traffic crossing guards. This budget will allow for 30 hours per week of parking enforcement activities.

Fire Department The recommended Fire Department budget is 4.4% higher than FY2011, and includes funding associated with the settled Fire Union contract for FY2012. Over the past several years, the Fire Department has managed to operate with an overtime appropriation that is significantly lower than that which is required by using savings associated with employee turnover to fund the needed shift filling. During periods when staff turnover is low or non-existent, this shifting of salary funds is not possible. This budget includes the elimination of two full-time, benefit-eligible firefighter positions with a corresponding transfer of **\$122,500** from the regular salary line to the overtime line. Moreover, the Department has included in its budget submissions for many years the actual overtime need which is significantly more than the budgeted \$445,000 – the same amount that was appropriated in 1986. The balanced budget proposal includes an additional increase to the overtime line of **\$100,000** to more closely approximate historical and projected spending.

Building Department The recommended budget for the Building Department is 1.4% higher than FY2011. A performance improvement proposal to increase the hours of the Sealer of Weights and Measures from 9.38 to 15 hours per week (\$7,593), and a proposal to add an additional local building inspector (\$53,008) have been deferred. A proposal for a special warrant article to begin the accreditation process (\$4,000) has also been deferred. Building Department activity continues unabated, and these items will be re-evaluated in FY2013.

Education

Minuteman School The Town has received a preliminary assessment from the Minuteman School which is \$193,420 higher than the FY2011 assessment (**\$126,948** higher than the original FY2012 estimate), based primarily on the increase in students attending the school from Needham.

Needham Public Schools The balanced budget includes the Superintendent's submitted budget request. As discussed above, the balanced budget also includes an additional **\$300,000** to reduce the Department's reliance on one-time revenue to fund on-going operations, with a proposed reallocation of this funding for cash capital. After the submission of the spending request, the Superintendent identified a need for additional funding to supplement the Special Education program. This balanced budget recommendation includes an additional appropriation of **\$105,000**

for that purpose. Finally, the budget has been increased by **\$17,557** to account for a transfer of responsibility for the School Department's Internet broadband service from the Public Facilities budget, where there is a corresponding decrease.

At the time of the release of this document, the School Committee had not completed its review of the budget. The recommendation of the School Committee will be appended to this document when it is available, if it is different from the recommendation contained in this balanced budget.

Public Works

The submitted Public Works base budget shows a reduction of 2% which is reflective of a decision to transfer the drains program from the General Fund to the Sewer Enterprise Fund, as will be described more fully below. The base budget was further reduced by a total of **\$86,985**, for a decrease over FY2011 of 3.8%. The Parks and Forestry budget was reduced by **\$109,944** by the elimination of two full-time, benefit eligible employees and two temporary seasonable positions. The Parks and Forestry budget was increased by **\$55,000** to allow for hiring contractors to spread fertilizer on high visibility and high use fields, and to mow and trim all school grounds. Because mowing and trimming activities cannot occur until after school hours (after the regular DPW work day), the use of contracted services is a more effective and economical solution. The budget also includes a **\$20,000** increase to the Parks and Forestry supply line for the purchase of fertilizer to implement a natural turf nutritional program. The total Parks and Forestry budget reduction is **\$34,944**. The proposed budget includes a reduction of **\$40,985** reflecting the transfer of the department specialist who supports the water billing system to the Water Enterprise Fund. The proposed budget also includes an **\$11,056** reduction from the General fund vehicle supplies line.

The balanced budget proposal includes the reallocation of the drain/NPDES program from the operating budget to the Sewer Enterprise Fund budget. The drains program has always operated as an integral part of the Water and Sewer Division, with many employees allocating a portion of their work to the drains program. The FY2012 budget proposal allocates the responsibility to the programs in a more precise and transparent way. The inclusion of the drains program in the Sewer Enterprise Fund is also a structural accounting change – instead of budgeting a portion of several employees in the operating budget, the Town will determine that portion of the Water and Sewer budgets that is attributable to drains and will transfer that amount to the Enterprise Funds for General Fund services.

The purpose of National Pollutant Discharge Elimination System (NPDES) is the improvement of waterways. For Needham, this includes the Charles River, brooks and ponds. The current NPDES requirement is for the identification, cataloging, and improvement of the drainage system, and for the reduction of pollutants in waterways. Pursuant to our current NPDES permit, all streets and parking lots are swept twice per year to improve the cleanliness of the runoff entering the drain system. Catch basins are cleaned on a rotating basis which requires proper disposal of the street sweepings and catch basin cleanings. The Town also inspects, flushes, and repairs drainage pipes as needed, and replaces catch basins in an effort to improve water quality.

Fiscal Year 2012 Proposed Budget

The new requirements, which are not yet finalized, are likely to add testing of water quality at all outfalls, identifying and eliminating elicited discharge, and reducing pollutants identified by EPA. The Town would be required to enhance sweeping using vacuum sweepers, and install and monitor expensive and maintenance-intensive pollutant control structures and/or made-man wetlands. The Town will be required to demonstrate implementation of the reduction of pollutants to EPA limits through testing. Failure to comply with the new requirements will result in fines. There may also be requirements above and beyond EPA requirements within the Charles River watershed. Clearly, increased regulation of the type under consideration in the NPDES program will have a significant impact on the Town's operating budget.

Performance Improvement budget requests submitted by the Department of Public Works that have been included on the Performance Budget include Memorial Park and DeFazio Park fencing (**\$17,650**), crowd control fencing (**\$11,400**), and re-taking and monumentation of street layouts (**\$25,000**). Performance improvement requests that have been deferred include landscape beautification (\$17,000), school grounds staffing (\$83,549), GIS monument grid system (\$10,000), and highway and traffic controls (\$250,000).

Municipal Parking The Town's relationship with the MBTA for management of the Needham commuter lots will change in the winter of 2011, with the "T" assuming responsibility for management of the lots and collection of fees. The municipal parking line has been reduced by **\$227,900**, with the balance - \$55,000 to support expenses associated with the Town's municipal lots, and a reserve for the possibility of leasing additional spaces in the Needham Center lot that are currently used for commuter parking. The Town and the MBTA are in discussions about this concept and no agreement has yet been finalized.

Municipal Streetlight Program The Municipal Streetlight Program budget increased by 1.1% over FY2011, attributable to increases in energy costs and upgrades to the lighting system.

Public Facilities

The recommended base budget for Public Facilities is 4.6% higher than the FY2011 budget. The Public Facilities Operations base budget has been reduced by **\$50,000** to reflect refined estimates of energy use in the Town's newest facilities. The budget request has also been reduced by **\$17,557** to reflect the transfer of the Internet broadband system expense to the School Department. A request for \$50,508 for the addition of a shift supervisor will be accomplished by reallocation of an existing position. A request for \$42,607 for Internet bandwidth expansion has been deferred, as the funding for this service is proposed to be transferred to the School Department budget.

Human Services

Health Department The recommended budget for the Health Department reflects a .5% increase over the FY2011 budget. Requested increases of \$2,160 for additional hours for the Public Health Program Coordinator and \$1,500 proposed for

Fiscal Year 2012 Proposed Budget

professional development have been deferred. The Health Department continues to provide services supported by grants that are not reflected in the operating budget.

Human Services The Human Services budget declined by \$157 from FY2011 to FY2012. The budget is reflective of the implementation of the West Suburban Veterans' Services District with the towns of Needham, Wellesley and Weston. The Town of Wellesley is the host community for the District and the Town of Needham pays an assessment to the District for its participation, based on population.

Historical Commission No change is recommended for the Historic Commission budget in FY2012.

Commission on Disabilities No change is recommended for the Commission on Disabilities budget in FY2012.

Public Library Given recent changes in staffing, the Library Director has elected to eliminate a full-time administrative specialist and fund a part-time administrative specialist, a part-time children's librarian, additional circulation desk help, and an additional page to assist with network transfers. This allocation reduces the Town's benefit-eligible employee count by one, and funds three of the Library's long-standing requests for performance funding. Over the past few years, the Library has used its dedicated State aid account to meet a growing service demand, but such funding is unsustainable. We continue to recommend that these services be converted to Town funding over a period of several years. The Library's submitted budget, which is 1% lower than FY2011, falls short of the amount needed for certification by the Massachusetts Board of Library Commissioners. While the Town can seek a waiver from the requirement, the balanced budget proposal includes performance funding of the shortfall – **\$30,802** – to support the Library's collection materials. This is a recurring cash capital item that is now proposed for inclusion in the Library's operating budget. The recommended budget is 1.4% higher than FY2011.

The amount of \$10,324 to convert the children's library function to be funded entirely through the operating budget and \$13,579 to support the existing 9:00 a.m. opening of the Library are included in the Performance Budget. Two requests for the Needham Public Library have been deferred: \$725 for museum pass software and \$1,200 for "Bookletters" software.

Park and Recreation The Park and Recreation budget declined by .5% from FY2011.

Memorial Park No change is proposed for the Memorial Park budget for FY2012.

Fiscal Year 2012 Proposed Budget

**Table 1.5
Town Manager
FY2012 Changes to General Fund Operating Budget Requests**

| Item | Department | Budget Reductions | Budget Increases | Other Budget Sources |
|---|------------------------------|-------------------|------------------|----------------------|
| Reserve Fund Reduction | Townwide Expenses | (\$388,502) | | |
| Employee Benefits Reduction | Townwide Expenses | (\$50,000) | | |
| Professional Services Increase | Legal Department | | \$36,500 | |
| Parking Enforcement Position Elimination | Police Department | (\$4,000) | | |
| Increased Salaries - Overtime | Fire Department | | \$100,000 | |
| Reduce Parks and Forestry Staff 2 FTE, 2 PT | Public Works | (\$109,944) | | |
| Increase Parks and Forestry Services | | | \$55,000 | |
| Increase Parks and Forestry Supplies (Turf) | | | \$20,000 | |
| Reduce Vehicle Supplies | Public Works | (\$11,056) | | |
| Transfer Administrative Specialist to Water | Public Works | | | \$40,985 |
| Change in MBTA Lot Management | Municipal Parking | (\$227,900) | | |
| Reduce Energy Projection Estimate | Public Facilities/Operations | (\$50,000) | | |
| Transfer Broadband Services | Public Facilities/Operations | (\$17,557) | | |
| Collection Materials/Minimum Budget | Public Library | | \$30,802 | |
| Reduction in Use of One-Time Funds | Public Schools | | \$300,000 | |
| SPED Increase | Public Schools | | \$105,000 | |
| Transfer Broadband Services | Public Schools | | \$17,557 | |
| Increased Assessment | Minuteman | | \$126,948 | |

**Table 1.6
Town Manager
Performance Budget Items Not Included in Balanced Budget Proposal
Priority Order – Operating Budget**

| Item | Department | Amount |
|---|----------------|----------|
| 9:00 a.m. Opening in the Operating Budget | Public Library | \$13,579 |
| Part-time Children's Librarian | Public Library | \$10,324 |
| Memorial and DeFazio Fencing | Public Works | \$17,650 |
| Street Layouts | Public Works | \$25,000 |
| Crowd Control Fencing | Public Works | \$11,400 |

* Included in Balanced Budget Proposal

| | |
|--------------|-----------------|
| Total | \$77,953 |
|--------------|-----------------|

Beyond the General Fund Operating Budgets

Capital Budget Summary

The focus of this document is the FY2012 General Fund, Enterprise Fund, and Community Preservation Fund budgets. The FY2012 – FY2016 Capital Improvement Plan (CIP) is published as a separate document. Section 5 of this document contains the executive summary of the FY2012 – FY2016 CIP. An integral part of the balanced budget proposal contained herein, however, is the funding of capital and other non-recurring items (financial warrant articles) with non-recurring revenue. This budget continues the effort to minimize the Town’s reliance on free cash to support on-going operations by limiting such use to no more than 2% of the prior year’s appropriated departmental budgets, or the actual turn back, whichever is lower.

The general fund cash capital recommendation is broken into two components – primary (\$1,711,359) and secondary (\$733,100). Secondary cash capital is considered part of the performance budget and is recommended only if additional revenue, not yet identified, becomes available. A priority listing of secondary cash capital items is found in Table 1.7.

**Table 1.7
Town Manager
Performance Budget FY2012
Priority Order – Capital Budget**

| Item | Department | Amount |
|---|----------------|------------------|
| Athletic Facility Improvements/Walker Gordon* | Public Works | \$137,500 |
| Snow and Ice Equipment* | Public Works | \$165,000 |
| Large Specialty Equipment | Public Works | \$139,000 |
| Construction Equipment | Public Works | \$39,700 |
| School Technology | Public Schools | \$201,900 |
| Total | | \$683,100 |

* Included in Tier 1 Cash Capital as part of this Budget Proposal

Enterprise Fund Summary

RTS The RTS budget includes both short and long-term measures to help align revenue with expenses. RTS user fees were increased in 2010 and 2011 as non-fee revenue continued to drop dramatically. Also in FY2011, the sticker fee structure was realigned, to include an increase in the primary sticker and the availability of additional stickers at \$10 each.

Fiscal Year 2012 Proposed Budget

In the short-term, we propose that **\$200,000** in retained earnings be used to support the RTS budget for FY2012. This measure is intended to mitigate the loss of recycling and miscellaneous revenue that has decreased sharply during the current recession. The long-term proposal is to reduce the RTS operating budget by **\$65,000** without changing the service delivery model. The proposed reductions include **\$20,000** from the allocated reserve fund, **\$15,000** from operating capital, and **\$30,000** from expenses. The recommended RTS Enterprise Fund Budget is .3% lower than the FY2011 budget.

Sewer The recommended Sewer Enterprise Fund budget is 7.5% higher than FY2011. The majority of this increase is attributable to the reallocation of the Drain/NPDES program from the operating budget to the Sewer Enterprise Fund budget, as previously discussed. The submitted sewer budget has been reduced by **\$61,879** to account for a reallocation of the assistant superintendent position (one assistant superintendent is funded in the Sewer budget and one in the Water budget), and the division superintendent position, which is allocated 50% to the Sewer Budget and 50% to the Water budget. The MWRA Assessment line has been level-funded as the Town's 2012 assessment is not yet available. Any increase in the assessment is proposed to be funded through retained earnings.

Water The recommended Water Enterprise Fund budget is 1.1% higher than the FY2011 budget. The submitted budget has been reduced by **\$58,409** to account for new estimates of the cost of electricity. The budget has been increased by \$56,950 to account for the reallocation of the assistant superintendent and division superintendent positions as noted above. In addition, the position of administrative specialist in the Administration Division of the Department of Public Works has been transferred to the Water Department budget, as support for water administrative work and billing. This transfer will not result in an increase in FTE's in the Water Enterprise Fund, as one benefit-eligible position will be eliminated. The MWRA Assessment line has been level-funded as the Town's 2012 assessment is not yet available. The anticipated increase in this line is proposed for funding through Water Enterprise Fund receipts.

Community Preservation

The administrative budget of the Community Preservation Fund is unchanged from FY2011.

Other Financial Warrant Articles

Compensated Absences Fund

As in fiscal year 2011, given the projected level of retirements and existing fund balance, there is no request for compensated absences funding this year. Upon retirement, certain employees are compensated for a portion of their unused sick leave. All employees are entitled to payment of unused vacation leave upon termination of Town service.

Senior Corps Program

The balanced budget includes **\$15,000** funding for the Senior Corps Program, unchanged from the FY2011 budget. The Senior Corps program provides an opportunity for qualified elderly or disabled property owners to work up to 100 hours

for the Town. Over the last 10 years, the appropriation has ranged from \$7,500 to \$10,000. The Senior Corps Program has averaged 14 participants over the last ten year period and 17 participants in the last four year period. The requested appropriation will support 18 participants.

Property Tax Relief Fund

The balanced budget includes **\$15,051** in funding for the Property Tax Relief Fund. The 2009 Annual Town Meeting voted to establish a Property Tax Assistance Program. The goal of the Board of Selectmen is to set a target annual appropriation for the fund equal to the amount of private contributions to the Town's statutory voluntary tax relief program during the preceding fiscal year, up to a maximum appropriation of \$25,000 (2008 dollars). The voluntary fund received \$15,051 in fiscal year 2010.

Workers' Compensation Fund

The balanced budget proposal includes **\$150,000** to replenish the Workers' Compensation Fund which is the Town's reserve fund for paying workers' compensation claims of a prior year and for lump sum settlements up to the limit of the Town's reinsurance limit. Typically, the source of funds for this account is any remaining balances in the workers compensation line item contained in employee benefits. The workers compensation line was level-funded from FY2000 to FY2011 when it was increased by \$15,000. Due to increases in salaries and expenses over the past decade, and the resolution of several long-standing cases, the fund balance has been declining and is close to being depleted. The target balance for the fund is \$800,000.

GF/RTS Contribution

The balanced budget includes a **\$547,673** contribution to the RTS Enterprise Fund. It is the policy of the Town to annually support the RTS Enterprise Fund by means of a transfer from the General Fund in an amount equal to the average of the "avoided cost" for the most recent three complete fiscal years. Avoided cost is the value of the services provided to Town Departments by the Recycling and Transfer Station. Included in these services are: receiving, processing and recycling DPW construction debris; disposal of trash from public trash receptacles; composting of leaves and yard waste which is then used by the Town; collecting and processing recyclables from Town departments, including schools; and disposal of snow and other normal trash from Town property. The expense of Recycling and Transfer Station labor, vehicles, and equipment used to provide these services and repairs and maintenance are factored into the calculation of the avoided cost.

Capital Reserve Funds

No recommendations for appropriation to the Town's two capital reserve funds is included in the balanced budget proposal, as funds available for such appropriation are typically identified later in the budget process and presented to Town Meeting each fall. The Capital Improvement Fund is a reserve for future acquisition and replacement of new equipment and certain building and facility improvements. The Capital Facility Stabilization Fund is a reserve for future design, maintenance, renovation or reconstruction relating to the structural integrity, building envelope or MEP (mechanical, electrical, plumbing) systems of then existing capital facilities.

This balanced budget proposal is promulgated prior to the start of the budget process for the Commonwealth. As revenue estimates are refined in the winter and

Fiscal Year 2012 Proposed Budget

spring, we will work with the various Town boards and committees in preparing the final budget to be presented to Town Meeting.

These are certainly challenging times for local government. I continue to be impressed with the courageous commitment to sustainability that has been demonstrated by the Board of Selectmen, School Committee, Finance Committee, Town Meeting, and ultimately the community, and am confident that together we can meet the challenges that remain ahead.

We are fortunate as a community to have a dedicated, loyal, and hardworking staff who, like board and committee members, often put the needs of the community ahead of their own personal interests. I thank you for the opportunity to serve the Town of Needham.

Kate Fitzpatrick

Town Manager

¹ “The Next Big Thing: Resilience,” James Cascio, Foreign Policy Magazine, May/June 2009

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| Town of Needham | | | | | | | | | |
|--|---------------------------------------|------------------------|------------------------|-----------------------------------|-----------------------------------|---|------------------------------------|-----------------------------------|--|
| Description | Department Spending Requests | | | | | | | | |
| | FY2011 Current Budget (12/2010) | FY2012 Base Request | FY2012 DSR4 Request | FY2012 Total Budget Request | FY2012 % Change from FY2011 | FY2012 Town Manager Balanced Budget | FY2012 \$ Change from FY2011 | FY2012 % Change from FY2011 | FY2012 \$ Change from FY2012 Request |
| Town Wide Expense | | | | | | | | | |
| Casualty, Liability and Self Insurance Program | 525,000 | 525,000 | | 525,000 | | 525,000 | | | |
| Debt Service - General Fund | 11,406,472 | 10,843,572 | | 10,843,572 | -4.9% | 10,843,572 | (562,900) | -4.9% | |
| Employee Benefits and Employer Assessments | 10,089,125 | 10,241,203 | | 10,241,203 | 1.5% | 10,191,203 | 102,078 | 1.0% | (50,000) |
| Retirement Assessments | 4,612,378 | 4,755,475 | | 4,755,475 | 3.1% | 4,755,475 | 143,097 | 3.1% | |
| Retiree Insurance Program & Insurance Liability Fund | 3,626,375 | 3,906,275 | | 3,906,275 | 7.7% | 3,906,275 | 279,900 | 7.7% | |
| Classification, Performance and Settlements | 30,000 | 202,000 | | 202,000 | 573.3% | 202,000 | 172,000 | 573.3% | |
| Reserve Fund | 1,534,363 | 1,500,000 | | 1,500,000 | -2.2% | 1,111,498 | (422,865) | -27.6% | (388,502) |
| Group Total | 31,823,713 | 31,973,525 | | 31,973,525 | 0.5% | 31,535,023 | (288,690) | -0.9% | (438,502) |

| Town of Needham | | | | | | | | | | |
|--|---------------------------------------|------------------------|------------------------|-----------------------------------|-----------------------------------|---|------------------------------------|-----------------------------------|--|--|
| Department Spending Requests | | | | | | | | | | |
| Description | FY2011 Current Budget (12/2010) | FY2012 Base Request | FY2012 DSR4 Request | FY2012 Total Budget Request | FY2012 % Change from FY2011 | FY2012 Town Manager Balanced Budget | FY2012 \$ Change from FY2011 | FY2012 % Change from FY2011 | FY2012 \$ Change from FY2011 Request | FY2012 \$ Change from FY2012 Request |
| Board of Selectmen & Town Manager | | | | | | | | | | |
| Personnel | 639,739 | 646,680 | | 646,680 | | 646,680 | 6,941 | | 6,941 | |
| Expenses | 161,450 | 156,433 | | 156,433 | | 156,433 | (5,017) | | (5,017) | |
| Operating Capital | | | | | | | | | | |
| Total | 801,189 | 803,113 | | 803,113 | 0.2% | 803,113 | 1,924 | 0.2% | 1,924 | 0.2% |
| Town Clerk and Board of Registrars | | | | | | | | | | |
| Personnel | 282,308 | 279,390 | | 279,390 | | 279,390 | (2,918) | | (2,918) | |
| Expenses | 39,270 | 38,290 | | 38,290 | | 38,290 | (980) | | (980) | |
| Total | 321,578 | 317,680 | | 317,680 | -1.2% | 317,680 | (3,898) | -1.2% | (3,898) | -1.2% |
| Town Counsel | | | | | | | | | | |
| Personnel | 68,664 | 68,664 | | 68,664 | | 68,664 | | | | |
| Expenses | 193,500 | 193,500 | 36,500 | 230,000 | | 230,000 | 36,500 | | 36,500 | |
| Total | 262,164 | 262,164 | 36,500 | 298,664 | 13.9% | 298,664 | 36,500 | 13.9% | 36,500 | 13.9% |
| Personnel Board | | | | | | | | | | |
| Personnel | 600 | 600 | | 600 | | 600 | | | | |
| Expenses | 11,000 | 11,000 | | 11,000 | | 11,000 | | | | |
| Total | 11,600 | 11,600 | | 11,600 | | 11,600 | | | | |
| Finance Department | | | | | | | | | | |
| Personnel | 1,342,043 | 1,385,756 | 34,510 | 1,420,266 | | 1,385,756 | 43,713 | | 43,713 | (34,510) |
| Expenses | 734,889 | 741,605 | | 741,605 | | 741,605 | 6,716 | | 6,716 | |
| Operating Capital | 37,500 | 37,500 | | 37,500 | | 37,500 | | | | |
| Total | 2,114,432 | 2,164,861 | 34,510 | 2,199,371 | 4.0% | 2,164,861 | 50,429 | 2.4% | 50,429 | (34,510) |
| Finance Committee | | | | | | | | | | |
| Personnel | 27,493 | 28,382 | | 28,382 | | 28,382 | 889 | | 889 | |
| Expenses | 1,125 | 1,075 | | 1,075 | | 1,075 | (50) | | (50) | |
| Total | 28,618 | 29,457 | | 29,457 | 2.9% | 29,457 | 839 | 2.9% | 839 | 2.9% |
| General Government Group | | | | | | | | | | |
| | 3,539,581 | 3,588,875 | 71,010 | 3,659,885 | 3.4% | 3,625,375 | 85,794 | 2.4% | 85,794 | (34,510) |
| Planning Department | | | | | | | | | | |
| Personnel | 215,547 | 232,476 | | 232,476 | | 232,476 | 16,929 | | 16,929 | |
| Expenses | 16,460 | 16,460 | | 16,460 | | 16,460 | | | | |
| Total | 232,007 | 248,936 | | 248,936 | 7.3% | 248,936 | 16,929 | 7.3% | 16,929 | 7.3% |
| Community Development | | | | | | | | | | |
| Personnel | 99,338 | 108,584 | | 108,584 | | 108,584 | 9,246 | | 9,246 | |
| Expenses | 11,858 | 11,858 | | 11,858 | | 11,858 | | | | |
| Total | 111,196 | 120,442 | | 120,442 | 8.3% | 120,442 | 9,246 | 8.3% | 9,246 | 8.3% |
| Land Use & Development Group | | | | | | | | | | |
| | 343,203 | 369,378 | | 369,378 | 7.6% | 369,378 | 26,175 | 7.6% | 26,175 | 7.6% |

Fiscal Year 2012 Proposed Budget

| Town of Needham | | | | | | | | | |
|--|---------------------------------------|------------------------|------------------------|-----------------------------------|-----------------------------------|---|------------------------------------|-----------------------------------|--|
| Department Spending Requests | | | | | | | | | |
| Description | FY2011 Current Budget (12/2010) | FY2012 Base Request | FY2012 DSR4 Request | FY2012 Total Budget Request | FY2012 % Change from FY2011 | FY2012 Town Manager Balanced Budget | FY2012 \$ Change from FY2011 | FY2012 % Change from FY2011 | FY2012 \$ Change from FY2012 Request |
| Police Department | | | | | | | | | |
| Personnel | 4,884,190 | 4,863,711 | | 4,863,711 | | 4,859,711 | (24,479) | | (4,000) |
| Expenses | 248,339 | 239,858 | | 239,858 | | 239,858 | (8,481) | | |
| Operating Capital | 146,888 | 125,891 | | 125,891 | | 125,891 | (20,997) | | |
| Total | 5,279,417 | 5,229,460 | | 5,229,460 | -0.9% | 5,225,460 | (53,957) | -1.0% | (4,000) |
| Fire Department | | | | | | | | | |
| Personnel | 5,812,408 | 5,995,891 | | 5,995,891 | | 6,095,891 | 283,483 | | 100,000 |
| Expenses | 259,238 | 240,683 | | 240,683 | | 240,683 | (18,555) | | |
| Operating Capital | | | | | | | | | |
| Total | 6,071,646 | 6,236,574 | | 6,236,574 | 2.7% | 6,336,574 | 264,928 | 4.4% | 100,000 |
| Building Inspector | | | | | | | | | |
| Personnel | 445,919 | 452,113 | 58,101 | 510,214 | | 452,113 | 6,194 | | (58,101) |
| Expenses | 15,682 | 16,095 | 2,500 | 18,595 | | 16,095 | 413 | | (2,500) |
| Total | 461,601 | 468,208 | 60,601 | 528,809 | 14.6% | 468,208 | 6,607 | 1.4% | (60,601) |
| Public Safety Group | 11,812,664 | 11,994,242 | 60,601 | 11,994,843 | 1.5% | 12,030,242 | 217,578 | 1.8% | 35,399 |
| Minuteman | 369,261 | 435,733 | | 435,733 | 18.0% | 562,681 | 193,420 | 52.4% | 126,948 |
| Needham Public Schools | 46,541,078 | 48,810,714 | | 48,810,714 | 4.9% | 48,432,371 | 1,891,293 | 4.1% | (378,343) see note |
| Needham Public Schools (one-time) | | | | | | 500,900 | | | 500,900 see note |
| Department of Public Works | | | | | | | | | |
| Personnel | 3,393,323 | 3,176,134 | 267,049 | 3,443,183 | | 3,025,205 | (368,118) | | (417,978) |
| Expenses | 1,308,056 | 1,224,151 | 167,550 | 1,391,701 | | 1,288,095 | (19,961) | | (103,606) |
| Operating Capital | 5,500 | 6,700 | | 6,700 | | 6,700 | 1,200 | | |
| Snow and Ice Budget | 200,000 | 400,000 | | 400,000 | | 400,000 | 200,000 | | |
| Total | 4,906,879 | 4,806,985 | 434,599 | 5,241,584 | 6.8% | 4,720,000 | (186,879) | -3.8% | (521,584) |
| Municipal Parking Program | | | | | | | | | |
| Program Total | 282,900 | 282,900 | | 282,900 | | 55,000 | (227,900) | -80.6% | (227,900) |
| Municipal Lighting Program | | | | | | | | | |
| Program Total | 253,300 | 256,000 | | 256,000 | 1.1% | 256,000 | 2,700 | 1.1% | |
| Public Works Group | 5,443,079 | 5,345,885 | 434,599 | 5,780,484 | 6.2% | 5,031,000 | (412,079) | -7.6% | (749,484) |
| Department of Public Facilities | | | | | | | | | |
| Personnel | 2,870,212 | 3,058,620 | 50,508 | 3,109,128 | | 3,058,620 | 188,408 | | (50,508) |
| Expenses | 4,509,505 | 4,734,492 | 42,607 | 4,777,099 | | 4,666,935 | (157,430) | | (110,164) |
| Operating Capital | 7,645 | | | | | | (7,645) | | |
| Total | 7,387,362 | 7,793,112 | 93,115 | 7,886,227 | 6.8% | 7,725,555 | 338,193 | 4.6% | (160,672) |
| Public Facilities Group | 7,387,362 | 7,793,112 | 93,115 | 7,886,227 | 6.8% | 7,725,555 | 338,193 | 4.6% | (160,672) |
| | | | | | | 152,222 | 7,539,584 | | 8,038,449 |

| Town of Needham | | | | | | | | | |
|--|---------------------------------------|------------------------|------------------------|-----------------------------------|-----------------------------------|---|------------------------------------|-----------------------------------|--|
| Department Spending Requests | | | | | | | | | |
| Description | FY2011 Current Budget (12/2010) | FY2012 Base Request | FY2012 DSR4 Request | FY2012 Total Budget Request | FY2012 % Change from FY2011 | FY2012 Town Manager Balanced Budget | FY2012 \$ Change from FY2011 | FY2012 % Change from FY2011 | FY2012 \$ Change from FY2012 Request |
| Health Department | | | | | | | | | |
| Personnel | 383,012 | 385,301 | 2,160 | 387,461 | | 385,301 | 2,289 | | (2,160) |
| Expenses | 76,829 | 76,829 | 1,500 | 78,329 | | 76,829 | | | (1,500) |
| Total | 459,841 | 462,130 | 3,660 | 465,790 | 1.3% | 462,130 | 2,289 | 0.5% | (3,660) |
| Human Services | | | | | | | | | |
| Personnel | 487,240 | 493,873 | | 493,873 | | 493,873 | 6,633 | | |
| Expenses | 77,160 | 70,370 | | 70,370 | | 70,370 | (6,790) | | |
| Total | 564,400 | 564,243 | | 564,243 | 0.0% | 564,243 | (157) | 0.0% | |
| Commission on Disabilities | | | | | | | | | |
| Personnel | 550 | 550 | | 550 | | 550 | | | |
| Expenses | | | | | | | | | |
| Total | 550 | 550 | | 550 | | 550 | | | |
| Historical Commission | | | | | | | | | |
| Personnel | 1,050 | 1,050 | | 1,050 | | 1,050 | | | |
| Expenses | | | | | | | | | |
| Total | 1,050 | 1,050 | | 1,050 | | 1,050 | | | |
| Needham Public Library | | | | | | | | | |
| Personnel | 1,072,844 | 1,059,646 | 60,309 | 1,119,955 | | 1,059,646 | (13,198) | | (60,309) |
| Expenses | 260,843 | 261,259 | 31,925 | 293,184 | | 292,061 | 31,218 | | (1,123) |
| Total | 1,333,687 | 1,320,905 | 92,234 | 1,413,139 | 6.0% | 1,351,707 | 18,020 | 1.4% | (61,432) |
| Parks and Recreation Department | | | | | | | | | |
| Personnel | 443,185 | 440,395 | | 440,395 | | 440,395 | (2,790) | | |
| Expenses | 110,875 | 110,875 | | 110,875 | | 110,875 | | | |
| Total | 554,060 | 551,270 | | 551,270 | -0.5% | 551,270 | (2,790) | -0.5% | |
| Memorial Park | | | | | | | | | |
| Personnel | 750 | 750 | | 750 | | 750 | | | |
| Expenses | | | | | | | | | |
| Total | 750 | 750 | | 750 | | 750 | | | |
| Community Services Group | | | | | | | | | |
| | 2,914,338 | 2,900,898 | 95,894 | 2,996,792 | 2.8% | 2,931,700 | 17,362 | 0.6% | (65,092) |
| Department Budgets | 78,350,566 | 81,178,837 | 755,219 | 81,934,056 | 4.6% | 80,708,302 | 2,357,736 | 3.0% | (1,225,754) |
| Town Wide Expense Group | 31,823,713 | 31,973,525 | | 31,973,525 | 0.5% | 31,535,023 | (288,690) | -0.9% | (438,502) |
| Total General Fund Operating Budget | 110,174,279 | 113,152,362 | 755,219 | 113,907,581 | 3.4% | 112,243,325 | 2,069,046 | 1.9% | (1,664,256) |