

BALANCED BUDGET PROPOSAL 2016

A Ten Year Look Back:
2005 - 2015



Office of the
Town Manager
1.28.2015
Revised 1.29.2015

FY16 Balanced Budget Framework - Priorities



Board of Selectmen Goals



Preservation of Capital Assets



Financial Sustainability



Economic Vitality



Stewardship



Appearance



Efficiency



Fiscal Discipline

- Work within recurring revenue to fund services
- Control legacy costs
- Refrain from relying on one-time funds to support on-going services
- Increase reserves
- Maintain strong credit rating
- Refrain from over-committing in “good years”



10 Year Look Back 2005-2015

- High Rock 6th Grade Center
- Newman HVAC
- Town Hall
- PSAB
- Center at the Heights
- Needham High School
- Mitchell Modular Classrooms
- Pollard Roof
- Needham Public Library
- New Salt Shed
- DPW Garage Bays
- Energy Efficient improvements
Town-wide



10 Year Look Back 2005-2015

- Carol-Brewster Property Acquisition
- Greene's Field & Play Structure
- Memorial Park
- DeFazio Park
- Walker Gordon Field and acquisition
- Trails Master Plan
- Newman School, Mills Field, Claxton Field and Riverside Park Playgrounds
- Tennis Courts at Newman, Mills & NHS
- Bike Racks throughout Town
- Community Farm at NIKE
- Off-Leash Dog Area at NIKE



10 Year Look Back 2005-2015

- 25% Funded OPEB Liability
- AAA Bond Rating
- Capital Facility Stabilization Fund
- Athletic Facility Stabilization Fund
- Great Plain Avenue Pumping Station
- Route 128 Water & Sewer Line Replacement
- Traffic Signals at Forest and Central, Charles River and Central, High Rock and Chestnut and South and Chestnut

STANDARD & POOR'S RATINGS SERVICES

Investment Grade
AAA Extremely strong capacity to meet financial commitments.
Highest rating



10 Year Look Back 2005-2015

- Reservoir B Pump Station
- St. Mary's Pump Station
- Chestnut Street Reconstruction
- Webster Street Reconstruction
- Water Main Replacement
- I/I Removal
- South Street / Willow Street Bridge
- Kendrick Street Bridge over Charles River
- Needham Center Streetscape Design



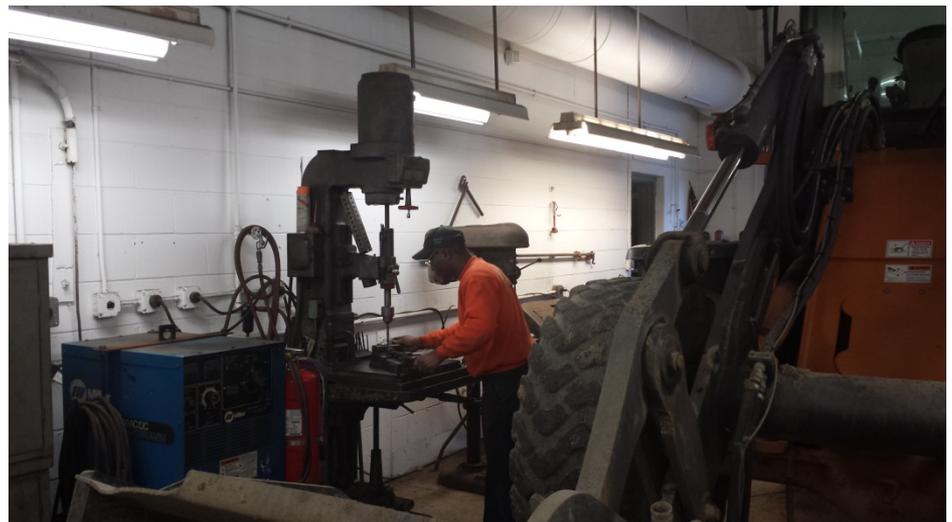
10 Year Look Back 2005-2015

- Branding Needham Crossing
- Hospital Expansion
- TripAdvisor World HQ
- Parking Lot Expansion
- Up-zoning
- Charles River Landing



Financial Forecast

- No Projected Increases in State Aid
- General Government department budgets increased 4.7%
- Strong tax levy growth based on significant level of building activity
- Better Free Cash Level
- Use of one-time funds for one time expenditures



Revenue Projection Changes

	<u>Recap FY2015</u>	<u>Estimate FY2016</u>
Tax Levy:	7.9%	4.5%
Cherry Sheet Aid:	3.8%	0.0%
Local Receipts:	1.2%	5.0%
Recurring Revenue:	7.1%	4.2%

State Aid Estimate

Chapter 70 School Aid

- FY2012 \$6,991,720 – 6.1%
- FY2013 \$7,633,990 – 9.2%
- FY2014 \$7,901,802 – 3.5%
- FY2015 \$8,239,740 – 4.3%
- FY2016 \$8,239,740 – 0.0%

Unrestricted General Government Aid/Annual Formula Aid

- FY2012 \$1,369,789 – (7.2%)
- FY2013 \$1,476,550 – 7.8%
- FY2014 \$1,511,453 – 2.4%
- FY2015 \$1,553,368 – 2.8%
- FY2016 \$1,553,368 – 0.0%



General Fund Revenue Sources

	Actual	Recap	Estimate
	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Property Taxes	77.2%	82.2%	81.3%
State Aid	7.6%	7.8%	7.4%
Local Receipts	8.2%	5.9%	5.9%
Other Sources	1.0%	0.5%	1.1%
Free Cash	6.0%	3.0%	4.3%

*Due to rounding may not total 100%



Budget Factors

School Enrollment

- 605 students since 2005/2006 - 12%

Average Change in Salary Lines Past 5 Years

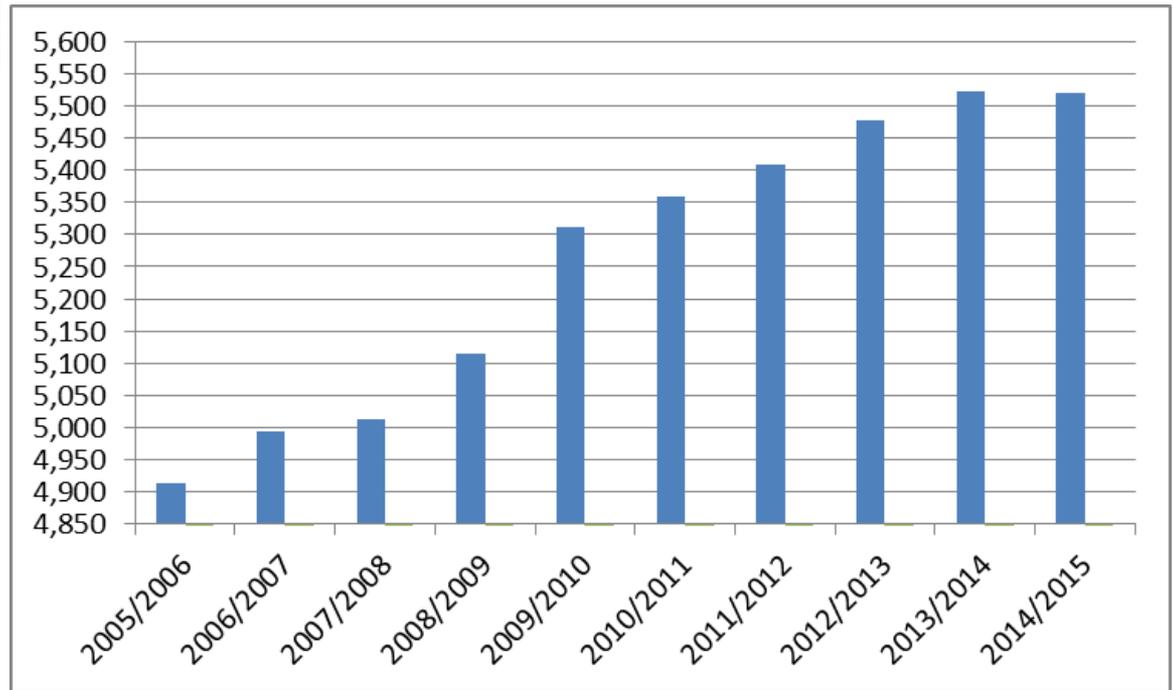
- General Government 3.5%
- Schools 6.2%
- Combined 5.2%

Increase in Headcount over Past 5 Years

- General Government 0.43%
- Schools 10.62%



School Enrollment



Budget Proposal: Needham Public Schools

**TM recommendation is 6.1%* over
appropriated FY2015 budget**

- **Cash Capital \$259,520**
- **Additional Allocation \$165,000**

School Committee to vote 1/29/2014

***5.7% excluding cash capital transfer**



Balanced Budget Highlights

- Energy Costs
- Allocation of Items from the Capital Plan
 - Operating Capital
 - Public Facility Maintenance Program
- Higher Free Cash Level
 - Financial Warrant Articles
 - Reserves
- Transition to Lower Assumed Rate of Return
 - Retirement
 - OPEB



Budget Recommendations

- Health Insurance - \$75,252 - FTEs
- OTM - \$36,016 – Management Fellow
- Personnel Board – \$15,000 Expenses to Salaries
- Planning - \$17,500 – Housing Specialist
- Community Development - \$13,200 – Hours for Conservation Specialist
- Police - \$20,000 – Detail Contingency
- Minuteman – Set at \$700,000 Pending Final Budget Assessment



Budget Recommendations

- Public Works - \$5,000 – Protective Equipment
- Municipal Parking – Increasing due to parking lot expansion
- Public Facilities \$27,934 Net for FT Custodian (less OT allocation)
- Solar Consulting = expected Energy Credits



Budget Recommendations

- HHS - \$42,491 Administrative Assistant
- HHS - \$10,000 to support Traveling Meals
- COD - \$1,500 Stipend (reduced from P&R)
- Library - \$37,688 for Children's Librarian & Circulation Desk



Enterprise Fund Budgets

RTS –

- Wheelabrator Contract Savings (\$100,000)

Sewer –

- Testing/Calibrating Flow Meters \$25,000

Water

- Leak Detection \$20,000
- Meter Calibration \$10,000



Financial Warrant Articles

- Senior Corps \$15,000
- Property Tax Relief \$27,500
- Planning Consulting \$25,000
- Sidewalk Needs Assessment \$100,000
- Facilities Maintenance \$570,000
- Quiet Zone Feasibility \$35,000
- DPW/PSAB Feasibility \$40,000
- Memorial Park Garden \$20,000
- Roll-off Catch Up Program \$48,000



Reserves

- **Athletic Facility Stabilization**
 - Traditional Match \$45,700
 - Unexpended Warrant Article \$20,712
 - Synthetic Turf 5 year plan \$300,000
 - Savings for Building \$500,000
- **OPEB Trust \$320,000**



FY2016 Budget Recap

(change from FY2015)

Townwide Expenses	\$36,735,091	4.1%
General Departments	\$28,256,575	4.1%
Public Facilities	\$8,610,363	6.7%
School Department	\$61,497,808	6.1%
Minuteman	\$700,000	(21.6%)
Other Appropriations	<u>\$6,787,101</u>	<u>46.1%</u>
Total GF Expenses	\$142,586,938	6.4%