

# Needham Rising

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**"Rise:"** Spring Up, Climb, Soar. – Merriam Webster

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Needham rising may seem at first glance to be overly aspirational. However, the decade ahead holds much promise for our community. We have created a climate that has and will continue to promote commercial and residential development. We have plans in place to direct the associated growth in revenue to support our excellent schools and government services. We continue to be mindful as a community about the type and rate of development that we can tolerate. Since Needham has worked to achieve a more than 10% share of housing units qualifying as affordable under the Commonwealth's requirements, we have a greater degree of control of our future residential development. We have contributed significantly to reserves rather than allocating one-time revenue to operations. At least eight facilities (Rosemary Recreation Complex, Fire Station #2, Police/Fire Station #1, Public Works, Memorial Park Building, Hillside School, Emery Grover and the High School) will require significant investment over the coming decade, as will horizontal infrastructure such as roads, bridges, and water and sewer mains. Two additional schools (Mitchell and Pollard) are also included on the long-term Capital Plan. We have plans for tackling capital facility and infrastructure needs over the coming decade in a multi-faceted approach – relying on a combination of tax-levy supported debt, reserves, Community Preservation Funds, and thoughtful and judicious use of debt exclusion overrides. Long-awaited traffic flow improvements are shortly to become reality, including the Route 128 expansion, the new Kendrick Street ramps, improvements to the Highland Avenue corridor, a signalized intersection at First Avenue, and downtown streetscape and traffic flow improvements. While challenges remain ahead, Needham is poised to spring up, climb, and soar.

The FY2017 budget includes a pilot performance measurement program outlined at the end of this section. The measures and targets will continue to be refined over the coming years. The biannual citizen satisfaction survey (FY2016 will be the fifth survey) includes many helpful measures – both specific to departments and programs and those of a more general nature. As evidenced in the last survey in FY2014, overall community satisfaction is high, with those rating excellent or good the overall quality of life (93%), the overall image of Needham (91%), Needham as a place to live (96%), Needham as a place to raise children (95%), the quality of neighborhood (90%) and overall appearance (88%). The only overall category representing dissatisfaction was Needham as a place to retire, where only 51% of respondents rated the Town as excellent or good. Other categories which respondents rated excellent or good in the 90 – 99% range for three of the last four surveys include a feeling of safety in the community, K-12 education, public safety services (Police, Fire and EMS), and public library services.

Solid satisfaction (excellent or good in the 80 – 89% range in three of the four surveys) include: ease of walking, air quality, public information, overall services provided by the Town, availability of religious or spiritual opportunities, customer services, the natural environment, opportunities to volunteer, emergency preparedness, drinking water, recycling, sewer services, parks, recreation, and health services.

Over the coming years we will be paying attention to those areas – generally within the control or influenced by Town Departments – where the level of satisfaction (expressed as ratings of excellent or good) is less than 60% for three of the four surveys. These currently include: paths and walking trails, travel by bicycle, traffic flow, affordable quality housing, housing options, shopping opportunities, culture/arts/music, street repair, sidewalk maintenance, traffic signal timing, land use, planning & zoning, and economic development.

## Budget in Brief

The recommended FY2017 General Fund operating budget totals \$144,228,127 or \$7,657,290 more than FY2016, representing a change of 5.6%. A comparison of the FY2016 budget to the FY2017 recommended budget is shown in Table 1.1 below:

**Table 1.1  
General Fund Spending Plan**

| Description                              | FY2016<br>Current    | FY12017<br>Recommended | \$ Change          | %<br>Change |
|--|----------------------|------------------------|--------------------|-------------|
| Townwide Expenses (excludes CPS)         | \$37,460,591         | \$42,878,753           | \$5,418,162        | 14.5%       |
| General Departments (includes CPS)       | \$28,360,773         | \$29,322,015           | \$961,242          | 3.4%        |
| Department of Public Facilities          | \$8,614,652          | \$6,204,815            | (\$2,409,837)      | -28.0%      |
| Needham Public Schools                   | \$61,480,687         | \$65,058,714           | \$3,578,027        | 5.8%        |
| Minuteman Assessment                     | \$654,134            | \$763,830              | \$109,696          | 16.8%       |
| <b>Total Operating Budget</b>            | <b>\$136,570,837</b> | <b>\$144,228,127</b>   | <b>\$7,657,290</b> | <b>5.6%</b> |
| Cash Capital                             | \$2,752,911          | \$2,516,117            | (\$236,794)        | -8.6%       |
| Financial Warrant Articles               | \$1,005,000          | \$718,222              | (\$286,778)        | -28.5%      |
| Other Appropriations                     | \$3,202,430          | \$3,546,937            | \$344,507          | 10.8%       |
| <b>Total General Fund Appropriations</b> | <b>\$143,531,178</b> | <b>\$151,009,403</b>   | <b>\$7,478,225</b> | <b>5.2%</b> |

As in past years, key budget drivers include the pace of medical inflation and its impact on related budget lines, increasing School enrollment, and capital and infrastructure needs. Also of note in FY2017 is an elevated priority for increasing access to mental health services, increasing staffing to meet development demands, and enhancing the Town's emergency preparedness programs. Revenue growth projected for FY2017 is strong – as strong as it has been in many years – but is not projected to increase at this rate indefinitely. Moreover, the level of expense growth - particularly in Townwide expenses – is unsupportable and will require thoughtful planning over the coming years.

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# Budget Process

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## **Budgeting Best Practices**

In developing the FY2017 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**

The Board of Selectmen has 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 recent years, the primary goal of the Board of Selectmen in consideration of the FY2017 operating budget is the maintenance and optimization of existing Town services. In addition, mindful of the availability of revenue for appropriation, the Board has set the following priorities for FY2017:

1. Support for items that contribute to the achievement of the Board's goals and objectives.
2. Support for a five to ten year plan for the renovation, reconstruction and/or preservation of the Town's capital assets in the most prudent, realistic, and efficient manner.
3. Support for initiatives that contribute to financial sustainability, including the maintenance of a debt service plan that balances capital needs with the Town's ability to pay, identification of alternative funding sources for traditional cash capital needs, evaluation of creative financing alternatives, and alignment of capital and maintenance needs with appropriate funding sources.
4. Support for initiatives aimed at achieving greater coordination and efficiency among Town departments, and providing adequate resources to address the general administrative needs of the Town in the most cost effective manner.
5. Promote initiatives that contribute to the long-term economic vitality of Needham.
6. Support for the stewardship of existing land and resources, including expansion (both in terms of amount and usability) of Town-owned land for active and conservation uses.
7. 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 2<sup>nd</sup> 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 31<sup>st</sup> 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 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 FY2017 budget calendar is shown in Table 1.2.

**Table 1.2  
Key Dates for the FY2017 Budget Process**

|                |           |             |   |
|----------------|-----------|-------------|---|
| July           | 1         | 2015        | Start of Fiscal Year 2016   |
| August         | 3         | 2015        | Capital improvement plan guidelines are released  |
| September      | 8         | 2015        | Town Manager budget consultation with the Board of Selectmen  |
| September      | 9         | 2015        | Town Manager budget consultation with the Finance Committee   |
| September      | 14        | 2015        | FY2017 budget submission guidelines released  |
| October        | 2         | 2015        | Capital requests are due  |
| October        | 13        | 2015        | Town Manager budget consultation with Board of Selectmen  |
| <b>October</b> | <b>30</b> | <b>2015</b> | <b>Department spending requests are due</b>   |
| November       | 2         | 2015        | Special Town Meeting  |
| November       | 10        | 2015        | Town Manager budget consultation with the Board of Selectmen  |
| December       | 9         | 2015        | Department spending requests are due to Finance Committee from the Town Manager and School Superintendent |
| December       | 22        | 2015        | Board of Selectmen votes CIP recommendation   |
| <b>January</b> | <b>5</b>  | <b>2016</b> | <b>FY2017 – FY2021 Capital Improvement Plan is released</b>   |
| January        | 5         | 2016        | Town Manager budget consultation with the School Committee  |

|                |           |             |  |
|----------------|-----------|-------------|--|
| <b>January</b> | <b>31</b> | <b>2016</b> | <b>Town Manager's Balanced Budget Due</b>  |
| February       | 1         | 2016        | Warrant articles for 2016 Annual Town Meeting are due to the Board of Selectmen                            |
| February       | 22        | 2016        | Finance Committee's FY2017 draft budget is due to the Town Manager   |
| <b>March</b>   | <b>15</b> | <b>2016</b> | <b>Finance Committee's budget recommendations are due for inclusion in the Annual Town Meeting Warrant</b> |
| May            | 2         | 2016        | Annual Town Meeting  |
| July           | 1         | 2016        | Start of Fiscal Year 2017  |

Budget guidelines were distributed to departments, boards, and committees on September 14, 2015, with spending requests due on October 30, 2015. 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. The Town Manager's official budget consultation with the School Committee occurred on January 5, 2016. At the time of the distribution of this proposed budget, the School Committee had not yet voted its FY2017 budget recommendation.

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## Budget Drivers: Personnel-Related Costs, Enrollment, Housing & Commercial Development

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Because the primary product of local government is services, the operating budget is heavily weighted to salaries and other personnel-related costs. In Needham, continued and sustained School enrollment growth has also placed a significant demand on available resources. Development of housing and commercial projects in Needham continues to remain strong, necessitating increased staffing to meet demand. In recognition of this need, the Board of Selectmen recently voted to increase building permit fees.

### Salary Related Expenses

Personnel-related costs remain the highest proportion of the Town's budget. Table 1.3 details the number of General Fund and Enterprise Fund benefit-eligible employees by department. The number of General Government benefit-eligible full-time equivalent employees (FTE) remained relatively constant from FY2015 to FY2016 increasing by 0.57%. The number of General Government FTEs has grown 2.84% since FY2012. The number of School Department FTEs grew by 3.30% since last year and 13.20% since FY2012.

**Table 1.3**  
**General and Enterprise Fund Full-time Equivalent Benefit-Eligible Positions**  
**FY2012 to FY2016**

| Department                       | Funded FY2012 | Funded FY2013 | Funded FY2014 | Funded FY2015 | Funded FY2016 | FY2015-2016 % Change | FY2012-2016 % Change |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|----------------------|----------------------|
| Town Manager/Selectmen           | 8.00          | 8.00          | 8.00          | 8.00          | 9.00          | 12.50%               | 12.50%               |
| Town Clerk                       | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 0.00%                | 0.00%                |
| Finance                          | 21.00         | 23.00         | 23.00         | 23.20         | 22.60         | -2.59%               | 7.62%                |
| Police                           | 57.00         | 57.00         | 57.00         | 59.00         | 59.00         | 0.00%                | 3.51%                |
| Fire                             | 72.00         | 72.00         | 72.00         | 71.00         | 71.00         | 0.00%                | -1.39%               |
| Building                         | 7.00          | 7.00          | 8.60          | 8.60          | 8.60          | 0.00%                | 22.86%               |
| DPW                              | 86.00         | 86.00         | 86.00         | 87.00         | 87.00         | 0.00%                | 1.16%                |
| Public Facilities                | 54.80         | 55.00         | 55.80         | 56.00         | 57.00         | 1.79%                | 4.01%                |
| Health & Human Services          | 12.40         | 12.40         | 12.40         | 13.20         | 13.80         | 4.55%                | 11.29%               |
| Planning & Community Development | 5.80          | 5.80          | 5.80          | 5.80          | 5.80          | 0.00%                | 0.00%                |
| Library                          | 13.00         | 13.00         | 13.00         | 13.00         | 13.00         | 0.00%                | 0.00%                |
| Park and Recreation              | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 0.00%                | 0.00%                |
| <b>Municipal Departments</b>     | <b>345.00</b> | <b>347.20</b> | <b>349.60</b> | <b>352.80</b> | <b>354.80</b> | <b>0.57%</b>         | <b>2.84%</b>         |
| <b>School Department</b>         | <b>624.40</b> | <b>648.50</b> | <b>666.90</b> | <b>684.20</b> | <b>706.80</b> | <b>3.30%</b>         | <b>13.20%</b>        |

Source: Town Meeting Warrants

As noted on Table 1.4 on the next page, average annual increases in salary line items from FY2011 to FY2016 are slightly higher than our sustainability target due in part to increases in headcount for program improvements (4.9% overall, 5.8% for the Needham Public Schools, and 3.5% for General Government departments).

#### Health Insurance Expenses

Health insurance costs for employees and retirees continue to grow faster than the rate of revenue growth. This is a systemic problem on the national level. As evidenced in Table 1.5, health insurance enrollment for active employees has fluctuated over the past five years, increasing by .73% from FY2012 to FY2016 and .86% from FY2015 to FY2016.

**Table 1.5**  
**Health Insurance Enrollment**  
**FY2012 - FY2016**

| Fiscal Year                   | Town         | % Increase over Prior Year | School        | % Increase over Prior Year | Total Actives | % Increase over Prior Year | Retirees      | Total Active & Retired |
|-------------------------------|--------------|----------------------------|---------------|----------------------------|---------------|----------------------------|---------------|------------------------|
| FY12                          | 288          | -0.69%                     | 530           | 2.91%                      | 818           | 1.61%                      | 806           | 1,624                  |
| FY13                          | 284          | -1.39%                     | 542           | 2.26%                      | 826           | 0.98%                      | 812           | 1,638                  |
| FY14                          | 284          | 0.00%                      | 509           | -6.09%                     | 793           | -4.00%                     | 836           | 1,629                  |
| FY15                          | 286          | 0.70%                      | 531           | 4.32%                      | 817           | 3.03%                      | 824           | 1,641                  |
| FY16                          | 294          | 2.80%                      | 530           | -0.19%                     | 824           |                            | 819           | 1,643                  |
| <b>Total Change FY12-FY16</b> | <b>2.08%</b> |                            | <b>0.00%</b>  |                            | <b>0.73%</b>  |                            | <b>1.61%</b>  | <b>1.17%</b>           |
| <b>Total Change FY15-FY16</b> | <b>2.80%</b> |                            | <b>-0.19%</b> |                            | <b>0.86%</b>  |                            | <b>-0.61%</b> | <b>0.12%</b>           |

Note: Retiree enrollment is expressed in number of plans: retiree individual, retiree family, & retiree spouse.  
 In FY16, 578 individuals who retired from the Town of Needham are receiving health insurance benefits.

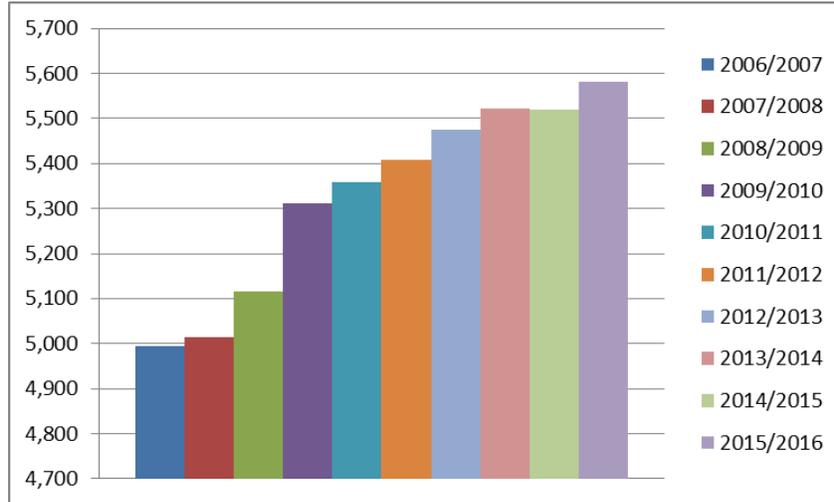
**Table 1.4**  
**Changes in Salary Line Items FY2011 to FY2016**

| Description  | FY2011            | FY2012            | FY2013            | FY2014            | FY2015            | FY2016 -<br>Current | Average<br>%<br>Change |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|------------------------|
| Board of Selectmen   | 644,644           | 649,992           | 669,819           | 691,474           | 715,158           | 785,523             | 4.1%                   |
| Town Clerk   | 282,308           | 281,663           | 296,301           | 282,647           | 312,927           | 321,314             | 2.8%                   |
| Town Counsel   | 68,664            | 68,664            | 70,039            | 71,790            | 73,584            | 75,422              | 1.9%                   |
| Personnel Board  | 600               | 600               | 600               | 600               | 0                 | 15,000              |                        |
| Finance Department   | 1,342,043         | 1,399,514         | 1,600,620         | 1,637,963         | 1,690,829         | 1,709,311           | 5.1%                   |
| Finance Committee  | 27,493            | 28,524            | 30,289            | 31,668            | 32,462            | 34,000              | 4.3%                   |
| <b>Municipal Administration</b>                                | <b>2,365,752</b>  | <b>2,428,957</b>  | <b>2,667,668</b>  | <b>2,716,142</b>  | <b>2,824,960</b>  | <b>2,940,570</b>    | <b>4.5%</b>            |
| Planning & Community<br>Development                            | 320,616           | 347,327           | 363,475           | 389,725           | 407,750           | 463,636             | 7.7%                   |
| <b>Land Use and Development</b>                                | <b>320,616</b>    | <b>347,327</b>    | <b>363,475</b>    | <b>389,725</b>    | <b>407,750</b>    | <b>463,636</b>      | <b>7.7%</b>            |
| Police Department  | 4,884,190         | 4,863,916         | 4,959,157         | 5,175,845         | 5,581,122         | 5,765,222           | 3.4%                   |
| Fire Department  | 5,812,408         | 6,100,123         | 6,249,767         | 6,581,793         | 6,758,282         | 6,894,466           | 3.5%                   |
| Building Department  | 445,919           | 443,280           | 460,619           | 528,614           | 553,286           | 579,030             | 5.5%                   |
| <b>Public Safety</b>   | <b>11,142,517</b> | <b>11,407,319</b> | <b>11,669,543</b> | <b>12,286,252</b> | <b>12,892,690</b> | <b>13,238,718</b>   | <b>3.5%</b>            |
| Department of Public Works<br>(including enterprise employees) | 5,705,831         | 5,603,635         | 5,693,797         | 5,853,827         | 6,110,486         | 6,315,940           | 2.1%                   |
| Department of Public Facilities                                | 2,870,212         | 3,087,351         | 3,227,402         | 3,407,208         | 3,472,871         | 3,586,006           | 4.6%                   |
| Health and Human Services                                      | 872,008           | 887,382           | 912,469           | 973,773           | 1,073,830         | 1,190,850           | 6.5%                   |
| Commission on Disabilities                                     |                   |                   |                   |                   | 1,500             | 1,500               |                        |
| Public Library   | 1,076,094         | 1,077,213         | 1,071,967         | 1,103,803         | 1,156,157         | 1,250,534           | 3.1%                   |
| Park and Recreation Department                                 | 443,185           | 443,118           | 453,499           | 468,456           | 483,633           | 496,254             | 2.3%                   |
| <b>Community Services</b>                                      | <b>2,391,287</b>  | <b>2,407,713</b>  | <b>2,437,935</b>  | <b>2,546,032</b>  | <b>2,715,120</b>  | <b>2,939,138</b>    | <b>4.3%</b>            |
| <b>Total</b>   | <b>24,796,215</b> | <b>25,282,302</b> | <b>26,059,820</b> | <b>27,199,186</b> | <b>28,423,877</b> | <b>29,484,008</b>   | <b>3.5%</b>            |
| Education  | 40,264,790        | 40,908,300        | 43,903,789        | 46,455,864        | 49,856,876        | 53,287,747          | 5.8%                   |
| <b>Combined Total</b>  | <b>65,061,005</b> | <b>66,190,602</b> | <b>69,963,609</b> | <b>73,655,050</b> | <b>78,280,753</b> | <b>82,771,755</b>   | <b>4.9%</b>            |

School Enrollment

Over the past ten years, School enrollment in Needham has increased by 11.8%, or 587 additional students. Chart 1.1 and Table 1.6 detail the School enrollment growth.

**Chart 1.1  
Needham Public Schools Enrollment 2006/2007 to 2015/2016**



Source: 2006/2007 - 2014/2015:DESE; 2015/2016: NPS

**Table 1.6  
Needham Public Schools Enrollment**

|                 | Enrollment | Percentage Change |
|-----------------|------------|-------------------|
| 2006/2007       | 4,995      | 1.6%              |
| 2007/2008       | 5,013      | 0.4%              |
| 2008/2009       | 5,115      | 2.0%              |
| 2009/2010       | 5,311      | 3.8%              |
| 2010/2011       | 5,358      | 0.9%              |
| 2011/2012       | 5,409      | 1.0%              |
| 2012/2013       | 5,476      | 1.2%              |
| 2013/2014       | 5,523      | 0.9%              |
| 2014/2015       | 5,519      | -0.1%             |
| 2015/2016       | 5,582      | 1.1%              |
| <b>Increase</b> | <b>587</b> | <b>11.8%</b>      |

When compared to other jurisdictions in our comparable community group, Needham's school enrollment growth is at the high end of the range – 12% from the 2005/2006 school year to 2014/2015 - compared to the average of 8% (Table 1.7). Needham's enrollment grew by 605 children during that period, ranking 6<sup>th</sup> of 18 comparable communities. The percent of the population that is enrolled in the public schools as a percent of the total population is also at the high end – 19% as compared to the average of 15%, or 6<sup>th</sup> of 18 communities (Table 1.8). Because the 2015/2016 school year information for comparable communities is not yet available from DESE, the prior ten year period was used for this comparison.

| Community                      | 10 year Change |
|--------------------------------|----------------|
| Brookline                      | 25%            |
| Winchester                     | 18%            |
| Natick                         | 16%            |
| Belmont                        | 16%            |
| Arlington                      | 15%            |
| <b>Needham</b>                 | <b>12%</b>     |
| Wellesley                      | 11%            |
| Bedford                        | 11%            |
| Westwood                       | 10%            |
| Milton                         | 10%            |
| Newton                         | 10%            |
| Lexington                      | 9%             |
| Walpole                        | 2%             |
| Watertown                      | 2%             |
| Framingham                     | 0.4%           |
| Dedham                         | -4%            |
| Weston                         | -4%            |
| Wayland                        | -9%            |
| <b>Average without Needham</b> | <b>8%</b>      |

**Table 1.7  
Comparable  
Enrollment  
Growth  
2005/2006  
to  
2014/2015**

Source: DESE

**Table 1.8  
School  
Enrollment  
as a Percent  
of  
Population  
2014/2015**

Source: DESE

| Community                      | % School Age |
|--------------------------------|--------------|
| Westwood                       | 22%          |
| Lexington                      | 22%          |
| Winchester                     | 21%          |
| Wayland                        | 20%          |
| Weston                         | 20%          |
| <b>Needham</b>                 | <b>19%</b>   |
| Bedford                        | 19%          |
| Wellesley                      | 18%          |
| Belmont                        | 17%          |
| Walpole                        | 16%          |
| Natick                         | 16%          |
| Newton                         | 15%          |
| Milton                         | 15%          |
| Brookline                      | 13%          |
| Arlington                      | 12%          |
| Framingham                     | 12%          |
| Dedham                         | 11%          |
| Watertown                      | 8%           |
| <b>Average without Needham</b> | <b>15%</b>   |

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## Balanced Budget Highlights

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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

The **Retirement Assessments** budget increased by 8.7% over FY2016 and includes both

the contributory and non-contributory retirement budgets. Beginning in FY2016, the Retirement Board voted to adopt an actuarial schedule that reduced the assumed rate of return (discount rate) from 8.00% to 7.75%. Moving toward a more conservative actuarial estimate has been a long-standing goal, and the Board has discussed a further reduction in the near future. This appropriation funds both the normal cost (the cost of current employees' future pensions) as well as the System's unfunded pension liability. The funded status of the System on an actuarial basis was 68.63% (71.07% on a market basis) on January 1, 2015, as compared to 67.89% and 71.53% respectively on January 1, 2014. Factors that impact the unfunded liability (and therefore the funding schedule for fiscal year 2017) include the implementation of a new "generational" mortality table and the increase in the COLA base from \$12,000 to \$14,000 enacted at the 2015 Annual Town Meeting. Increases in the unfunded liability were partially offset by a small experience gain (primarily associated with lower than expected salary increases). The current funding schedule includes three years of higher than normal increases, returning to the 4.35% range in FY2020.

**Employee Benefits and Employer Assessments** The recommended employee benefits budget reflects an increase of 12.1%. The submitted budget has been increased by \$208,388 to account for the net increase of 9 FTEs recommended in the General Government (3) and School Department budgets (6) and for recommended increases in part-time hours. The West Suburban Health Group – a consortium of regional towns and districts joining together to purchase health insurance – has not yet released the health insurance rate structure for FY2017, so this budget is still preliminary. This budget assumes a 9.0% increase in most health insurance premiums for fiscal year 2017, and includes a provision for the enrollment of 20 additional employees who do not currently participate in the Town's group health program. The budget assumes a current enrollment of 824 active subscribers – an increase of 7 subscribers or .73% over the FY2016 level. While insurance rates are expected to increase by 9.0%, the health insurance portion of this budget is expected to increase by 10.5% due to the allocation for recommended increases in headcount and the reserve for potential increases in enrollment. Allocations for Medicare and Social Security are also increasing in the range of 10.5% based on recent trends. The unemployment line remains unchanged for FY2017.

**Retiree Insurance and Insurance Liability Fund** This budget request increased by 4.4% from FY2016 to FY2017. The proposed budget is based on the July 1, 2013 funding schedule, which also assumes a return of 7.75%. An actuarial analysis for the year ending June 30, 2015 is underway and will be reflected in the FY2018 budget.

**General Fund Debt Service** The recommended debt budget has been reduced by 2.7% for FY2017. The change reflects a reduction in excluded debt and CPA debt – FY2014 was the peak debt service year for both categories. The reduction also reflects the transfer of the supplemental appropriation of \$250,000 at the November 2, 2015 Special Town Meeting to the Debt Service Stabilization Fund as outlined later in this document.

**Casualty, Liability and Self-Insurance** The recommended budget has increased by 4% over FY2016 based on the number and value of facilities and equipment covered.

**Classification, Performance and Settlements (CPS)** This line provides a reserve for funding General Government personnel-related items as they occur during the year. Three of the Town's collective bargaining agreements are not yet settled for FY2016 and FY2017. The Classification, Performance and Settlements line includes a reserve for those three settlements, as well as for performance increases, merit pay, reclassification for non-

represented personnel, and adjustment for elected officials' pay as approved by Town Meeting.

The purpose of the **Reserve Fund** is to provide an annual budgetary reserve for unforeseen or extraordinary expenses. The FY2017 Reserve Fund request presented by the Finance Committee is calculated at 1.4% of the projected operating budget – an increase of 5.1% over FY2016.

**Needham Electric, Light and Gas Program** The Municipal Lighting budget has been reconfigured to include the Town's electricity and natural gas budgets and has been renamed the Needham Electric, Light and Gas Program. Given the nature of the program, it has also been reallocated to the Townwide expense category. Responsibility for the oversight of the budget has been transferred to the Finance Department with the reallocation of \$2,739,942 in expenses from Public Facilities, Public Works, and Park and Recreation. While the consolidation of the energy budgets will provide for ease of administrative review and analysis, the basis of the conversion for FY2017 is the inauguration of the solar program. Under this program, the Town has contracted with Solar City to provide a minimum of 4,265,819 kwh of solar power. The Town will pay Solar City for generating this energy, which will be transferred to the public utility Eversource. Eversource will pay the Town approximately two times the amount the Town pays to Solar City under the "net metering" program. It is expected that the net metering credits will be provided to the Town in the form of cash payments. As such, the Town will budget for the amount required to pay Solar City, and will include the amounts expected from Eversource in estimating revenue.

## General Government

**Board of Selectmen/Town Manager** The recommended Board of Selectmen/Town Manager's budget decreased by 2.6% primarily attributable to the deferral of the Management Fellow program in FY2017 resulting in the reduction of one FTE.

**Town Clerk/Board of Registrars** The recommended Town Clerk/Board of Registrars budget increased by 8.6% primarily due to the number of elections (three) scheduled for FY2017 and projected compensation adjustments for existing staff. Any adjustment to the Town Clerk's salary will be transferred from the Classification, Performance and Settlements line.

**Town Counsel** The recommended legal budget includes no change from FY2016.

**Personnel Board** The \$15,000 Personnel Board budget has been reallocated from salaries to expenses for FY2017 to account for the deferral of the Management Fellow Program, which was partially funded through this line item. There is no recommended increase in the Personnel Board budget.

**Finance Department** The recommended Finance Department budget increased by 3.1% from FY2016 to FY2017, attributable to projected compensation adjustments for existing staff, software licenses and technology replacement, and the reallocation of the network switches and hardware program that was previously funded through the capital plan.

**Finance Committee** This budget increased by 5% from FY2016 to FY2017 due to projected compensation adjustments for existing staff.

## Planning and Community Development

The recommended Community Development budget has increased by 4.8% attributable to projected compensation adjustments for existing staff, and the recommendation for an additional five hours per week for an existing, benefit-eligible employee who provides administration support for all of the divisions in the Department (\$6,347). The proposed increase is recommended in recognition of the workload in the Department attributable to building construction and mindful of the vote of the Board of Selectmen to increase Building Permit fees. The submitted budget has been reduced by \$19,051 which constitutes half of the funding for the Town's Community Housing Specialist which is proposed for funding through the Community Preservation Fund. The part-time, non-benefit eligible position was originally funded on a pilot basis 100% through CPC funding. In FY2016, half of the funding was appropriated from the operating budget and we propose to continue this funding strategy. Conversations with the Community Preservation Committee are on-going – if the CPA funding is not available, this funding recommendation will be revised to include 100% funding through the operating budget.

## Public Safety

**The Police Department** budget is proposed to increase by 4.3%, primarily attributable to projected compensation increases for existing staff. Funding for four additional police officers has been deferred to a future year. The redevelopment of the Needham Crossing business district will have a significant impact on the ability of the Needham Police Department to respond to service calls. In addition to the 350 units of residential housing at Charles River Landing, the TripAdvisor World Headquarters, and the new Marriott Residence Inn, several new office buildings and hotels are in the process or have been permitted, as have 390 units of residential housing. The Mixed Use 128 and Highland Commercial Districts have recently been zoned to allow the location of Registered Marijuana Dispensaries, and proposals to allow housing the Mixed Use 128 District are under discussion. The level of growth will result in increased revenue and expenses for the Town.

**Fire Department** The recommended Fire Department budget is 1.4% higher in FY2017 than FY2016. However, the budget request does not include any contractual salary increases for the Fire Union. An allowance for such increases is included in the CPS. The recommended budget includes \$18,720 for a new part-time position to augment the Fire Prevention Division for nine hours per week. This position will conduct pre-fire planning inspections of Town buildings and schools, and commercial establishments. Information gathered at these inspections will include pictures, floor plans, hazardous material locations and amounts, as well as any other pertinent information vital to the efficient and effective mitigation of an emergency incident. The data gathered will be entered into the CAD database. This site information will be accessible to emergency responders while on scene through the use of tablets, thereby aiding in their response. The information will also be available to dispatchers who advise companies prior to their arrival of hazards or special concerns associated with any given site. The request to fund an additional four Firefighter/Paramedics to staff a second full time ambulance at Station 2 (Needham Heights) in the amount of \$311,460 has been deferred. Similar to the requested increase in Police personnel, this request is based on current and expected growth in the Needham Heights and Needham Crossing area. At this time, only one full time ambulance covers the entire Town from the Station 1 (Needham Square) location.

Housing a second full time ambulance at Station 2 may have a positive impact on average response times.

**Building Department** The recommended budget for the Building Department is 15.1% higher than FY2016, and includes an increase of \$20,000 for a fire engineer consultant previously funded in the Fire Department. As of January, 2015 the Building Department assumed the responsibility of large commercial fire sprinkler and fire alarm plan reviews. The recommended budget also includes two part-time inspectors – plumbing and gas and wiring (a total of \$61,542). The increased staffing in the Department has been funded by new revenue associated with the vote of the Board of Selectmen to increase building permit fees in recognition of the level of development in the community.

## Education

**Minuteman School** The Town has received a preliminary assessment from the Minuteman School in the amount of \$763,830 which is \$28,583 higher than the forecasted budget and 16.8% higher than the FY2016 appropriation. The budget is based on the number of students from the sending jurisdiction and the proportion of overall enrollment.

**Needham Public Schools** The Town Manager's recommended budget for the School Department is \$65,058,714, representing an increase of 5.8%. This recommendation includes the Superintendent's submitted budget request of \$61,073,288, less proposed reductions identified by the Superintendent in the amount of \$220,865. Additionally, the budget includes an allocation for operating capital removed from the Capital Improvement Plan of \$340,700 (as described more fully in the Executive Summary of the FY2017 – FY2021 Capital Improvement Plan).

## Public Works

The Department of Public Works General Fund operating budget is recommended at \$5,602,411, an increase of 2.7%, which will cover expenses for existing staff and operations. The recommended budget includes an allocation of \$12,788 to fund two temporary laborers in the Highway Division, \$30,000 for on-going fencing repairs in the Parks & Forestry Division, and a one-time allocation of \$8,760 to replace a GIS unit in the Engineering Division. The DPW operating budget has been reduced by \$52,214 in energy expenses reallocated to the Needham Electric, Light and Gas Program.

**Municipal Parking** The recommended Municipal Parking budget is 2.2% higher in FY2017, attributable to an increase in the number of parking lots that will be maintained by the Town, annual increases in lease payments, and the transition of parking lot rental payments for the Needham Public Library from the Library's State Aid account to the General Fund. New parking lots include the expanded Lincoln Street Lot, the new public lot at the corner of School Street and Lincoln Street, the new Public Safety lot on School Street, and the expanded Eaton Square Lot and new pedestrian plaza.

## Public Facilities

The recommended budget for the Department of Public Facilities is 28% less than the FY2016 budget due to the reallocation of electricity and natural gas expenses to the Needham Electric, Light and Gas Program. The recommended budget does not include projected compensation adjustments for most union personnel. An allowance for projected salary increases for those employees is included in the Classification, Performance and Settlements budget. Given the current and projected number of construction projects, the recommended budget includes the addition of one full-time project manager with funding phased in over two years. The allowable portion of PFD Project Manager salaries is charged to project budgets, as would be the case if the Town were to contract out project management services. Budgeting for the full salary of project managers provides a greater level of flexibility, and unexpended funds are returned in the form of Free Cash. The recommendation is to fund half of the full-time salary in FY2017 and the balance in FY2018.

## Human Services

**Health & Human Services (HHS) Department** The recommended FY2017 budget reflects an increase of 3.8%, attributable to projected compensation increases for existing personnel. The recommendation also includes the reallocation of funds to meet critical priorities, including reallocation of funds previously allocated to the Senior Program Coordinator (\$77,011), as the Town received a Federal grant to support the program for an additional five years, and reallocation of funds previously allocated to a part-time Outreach Worker (\$13,870). The proposal would bring the Social Worker at the Center at the Heights from part-time to full-time (\$23,114), create an additional social worker (\$66,662) to support adult residents in need – bridging the gap between the existing Social Workers in Youth Service and the Center at the Heights – and allocate additional part-time hours to the Emergency Preparedness Program. These reallocations will allow the Town to better address the complex social service and mental health needs of its residents, and to offer such services outside of normal business hours. Other HHS priorities, including an additional Public Health Environmental Health Agent (\$97,758) and Public Health accreditation (\$5,000) have been deferred.

**Commission on Disabilities** No change is recommended to the Commission on Disabilities budget in FY2017.

**Historical Commission** No change is recommended to the Historic Commission budget in FY2017.

**Public Library** The recommended Library budget is 0.6% higher than FY2016, and includes a recommended increase in part-time circulation desk hours (\$15,912). 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. The submitted budget request was reduced by a total of \$33,619 for a network transfer page, Sunday openings during the month of June, Comcast Internet fees, Overdrive subscription fees, and on-line computer services.

**Park and Recreation** The Park and Recreation budget decreased by 1.7% from FY2016 to FY2017 attributable primarily to the reallocation of \$9,500 in energy expenses reallocated to the Needham Electric, Light and Gas Program.

**Memorial Park** No change is proposed to the Memorial Park budget for FY2017.

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# Beyond the General Fund Operating Budgets

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## Capital Budget Summary

The focus of this document is the FY2017 General Fund, Enterprise Fund, and Community Preservation Fund budgets. The FY2017 – FY2021 Capital Improvement Plan (CIP) is published as a separate document. An integral part of the balanced budget proposal contained herein, however, is the funding of capital and other non-operating budget items. The FY2017 proposed annual budget includes \$2,516,117 in General Fund cash capital projects. In addition to the projects contained in the five year CIP, the Town will also fund projects through Chapter 90 funds received from the Commonwealth. Currently, the Chapter 90 allotment is funding the design of the Needham Center Improvement Project, Phase 1, including the installation of new traffic signals, and street and sidewalk layouts.

## Enterprise Fund Summary

**RTS** The recommended Recycling & Solid Waste Enterprise Fund budget is 4% higher than FY2016 and covers expenses for existing staff and operations.

**Sewer** The recommended Sewer Enterprise Fund budget is 0.6% higher than in fiscal year 2016, and covers expenses for existing staff and operations. The MWRA Sewer Assessment, which represents a significant portion of the Sewer Enterprise Fund Budget, has been level-funded as preliminary assessments are not yet available.

**Water** The recommended Water Enterprise Fund budget is 1.1% higher than the FY2016 budget, and covers expenses for existing staff and operations. The MWRA Water Assessment, which represents a significant portion of the Water Enterprise Fund Budget, has been level-funded as preliminary assessments are not yet available.

**Community Preservation** The administrative budget of the Community Preservation Fund is unchanged from FY2016.

## Other Financial Warrant Articles

Given the amount of Free Cash available for appropriation, and consistent with the Town's policy to minimize the use of Free Cash for recurring operating expenses, the FY2017 proposed budget includes allocation of funds to one time programs and projects, and to reserves.

**Compensated Absences Fund** 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. Given the projected level of retirements and existing fund balance, there is no request for compensated absences funding this year.

**Senior Corps Program** The FY2017 proposed budget includes \$15,000 for the Senior Corps Program.

**Property Tax Assistance Program** The balanced budget includes \$13,222 in funding for the Property Tax Assistance Program. 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 \$13,222 in fiscal year 2015.

**GF/RTS Contribution** The balanced budget includes an estimated contribution to the RTS Enterprise Fund of \$1,420,000 - unchanged from the FY2016 budget. The submitted budget was reduced by \$42,600 reflective of the annual lease payments that will be provided to the Fund from the solar project on the capped landfill.

**Drains/Sewer Contribution** The balanced budget includes a \$519,846 contribution to the Sewer Enterprise Fund to offset the cost of the Drains program – an increase of 5.1% over FY2016. The Drains program, which is a General Fund expense, is appropriated to the Sewer Enterprise Fund as it is more efficient to account for the program in that manner.

**Public Facilities Maintenance Program** – Beginning in FY2016, funding for the Public Facilities Maintenance Program was transitioned from the Capital Improvement Plan to the operating budget. This warrant article covers annual necessary maintenance of public buildings throughout the Town and School department. Unless circumstances require otherwise, the FY2017 program will fund duct cleaning at the Hillside School, Public Services Administration Building, Library, and Eliot School, flooring replacement at the Broadmeadow and Pollard Schools, wood floor refinishing, renovation of two bathrooms, replacing seats in the auditorium and replacing lockers at the Pollard School, and Xeriscaping at Needham High School.

**Athletic Facility Stabilization Fund** The 2012 Annual Town Meeting approved the creation of an athletic facility stabilization fund to set aside capital funds for renovation and reconstruction of the Town's athletic facilities and associated structures, particularly at Memorial Park and DeFazio Field Complex (Table 1.9). The Town Manager's recommendation for funding the Athletic Facility Stabilization Fund in FY2017 includes the traditional match of the Park and Recreation administrative fee receipts (\$44,496 in FY2015), and \$300,000 as the second year of a five year plan to set aside funds for the replacement of the synthetic turf fields – estimated at \$2.5 million in 2020. Finally, the recommended budget includes an appropriation of \$650,000 in support of the effort, begun in FY2016, to set aside funds to support the renovation or reconstruction of the Memorial Park Building. It is expected that a combination of funding sources will be required to achieve that goal.

**Table 1.9**  
**Athletic Facility Improvement Fund**  
**June 30 Balance**

| FY   | Start     | Interest | Appropriations | Balance     |
|------|-----------|----------|----------------|-------------|
| 2012 | \$0       | \$0      | \$0            | \$0         |
| 2013 | \$0       | \$368    | \$282,728      | \$283,096   |
| 2014 | \$283,096 | \$1,257  | \$616,980      | \$901,333   |
| 2015 | \$901,333 | \$1,913  | \$1,067,107    | \$1,970,353 |

**Debt Service Stabilization Fund** The November 2, 2015 Special Town Meeting approved the creation of a Debt Service Stabilization Fund (DSSF) to set aside funds to be available to pay certain debt obligations. This fund is intended to be part of the Town's overall planning strategy for addressing capital facility needs. The fund provides added flexibility by smoothing out the impact of debt payments in years when the debt level is higher than is typically recommended. The fund would also be beneficial at times when interest rates are higher than expected. The plan for the fund is designed to ensure that the monies are not depleted in a single year, and that the amount available for appropriation is known before the budget year begins. The base recommended funding for the DSSF will be the amount of net revenue estimated from the Town's participation in the solar array/net metering program (\$362,595 in FY2017). The FY2017 budget recommendation assumes the transfer of the additional \$250,000 allocated to the debt budget in FY2016 to the DSSF for a total recommended appropriation of \$612,595. Future allocations to the DSSF above the base level funded by solar net metering revenue are proposed from hotel excise revenue expected from several hotels permitted and/or proposed for Needham Crossing.

The recommended funding for Financial Warrant Articles assumes a Free Cash certification of \$6,000,000. If Free Cash is certified at a higher amount, additional funding of the AFSF or DSSF is recommended.

## In Conclusion

This balanced budget proposal is promulgated prior to the completion of the budget process for the Commonwealth. As revenue estimates are refined in the winter and spring, we will work with the various Town boards and committees in preparing the final budget to be presented to Town Meeting.

Our entire management team has worked collectively to implement creative ways of meeting the Town's sustainability goals. Efforts have been made to implement measures that will maximize the productivity of our organization and deliver the highest quality of services within available resources.

I appreciate the spirit of cooperation that has been demonstrated by the Board of Selectmen, School Committee, and Finance Committee in the development of this budget, and applaud the commitment to sustainability on the part of Town boards and committees, Town Meeting, and ultimately the community. We are fortunate to have a dedicated and

loyal staff working every day to maintain the high quality of life our residents expect and deserve. I thank you for the opportunity to serve the residents and businesses in the Town of Needham.

*Kate Fitzpatrick*

Town Manager

Fiscal Year 2017 Proposed Budget

| Line #   | Budget   | FY2015<br>Expenditures | FY2016<br>Budget as of<br>12/2015 | FY2017<br>Department<br>Request | FY2017<br>\$ Change | FY2017<br>% Change | TOWN MANAGER RECOMMENDATION |                     |                    |
|--|--|------------------------|-----------------------------------|---------------------------------|---------------------|--------------------|-----------------------------|---------------------|--------------------|
|  |  |                        |                                   |                                 |                     |                    | FY2017<br>Balance Budget    | FY2017<br>\$ Change | FY2017<br>% Change |
| 1  | Casualty, Liability, Property and Self Insurance Program                       | 536,000                | 560,000                           | 582,400                         | 22,400              | 4.0%               | 582,400                     | 22,400              | 4.0%               |
| 2  | Debt Service   | 11,580,940             | 11,474,301                        | 11,161,839                      | (312,462)           | -2.7%              | 11,161,839                  | (312,462)           | -2.7%              |
| 3  | Group Health Insurance, Employee Benefits, Assessments, & Administrative Costs | 10,167,091             | 11,770,207                        | 13,609,361                      | 1,839,154           | 15.6%              | 13,190,259                  | 1,420,052           | 12.1%              |
| 4  | Needham Electric, Light, & Gas Program   |                        |                                   |                                 |                     |                    | 3,414,290                   | 3,414,290           |                    |
| 5  | Retiree Insurance Program & Insurance Liability Fund                           | 5,140,198              | 5,336,302                         | 5,568,923                       | 232,621             | 4.4%               | 5,568,923                   | 232,621             | 4.4%               |
| 6  | Retirement Assessments   | 5,558,930              | 6,185,312                         | 6,724,500                       | 539,188             | 8.7%               | 6,724,500                   | 539,188             | 8.7%               |
| 7  | Workers Compensation   | 586,252                | 609,702                           | 634,090                         | 24,388              | 4.0%               | 634,090                     | 24,388              | 4.0%               |
| 8  | Classification, Performance and Settlements*                                   | see note               | 159,387                           | 600,000                         | 440,613             | 276.4%             | 600,000                     | 440,613             | 276.4%             |
| 9  | Reserve Fund*  | see note               | 1,524,767                         | 1,602,452                       | 77,685              | 5.1%               | 1,602,452                   | 77,685              | 5.1%               |
| <b>TOTAL</b>   |  | <b>33,569,411</b>      | <b>37,619,978</b>                 | <b>40,483,565</b>               | <b>2,863,587</b>    | <b>7.6%</b>        | <b>43,478,753</b>           | <b>5,858,775</b>    | <b>15.6%</b>       |
| *This is a budget reserve and therefore no direct expenditure from this line is allowed, only transfers to other budget lines. |  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>Board of Selectmen &amp; Town Manager</b>   |  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 11A  | Salary & Wages   | 715,158                | 785,523                           | 755,962                         | (29,561)            |                    | 755,962                     | (29,561)            | -3.8%              |
| 11B  | Expenses   | 97,959                 | 111,312                           | 117,342                         | 6,030               |                    | 117,342                     | 6,030               | 5.4%               |
| 11C  | Capital  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>   |  | <b>813,117</b>         | <b>896,835</b>                    | <b>873,304</b>                  | <b>(23,531)</b>     | <b>-2.6%</b>       | <b>873,304</b>              | <b>(23,531)</b>     | <b>-2.6%</b>       |
| <b>Town Clerk and Board of Registrars</b>  |  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 12A  | Salary & Wages   | 293,229                | 321,314                           | 345,579                         | 24,265              |                    | 345,579                     | 24,265              | 7.6%               |
| 12B  | Expenses   | 44,368                 | 45,520                            | 52,750                          | 7,230               |                    | 52,750                      | 7,230               | 15.9%              |
| 12C  | Capital  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>   |  | <b>337,597</b>         | <b>366,834</b>                    | <b>398,329</b>                  | <b>31,495</b>       | <b>8.6%</b>        | <b>398,329</b>              | <b>31,495</b>       | <b>8.6%</b>        |
| <b>Town Counsel</b>  |  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 13A  | Salary & Wages   | 73,584                 | 75,422                            | 75,442                          | 20                  |                    | 75,442                      | 20                  | 0.0%               |
| 13B  | Expenses   | 273,340                | 254,000                           | 254,000                         |                     |                    | 254,000                     |                     |                    |
| 13C  | Capital  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>   |  | <b>346,924</b>         | <b>329,422</b>                    | <b>329,442</b>                  | <b>20</b>           | <b>0.0%</b>        | <b>329,442</b>              | <b>20</b>           | <b>0.0%</b>        |
| <b>Personnel Board</b>   |  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 14A  | Salary & Wages   |                        | 15,000                            |                                 | (15,000)            |                    |                             | (15,000)            |                    |
| 14B  | Expenses   |                        |                                   | 15,000                          | 15,000              |                    | 15,000                      | 15,000              |                    |
| 14C  | Capital  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>   |  |                        | <b>15,000</b>                     | <b>15,000</b>                   |                     |                    | <b>15,000</b>               |                     |                    |
| <b>Finance Department</b>  |  |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 15A  | Salary & Wages   | 1,497,285              | 1,709,311                         | 1,747,977                       | 38,666              |                    | 1,747,977                   | 38,666              | 2.3%               |
| 15B  | Expenses   | 755,471                | 813,261                           | 824,755                         | 11,494              |                    | 824,755                     | 11,494              | 1.4%               |
| 15C  | Capital  | 37,500                 | 38,475                            | 68,475                          | 30,000              |                    | 68,475                      | 30,000              | 78.0%              |
| <b>TOTAL</b>   |  | <b>2,290,256</b>       | <b>2,561,047</b>                  | <b>2,641,207</b>                | <b>80,160</b>       | <b>3.1%</b>        | <b>2,641,207</b>            | <b>80,160</b>       | <b>3.1%</b>        |

Fiscal Year 2017 Proposed Budget

| Line #                                      | Budget                 | FY2015<br>Expenditures | FY2016<br>Budget as of<br>12/2015 | FY2017<br>Department<br>Request | FY2017<br>\$ Change | FY2017<br>% Change | TOWN MANAGER RECOMMENDATION |                     |                    |
|---|------------------------|------------------------|-----------------------------------|---------------------------------|---------------------|--------------------|-----------------------------|---------------------|--------------------|
|   |                        |                        |                                   |                                 |                     |                    | FY2017<br>Balance Budget    | FY2017<br>\$ Change | FY2017<br>% Change |
| <b>Finance Committee</b>                    |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 16A   | Salary & Wages         | 32,462                 | 34,000                            | 35,733                          | 1,733               |                    | 35,733                      | 1,733               | 5.1%               |
| 16B   | Expenses               | 817                    | 1,225                             | 1,250                           | 25                  |                    | 1,250                       | 25                  | 2.0%               |
| 16C   | Capital                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>                                |                        | <b>33,279</b>          | <b>35,225</b>                     | <b>36,983</b>                   | <b>1,758</b>        | <b>5.0%</b>        | <b>36,983</b>               | <b>1,758</b>        | <b>5.0%</b>        |
| <b>Planning &amp; Community Development</b> |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 17A   | Salary & Wages         | 406,842                | 463,636                           | 505,793                         | 42,157              |                    | 486,742                     | 23,106              | 5.0%               |
| 17B   | Expenses               | 26,589                 | 28,318                            | 28,608                          | 290                 |                    | 28,608                      | 290                 | 1.0%               |
| 17C   | Capital                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>                                |                        | <b>433,431</b>         | <b>491,954</b>                    | <b>534,401</b>                  | <b>42,447</b>       | <b>8.6%</b>        | <b>515,350</b>              | <b>23,396</b>       | <b>4.8%</b>        |
| <b>Police Department</b>                    |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 18A   | Salary & Wages         | 5,138,377              | 5,765,222                         | 6,220,484                       | 455,262             |                    | 5,967,300                   | 202,078             | 3.5%               |
| 18B   | Expenses               | 221,292                | 312,290                           | 314,755                         | 2,465               |                    | 314,755                     | 2,465               | 0.8%               |
| 18C   | Capital                | 170,112                | 166,964                           | 228,902                         | 61,938              |                    | 228,902                     | 61,938              | 37.1%              |
| <b>TOTAL</b>                                |                        | <b>5,529,782</b>       | <b>6,244,476</b>                  | <b>6,764,141</b>                | <b>519,665</b>      | <b>8.3%</b>        | <b>6,510,957</b>            | <b>266,481</b>      | <b>4.3%</b>        |
| <b>Fire Department</b>                      |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 19A   | Salary & Wages         | 6,652,379              | 6,894,466                         | 7,243,815                       | 349,349             |                    | 6,961,155                   | 66,689              | 1.0%               |
| 19B   | Expenses               | 249,319                | 300,936                           | 357,802                         | 56,866              |                    | 329,002                     | 28,066              | 9.3%               |
| 19C   | Capital                | 29,247                 | 20,311                            | 23,835                          | 3,524               |                    | 23,835                      | 3,524               | 17.4%              |
| <b>TOTAL</b>                                |                        | <b>6,930,945</b>       | <b>7,215,713</b>                  | <b>7,625,452</b>                | <b>409,739</b>      | <b>5.7%</b>        | <b>7,313,992</b>            | <b>98,279</b>       | <b>1.4%</b>        |
| <b>Building Department</b>                  |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 20A   | Salary & Wages         | 541,313                | 579,030                           | 687,129                         | 108,099             |                    | 651,327                     | 72,297              | 12.5%              |
| 20B   | Expenses               | 20,839                 | 31,040                            | 51,040                          | 20,000              |                    | 51,040                      | 20,000              | 64.4%              |
| 20C   | Capital                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>                                |                        | <b>562,152</b>         | <b>610,070</b>                    | <b>738,169</b>                  | <b>128,099</b>      | <b>21.0%</b>       | <b>702,367</b>              | <b>92,297</b>       | <b>15.1%</b>       |
| <b>Minuteman Assessment</b>                 |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 21  | Minuteman Assessments  | 893,211                | 654,134                           | 735,247                         | 81,113              | 12.4%              | 763,830                     | 109,696             | 16.8%              |
| <b>Needham Public Schools</b>               |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 22  | Needham Public Schools | 57,873,958             | 61,480,687                        | 64,938,879                      | 3,458,192           | 5.6%               | 65,058,714                  | 3,578,027           | 5.8%               |
| <b>Department of Public Facilities</b>      |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 23A   | Salary & Wages         | 3,273,243              | 3,586,006                         | 3,672,228                       | 86,222              |                    | 3,626,013                   | 40,007              | 1.1%               |
| 23B   | Expenses               | 4,677,054              | 5,028,646                         | 5,273,029                       | 244,383             |                    | 2,578,802                   | (2,449,844)         | -48.7%             |
| 23C   | Capital                | 48,150                 |                                   |                                 |                     |                    |                             |                     |                    |
| <b>TOTAL</b>                                |                        | <b>7,998,447</b>       | <b>8,614,652</b>                  | <b>8,945,257</b>                | <b>330,605</b>      | <b>3.8%</b>        | <b>6,204,815</b>            | <b>(2,409,837)</b>  | <b>-28.0%</b>      |
| <b>Department of Public Works</b>           |                        |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 24A   | Salary & Wages         | 3,326,637              | 3,483,097                         | 3,589,558                       | 106,461             |                    | 3,589,558                   | 106,461             | 3.1%               |
| 24B   | Expenses               | 1,449,580              | 1,548,231                         | 1,618,228                       | 69,997              |                    | 1,566,014                   | 17,783              | 1.1%               |
| 24C   | Capital                | 6,275                  | 18,000                            | 38,800                          | 20,800              |                    | 38,800                      | 20,800              | 115.6%             |
| 24D   | Snow and Ice           | 1,713,370              | 404,000                           | 408,039                         | 4,039               |                    | 408,039                     | 4,039               |                    |
| <b>TOTAL</b>                                |                        | <b>6,495,862</b>       | <b>5,453,328</b>                  | <b>5,654,625</b>                | <b>201,297</b>      | <b>3.7%</b>        | <b>5,602,411</b>            | <b>149,083</b>      | <b>2.7%</b>        |

Fiscal Year 2017 Proposed Budget

| Line #                                 | Budget                        | FY2015<br>Expenditures | FY2016<br>Budget as of<br>12/2015 | FY2017<br>Department<br>Request | FY2017<br>\$ Change | FY2017<br>% Change | TOWN MANAGER RECOMMENDATION |                     |                    |
|--|-------------------------------|------------------------|-----------------------------------|---------------------------------|---------------------|--------------------|-----------------------------|---------------------|--------------------|
|  |                               |                        |                                   |                                 |                     |                    | FY2017<br>Balance Budget    | FY2017<br>\$ Change | FY2017<br>% Change |
| <b>Municipal Parking Program</b>       |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 25                                     | Municipal Parking Program     | 60,787                 | 97,730                            | 99,864                          | 2,134               | 2.2%               | 99,864                      | 2,134               | 2.2%               |
| <b>Municipal Lighting Program</b>      |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
|  | Municipal Lighting Program    | 201,113                | 254,951                           | 249,925                         | (5,026)             | -2.0%              | (254,951)                   |                     | -100.0%            |
| <b>Health &amp; Human Services</b>     |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 26A                                    | Salary & Wages                | 970,464                | 1,190,850                         | 1,333,258                       | 142,408             |                    | 1,235,205                   | 44,355              | 3.7%               |
| 26B                                    | Expenses                      | 239,308                | 245,245                           | 261,060                         | 15,815              |                    | 256,060                     | 10,815              | 4.4%               |
| 26C                                    | Capital                       |                        |                                   |                                 |                     |                    |                             |                     |                    |
|  | <b>TOTAL</b>                  | <b>1,209,772</b>       | <b>1,436,095</b>                  | <b>1,594,318</b>                | <b>158,223</b>      | <b>11.0%</b>       | <b>1,491,265</b>            | <b>55,170</b>       | <b>3.8%</b>        |
| <b>Commission on Disabilities</b>      |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 27A                                    | Salary & Wages                | 1,500                  | 1,500                             | 1,500                           |                     |                    | 1,500                       |                     |                    |
| 27B                                    | Expenses                      | 178                    | 550                               | 550                             |                     |                    | 550                         |                     |                    |
|  | <b>TOTAL</b>                  | <b>1,678</b>           | <b>2,050</b>                      | <b>2,050</b>                    |                     |                    | <b>2,050</b>                |                     |                    |
| <b>Historical Commission</b>           |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 28A                                    | Salary & Wages                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 28B                                    | Expenses                      | 333                    | 1,050                             | 1,050                           |                     |                    | 1,050                       |                     |                    |
|  | <b>TOTAL</b>                  | <b>333</b>             | <b>1,050</b>                      | <b>1,050</b>                    |                     |                    | <b>1,050</b>                |                     |                    |
| <b>Needham Public Library</b>          |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 29A                                    | Salary & Wages                | 1,156,157              | 1,250,534                         | 1,273,723                       | 23,189              |                    | 1,259,079                   | 8,545               | 0.7%               |
| 29B                                    | Expenses                      | 317,329                | 328,068                           | 347,993                         | 19,925              |                    | 329,018                     | 950                 | 0.3%               |
|  | <b>TOTAL</b>                  | <b>1,473,486</b>       | <b>1,578,602</b>                  | <b>1,621,716</b>                | <b>43,114</b>       | <b>2.7%</b>        | <b>1,588,097</b>            | <b>9,495</b>        | <b>0.6%</b>        |
| <b>Parks and Recreation Department</b> |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 30A                                    | Salary & Wages                | 428,256                | 496,254                           | 495,097                         | (1,157)             |                    | 495,097                     | (1,157)             | -0.2%              |
| 30B                                    | Expenses                      | 102,810                | 114,000                           | 114,000                         |                     |                    | 104,500                     | (9,500)             | -8.3%              |
|  | <b>TOTAL</b>                  | <b>531,066</b>         | <b>610,254</b>                    | <b>609,097</b>                  | <b>(1,157)</b>      | <b>-0.2%</b>       | <b>599,597</b>              | <b>(10,657)</b>     | <b>-1.7%</b>       |
| <b>Memorial Park</b>                   |                               |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 31A                                    | Salary & Wages                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 31B                                    | Expenses                      | 749                    | 750                               | 750                             |                     |                    | 750                         |                     |                    |
|  | <b>TOTAL</b>                  | <b>749</b>             | <b>750</b>                        | <b>750</b>                      |                     |                    | <b>750</b>                  |                     |                    |
|  | <b>Department Budgets</b>     | <b>94,017,943</b>      | <b>98,950,859</b>                 | <b>104,409,206</b>              | <b>5,458,347</b>    | <b>5.5%</b>        | <b>100,749,374</b>          | <b>1,798,515</b>    | <b>1.8%</b>        |
|  | <b>Townwide Expense Group</b> | <b>33,569,411</b>      | <b>37,619,978</b>                 | <b>40,483,565</b>               | <b>2,863,587</b>    | <b>7.6%</b>        | <b>43,478,753</b>           | <b>5,858,775</b>    | <b>15.6%</b>       |
|  | <b>TOTAL</b>                  | <b>127,587,354</b>     | <b>136,570,837</b>                | <b>144,892,771</b>              | <b>8,321,934</b>    | <b>6.1%</b>        | <b>144,228,127</b>          | <b>7,657,290</b>    | <b>5.6%</b>        |

Fiscal Year 2017 Proposed Budget

| Line #   | Budget         | FY2015<br>Expenditures | FY2016<br>Budget as of<br>12/2015 | FY2017<br>Department<br>Request | FY2017<br>\$ Change | FY2017<br>% Change | TOWN MANAGER RECOMMENDATION |                     |                    |
|--|----------------|------------------------|-----------------------------------|---------------------------------|---------------------|--------------------|-----------------------------|---------------------|--------------------|
|  |                |                        |                                   |                                 |                     |                    | FY2017<br>Balance Budget    | FY2017<br>\$ Change | FY2017<br>% Change |
| <b>Recycling and Transfer Station Enterprise</b> |                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 101A   | Salary & Wages | 665,545                | 739,993                           | 766,816                         | 26,823              |                    | 766,816                     | 26,823              | 3.6%               |
| 101B   | Expenses       | 1,204,176              | 1,153,651                         | 1,212,873                       | 59,222              |                    | 1,212,873                   | 59,222              | 5.1%               |
| 101C   | Capital        | 79,318                 | 86,000                            | 86,500                          | 500                 |                    | 86,500                      | 500                 | 0.6%               |
| 101D   | Debt Service   | 117,108                | 150,000                           | 150,000                         |                     |                    | 150,000                     |                     |                    |
| 102  | Reserve Fund   | Transfers only         | 25,000                            | 25,000                          |                     |                    | 25,000                      |                     |                    |
| <b>TOTAL</b>                                     |                | <b>2,066,148</b>       | <b>2,154,644</b>                  | <b>2,241,189</b>                | <b>86,545</b>       | <b>4.0%</b>        | <b>2,241,189</b>            | <b>86,545</b>       | <b>4.0%</b>        |
| <b>Sewer Enterprise</b>                          |                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 201A   | Salary & Wages | 930,174                | 987,170                           | 1,019,922                       | 32,752              |                    | 1,019,922                   | 32,752              | 3.3%               |
| 201B   | Expenses       | 338,417                | 402,011                           | 420,323                         | 18,312              |                    | 420,323                     | 18,312              | 4.6%               |
| 201C   | Capital        | 24,442                 | 50,000                            | 50,000                          |                     |                    | 50,000                      |                     |                    |
| 201D   | MWRA           | 5,466,144              | 5,462,757                         | 5,462,757                       |                     |                    | 5,462,757                   |                     |                    |
| 201E   | Debt Service   | 1,338,092              | 1,500,000                         | 1,500,000                       |                     |                    | 1,500,000                   |                     |                    |
| 202  | Reserve Fund   | Transfers only         | 35,000                            | 35,000                          |                     |                    | 35,000                      |                     |                    |
| <b>TOTAL</b>                                     |                | <b>8,097,269</b>       | <b>8,436,938</b>                  | <b>8,488,002</b>                | <b>51,064</b>       | <b>0.6%</b>        | <b>8,488,002</b>            | <b>51,064</b>       | <b>0.6%</b>        |
| <b>Water Enterprise</b>                          |                |                        |                                   |                                 |                     |                    |                             |                     |                    |
| 301A   | Salary & Wages | 1,049,485              | 1,105,680                         | 1,134,686                       | 29,006              |                    | 1,134,686                   | 29,006              | 2.6%               |
| 301B   | Expenses       | 1,055,256              | 1,034,526                         | 1,084,978                       | 50,452              |                    | 1,084,978                   | 50,452              | 4.9%               |
| 301C   | Capital        | 19,197                 | 30,500                            | 4,000                           | (26,500)            |                    | 4,000                       | (26,500)            | -86.9%             |
| 301D   | MWRA           | 1,193,697              | 1,012,962                         | 1,012,962                       |                     |                    | 1,012,962                   |                     |                    |
| 301E   | Debt Service   | 1,545,746              | 1,550,000                         | 1,550,000                       |                     |                    | 1,550,000                   |                     |                    |
| 302  | Reserve Fund   | Transfers only         | 75,000                            | 75,000                          |                     |                    | 75,000                      |                     |                    |
| <b>TOTAL</b>                                     |                | <b>4,863,381</b>       | <b>4,808,668</b>                  | <b>4,861,626</b>                | <b>52,958</b>       | <b>1.1%</b>        | <b>4,861,626</b>            | <b>52,958</b>       | <b>1.1%</b>        |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department                   | Long-Term Impact   | Measure  | FY15<br>Actual | FY16<br>Actual | FY17<br>Target |
|---|--|--|----------------|----------------|----------------|
| General Government:<br>Accounting             | Clean Audit/No Repeat<br>Comments  | Number of reconciling items<br>minus the number of<br>reconciling items after 6/30 | 1              |                |                |
|   |  | Number of reconciling items  |                |                |                |
| General Government:<br>Accounting             | Funds are available for<br>appropriation when<br>needed  | Number of days completed<br>before or after deadline                               | 29             |                |                |
| General Government:<br>Accounting             | State Aid is not<br>jeopardized  | Number of days completed<br>before or after deadline                               | 105            |                |                |
| General Government:<br>Assessor's             | Strong Tax Revenue<br>available to fund needs  | Cover all or partially<br>completed building activity<br>by 6/30                   | 100%           |                | 100%+          |
| General Government:<br>Assessor's             | Predictable & reliable<br>revenue stream from<br>excise tax  | Percent of Excise Tax<br>abated vs. Total Excise<br>Committed                      | N /A           |                | <3.1%          |
| General Government:<br>Assessor's             | Predictable and reliable<br>revenue stream from tax<br>levy  | % of valuations changed<br>after issuance of tax bill                              | 0.03%          |                | 0.05%          |
| General Government:<br>Collector's Office     | Expedite the receipt of<br>payments, decrease the<br>over the counter activity<br>and accommodate the<br>Tax Payer | % customers paying via<br>Escrow (RE only)   | 24.30%         |                | 25.00%         |
|   |  | % of payments ACH and<br>online Real Estate/Personal<br>and Excise                 | 1.55%          |                | 5.00%          |
|   |  | % paid check/cash<br>Real/Personal/Excise  | 74.15%         |                | 70.00%         |
|   |  | % paid Check/Cash<br>Water/Sewer   | 73.47%         |                | 65.00%         |
|   |  | % of payments ACH and<br>online Water/Sewer  | 26.53%         |                | 35.00%         |
| General Government:<br>Collector's Office     | Optimize earnings on<br>general funds while<br>maintaining adequate<br>liquidity                                   | Annualized rate of return<br>(benchmark MMDT at<br>.23%)                           | 0.24%          |                | 1.00%          |
| General Government:<br>Collector's Office     | Maximize collection of<br>committed taxes -<br>decrease in outstanding<br>taxes as each quarter<br>progresses      | % outstanding 1st quarter  | 1.31%          |                | 1.25%          |
|   |  | % outstanding 2nd quarter  | 2.22%          |                | 2.00%          |
|   |  | % Outstanding 3rd quarter  | 1.47%          |                | 1.00%          |
|   |  | % Outstanding 4th quarter  | 0.55%          |                | 0.45%          |
| General Government:<br>Treasurer              | Higher on time collection<br>rate  | Number of methods of<br>payment types offered to<br>tax payers                     | 5              |                | 6              |
| General Government:<br>Information Technology | Departments develop<br>processes and<br>procedures to become<br>more productive, more<br>efficient                 | Number of hours ITC<br>provides training<br>opportunities to employees             |                |                | 50             |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department                                   | Long-Term Impact  | Measure   | FY15<br>Actual | FY16<br>Actual | FY17<br>Target  |
|---|---|---|----------------|----------------|---|
| <b>General Government:<br/>Information Technology</b>         | Network infrastructure remains reliable and available for employees to do their jobs and public to access information | Percentage of business hours building LANs (Town Hall, Public Services Administration, Public Safety, Center at the Heights) are available to employees |                |                | TH 99.8%,<br>PSAB 99.8%,<br>PS 99.8%,<br>CATH 99.8%           |
| <b>General Government:<br/>Purchasing</b>                     | Employees have a clear understanding of the purchasing requirements of the Town                                       | Number of requisitions that must be returned to originator/prior approver because they require changes/more information                                 | 13%            |                | <8%   |
| <b>General Government:<br/>Town Clerk</b>                     | Accurate, professionally preserved town records   | % records preserved   |                |                |   |
| <b>General Government:<br/>Town Clerk</b>                     | A more efficient method of payments for dog owners and increased compliance   | % of residents with dog licenses paying license fees on-line  |                |                |   |
|   |   | % residents licensing dogs prior to the deadline  |                |                |   |
| <b>Land Use:<br/>Planning &amp; Community<br/>Development</b> | Development and land use that is consistent with the vision of town leadership and the public                         | Frequency of publicity/outreach to update the public on specific P&CD policies/initiatives  |                |                | Quarterly   |
|   |   | Number of meetings with Boards to discuss ongoing feedback from applicants and goals/strategies for each division                                       |                |                | One meeting annually with each Board being served by Division |
|   |   | Implementation of specific initiatives as recommended by individual boards or as published in planning studies  | 3              |                | 7   |
|   |   | Citizens' Rating Land Use, planning & zoning as excellent/good  | 50%            |                |   |
|   |   | Citizens' Rating the Overall Built Environment as excellent/good  | 70%            |                |   |
|   |   | Citizens' Rating Economic Development as excellent/good   | 60%            |                |   |
|   |   | Citizens' Rating New Development as excellent/good  | 52%            |                |   |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department                                   | Long-Term Impact  | Measure  | FY15<br>Actual | FY16<br>Actual | FY17<br>Target         |
|---|---|--|----------------|----------------|------------------------|
| <b>Land Use:<br/>Planning &amp; Community<br/>Development</b> | Development and land use that is consistent with the vision of Town leadership and the public             | Citizens' Rating Natural Areas Preservation as excellent/good  | 64%            |                |                        |
|   |   | Citizens' Rating Open Space as excellent/good  | 63%            |                |                        |
| <b>Land Use:<br/>Planning &amp; Community<br/>Development</b> | Streetscape improvements that create an inviting pedestrian environment and strengthen economic viability | Citizens' Rating Vibrant Downtown/Commercial Area as excellent/good  | 47%            |                |                        |
| <b>Public Safety:<br/>Fire Department</b>                     | Fewer large scale fires, fewer related deaths and an overall safer community to live and work in          | Number of smoke/CO detector regulation documents provided at the time of inspection appointment                                      |                |                | >100                   |
|   |   | Days between request for service and inspection/re-inspection  |                |                | <7                     |
|   |   | Citizens' Rating Fire services as excellent/good   | 94%            |                |                        |
|   |   | Citizens' Rating Fire Prevention Services as excellent/good  | 88%            |                |                        |
|   |   | Citizens' Rating Positively (excellent/good; very/somewhat safe)   | 75%            |                |                        |
|   |   | Citizens' Rating Positively (excellent/good; very/somewhat safe)   | 79%            |                |                        |
| <b>Public Safety:<br/>Fire Department</b>                     | Enhanced patient survival through professional and timely EMS response                                    | EMS Response Times   |                |                |                        |
|   |   | Citizens' Rating EMS Services as excellent   | 95%            |                |                        |
| <b>Public Safety:<br/>Fire Department</b>                     | Fewer preventable accidents resulting from poor decision making.  | Frequencies of distribution of information provided to the public through the use of website, social media and handouts              |                |                | 10-25 different pieces |
|   |   | Total number of tours, demonstrations, presentations and other public interactions where fire and life safety education is the focus |                |                | 50-75 Annually         |
|   |   | Citizens' Rating Emergency Preparedness as excellent/good  | 75%            |                |                        |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department   | Long-Term Impact  | Measure  | FY15<br>Actual | FY16<br>Actual | FY17<br>Target |
|---|---|--|----------------|----------------|----------------|
| <b>Public Safety:<br/>Police Department</b>   | Create awareness, visibility that will maintain a consistent or decreased level of motor vehicle crashes in town, with a focus on locations with the highest crash incidents , i.e. West @ Hillside | Reduction in mv crashes  |                |                | <6             |
|   |   | Reduction in mv violations   |                |                |                |
| <b>Public Safety:<br/>Police Department</b>   | A community where residents feel safe   | Citizens' Rating Police Services as excellent/good   | 92%            |                |                |
|   |   | Citizens' Rating Crime Prevention as excellent/good  | 91%            |                |                |
|   |   | Citizens' Rating Overall feeling of safety as very/somewhat safe                                       | 97%            |                |                |
|   |   | Citizens' Rating Safety in Neighborhood as very/somewhat safe  | 96%            |                |                |
|   |   | Citizens' Rating safety in downtown/commercial areas as very/somewhat safe                             | 96%            |                |                |
| <b>Public Safety:<br/>Police Department</b>   | Ensure that charges for services are paid in full and on-time   | Invoices completed within 60 day period  |                |                | 85%            |
|   |   | Invoices that remain past 60 days  |                |                | <10%           |
| <b>Public Safety:<br/>Building Department</b>   | Construction meets safety codes and customers are satisfied   | Daily Inspections Completed according to Schedule  | 16             |                | 25             |
|   |   | Daily Average Number of Inspections Completed  | 16             |                | 25             |
| <b>Public Safety:<br/>Building Department</b>   | Applications for permits are complete and meet Building Code and Zoning Requirements  | % Permits are issued with one review   | 50%            |                |                |
|   |   | % of applications received that are "complete"   | 50%            |                |                |
| <b>Public Facilities &amp;<br/>Public Works:<br/>Public Facilities<br/>Operations</b> | Creating an understanding of the varying demands on the Town's buildings and allowing for sufficient time for maintenance to occur  | Number of hours building is unoccupied in a year for maintenance and repairs (average)                 | 3280           |                |                |
|   |   | Percentage of hours building is unoccupied in a year for maintenance and repairs (average)             | 56%            |                |                |
| <b>Public Facilities &amp;<br/>Public Works:<br/>Public Facilities<br/>Operations</b> | Reduced reactive maintenance  | Number of preventative maintenance work orders completed compared to the number of work orders overall | 38%            |                | 45%            |
|   |   | Percentage of preventative maintenance work orders that are completed on an annually basis             | 83%            |                | 90%            |

## FY2017 PILOT PERFORMANCE MEASUREMENT

| Budget Group:<br>Department   | Long-Term Impact  | Measure   | FY15<br>Actual | FY16<br>Actual | FY17<br>Target |
|---|---|---|----------------|----------------|----------------|
| <b>Public Facilities &amp; Public Works:<br/>Public Facilities Operations</b>   | Creating realistic work order turn around expectations  | Number of days from the time a work order is initiated to its completion  | 43             |                | 45             |
|   |   | Percentage of work completed by outside contractors compared to work overall  |                |                | 35%            |
| <b>Public Facilities &amp; Public Works:<br/>Public Facilities Construction</b> | a new or renovated facility for the benefit of the community  | Final Project Perception  |                |                |                |
|   |   | Project came in on time   |                |                |                |
|   |   | Project came in under budget  |                |                |                |
| <b>Public Facilities &amp; Public Works:<br/>Public Facilities Construction</b> | Make Committee meetings transparent and accessible  | % Agendas posted to website within 24 hours   |                |                |                |
|   |   | % Minutes posted to website within 2 weeks of meeting   |                |                |                |
| <b>Public Facilities &amp; Public Works:<br/>Public Facilities Construction</b> | Reimbursement received from MSBA to Town on eligible expenses in a timely manner  | Propay form for expense reimbursement submitted to MSBA within 15 days after end of month                           |                |                |                |
|   |   | Monthly Report form submitted to MSBA within 12 days of the end of month  |                |                |                |
| <b>Public Facilities &amp; Public Works:<br/>Public Works Administration</b>    | Residents who are satisfied with DPW response   | Number of days to acknowledge residents issues submitted in seeclickfix   | 0.7            |                | less than one  |
| <b>Public Facilities &amp; Public Works:<br/>Public Works Administration</b>    | Residents and staff who are well informed and supportive of the work that DPW performs  | Number of posts on Facebook and twitter   |                |                | 52             |
| <b>Public Facilities &amp; Public Works:<br/>Engineering</b>                    | Create an environment in which developments meet all Town standards   | # of days prior to planning board and/or ZBA hearing that the review is complete                                    | 1              |                | 3              |
|   |   | Number of times the requesting Department requires additional analysis after the initial request has been fulfilled | 20             |                | 2              |
| <b>Public Facilities &amp; Public Works:<br/>Engineering</b>                    | Decreased office visits, reduced questions to the staff, simpler and more expedited office visits, and a better customer experience | # of hits the Engineering website has on an annual basis  |                |                |                |
|   |   | Maintain information on a monthly basis on the Town's website   |                |                | 60%            |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department   | Long-Term Impact   | Measure   | FY15<br>Actual | FY16<br>Actual | FY17<br>Target |
|---|--|---|----------------|----------------|----------------|
| <b>Public Facilities &amp; Public Works:<br/>Highway</b>              | Resident satisfaction with roadways  | Percentage of road miles that receive surface treatments instead of being rehabilitated | 0%             |                | 20%            |
|   |  | Number of days it takes to complete the repair of a pot-hole complaint                  | 4.2            |                | 3              |
|   |  | Percentage of roads that are under 70 PCI that receive some treatment                   |                |                |                |
|   |  | Citizens' Rating Street Repair Services as excellent/good                               | 43%            |                |                |
|   |  | Citizens' Rating Street Cleaning Services as excellent/good                             | 64%            |                |                |
|   |  | Citizens' Rating Sidewalk Maintenance as excellent/good                                 | 44%            |                |                |
| <b>Public Facilities &amp; Public Works:<br/>Highway</b>              | Comply with MUTCD, resident satisfaction with navigation of Town   | Number of days it takes to complete a repair of a traffic signal                        | 8.3            |                | 7              |
|   |  | Energy consumption of traffic signals   | 80,443 kWh     |                | 80,000 kWh     |
|   |  | Citizens' Rating Traffic Flow as excellent/good   | 58%            |                |                |
|   |  | Citizens' Rating Traffic Signal Timing as excellent/good                                | 61%            |                |                |
| <b>Public Facilities &amp; Public Works:<br/>Highway</b>              | Residents that are satisfied with the Town's performance during snow & ice events and support the funding of this program                | Number of days it takes to respond to a complaint by a resident during a snow storm     | 10             |                | 4              |
|   |  | Annual dollars of expenditure per inch of snow  | \$12,090       |                | \$13,000       |
|   |  | Citizens' Rating Snow Removal as excellent/good   | 65%            |                |                |
| <b>Public Facilities &amp; Public Works:<br/>Parks &amp; Forestry</b> | Increase the # of trees in Town to sequester carbon, sustain the town's aesthetic, increase happiness of residents, provide public shade | Number of trees planted on an annual basis  | 91             |                | 100            |
|   |  | Percentage of trees planted that survive past one year                                  | 94.50%         |                | 90%            |
| <b>Public Facilities &amp; Public Works:<br/>Parks &amp; Forestry</b> | Greater utilization of Town fields due to proper maintenance with better quality turf grass  | Percentage of non-marquis fields maintained by outside contractor                       | 30%            |                | 30%            |
|   |  | Overall satisfaction of user group members of the quality of the playing fields         |                |                | 70%            |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department  | Long-Term Impact  | Measure  | FY15<br>Actual | FY16<br>Actual | FY17<br>Target |
|--|---|--|----------------|----------------|----------------|
| <b>Public Facilities &amp; Public Works:<br/>Parks &amp; Forestry</b>                    | Extend the useful life of fields  | Percentage of acreage on which cultural practice products are applied                                  | 35%            |                | 50%            |
|  |   | Percentage increase cost per acre of all applications  | 4%             |                | 4%             |
| <b>Public Facilities &amp; Public Works:<br/>Garage</b>                                  | Functioning vehicles and equipment  | Percent of repairs performed internally compared to total work completed                               | 69%            |                | 65%            |
| <b>Public Facilities &amp; Public Works:<br/>Garage</b>                                  | Safe and functional fleet   | Dollar value of preventative maintenance as a percent of dollar value total work performed by division | 14%            |                | 20%            |
| <b>Public Facilities &amp; Public Works:<br/>Municipal Energy &amp; Lighting Program</b> | Customers that are satisfied with the speed the Town is able to repair Town managed streetlights.     | Number of days to mark a request for service as complete   | 166            |                | 45             |
|  |   | Number of work orders acknowledged annually  | 319            |                | 200            |
| <b>Public Facilities &amp; Public Works:<br/>Municipal Energy &amp; Lighting Program</b> | Reduced energy consumption while maintaining public safety  | Number of streetlights using High Pressure Sodium  | 2900           |                |                |
|  |   | Citizens' Rating Street Lighting as excellent/good   | 60%            |                |                |
| <b>Public Facilities &amp; Public Works:<br/>Municipal Energy &amp; Lighting Program</b> | No finance charges for energy consumption.  | Average number of days from issuance of bill to bill paid  | 19             |                | 14             |
| <b>Public Facilities &amp; Public Works:<br/>Municipal Parking Program</b>               | Parking meters, lots in good condition; program collects sufficient revenue to maintain parking areas | Number of days to complete a repair from a parking meter complaint                                     | 1.2            |                | 2              |
|  |   | Revenue collected on an annual basis   | \$120,757      |                | \$125,000      |
| <b>Public Facilities &amp; Public Works:<br/>Municipal Parking Program</b>               | Residents and business satisfied with parking environments  | Number of lots where green spaces are serviced by outsourced company                                   |                |                | 2              |
|  |   | Percent Rating Public Parking as excellent/good  | 55%            |                |                |
| <b>Community Services:<br/>Park &amp; Recreation</b>                                     | Increase participation at Rosemary Pool: season pool badges and swim lessons                          | Number of participants in swim lesson program  |                |                |                |
|  |   | Number of residents purchasing seasonal pool badges  |                |                |                |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department                                | Long-Term Impact  | Measure   | FY15<br>Actual | FY16<br>Actual | FY17<br>Target |
|--|---|---|----------------|----------------|----------------|
| <b>Community Services:<br/>Park &amp; Recreation</b>       | Quality indoor and out<br>outdoor opportunities for<br>children and adults  | Number of program<br>offerings (youth/adult)  |                |                |                |
|  |   | Number of participants<br>(youth/adult)   |                |                |                |
|  |   | Citizens' Rating Recreation<br>Programs as excellent/good   | 77%            |                |                |
|  |   | Citizens' Rating Recreation<br>Centers excellent/good   | 69%            |                |                |
|  |   | Citizens' Rating Town Parks<br>as excellent/good  | 82%            |                |                |
|  |   | Citizens' Rating Paths &<br>Walking Trails as<br>excellent/good   | 61%            |                |                |
| <b>Community Services:<br/>Health &amp; Human Services</b> | Reduced number of<br>Needham youth sport<br>participants experiencing<br>concussion   | Number of coaches trained<br>as a percentage of total<br>coaches (compliance rate)                                |                |                | 80%            |
| <b>Community Services:<br/>Health &amp; Human Services</b> | Reduced number of<br>Needham High School<br>students abusing<br>prescription drugs,<br>alcohol and tobacco  | 30 Day High School<br>Prescription Drug Use Rate<br>from Biennial MetroWest<br>Adolescent Health Survey           | 4.30%          |                | 4.00%          |
|  |   | 30 Day High School Alcohol<br>Use Rate from Biennial<br>MetroWest Adolescent<br>Health Survey                     | 35.00%         |                | 33.00%         |
|  |   | 30 Day High School<br>Tobacco Use Rate from<br>Biennial MetroWest<br>Adolescent Health Survey                     | 7.70%          |                | 7.00%          |
|  |   | 30 Day High School e-<br>Cigarette Use Rate from<br>Biennial MetroWest<br>Adolescent Health Survey                | 17.10%         |                | 17.50%         |
| <b>Community Services:<br/>Health &amp; Human Services</b> | A community with skilled<br>and responsible Food<br>Service owners and<br>workers who provide safe<br>and healthy food to<br>customers, in full<br>compliance with state and<br>local regulations | Food Service Inspections<br>without a Critical Violation<br>expressed as a % of Total<br>Food Service Inspections | 88.46%         |                | 90.00%         |

**FY2017 PILOT PERFORMANCE MEASUREMENT**

| Budget Group:<br>Department                                | Long-Term Impact   | Measure  | FY15<br>Actual | FY16<br>Actual | FY17<br>Target |
|--|--|--|----------------|----------------|----------------|
| <b>Community Services:<br/>Health &amp; Human Services</b> | Access to care, socialization and programming helps to expand health and wellness in the community for more residents and families                               | # of Hours residents receiving service in a timely fashion inside normal business at the Senior Center           |                |                |                |
|  |  | # of Hours residents receiving service in a timely fashion outside normal business at the Senior Center          |                |                |                |
|  |  | Citizens' Rating Health Services as excellent/good   | 87%            |                |                |
|  |  | Citizens' Rating Health & Wellness in the Community as excellent/good  | 83%            |                |                |
|  |  | Citizens' Rating Mental Health Care as excellent/good  | 65%            |                |                |
| <b>Community Services:<br/>Health &amp; Human Services</b> | increase awareness, reduce stigma regarding using mental health services, connect youth and family to resources and services                                     | Percentage of programs "sold out"  |                |                | 60%            |
|  |  | Program positively reviewed  |                |                | 60%            |
|  |  | Number of hours of free program services from undergraduate intern and volunteers                                |                |                | 2,000          |
| <b>Community Services:<br/>Health &amp; Human Services</b> | Reduction in at-risk youth behaviors, more effective parenting, reduce stigma regarding using mental health services   | Percentage of Youth Services programs "sold out"   |                |                | 60%            |
|  |  | Program positively reviewed  |                |                | 60%            |
| <b>Community Services:<br/>Library</b>                     | Consistently excellent Library services for the public   | Count of children attending programs annually  | 12,078         |                | 13,500         |
|  |  | Citizens' Rating Library Services as excellent/good  | 90%            |                | 95%            |
| <b>Community Services:<br/>Library</b>                     | A steady stream of library materials being checked out to customers and being returned by customers  | Materials turnover rate  | 2.93           |                | 3              |
| <b>Enterprise Funds:<br/>RTS Enterprise Fund</b>           | Expedient handling and hauling of waste, reduction of contaminants, increased proportion of waste as recycling vs. MSW, and a financially sustainable operation. | The amount of trash that is illegally disposed of at the RTS   | 20%            |                | 15%            |
|  |  | Percentage of recycling (not including yard waste) compared to the total amount of residential MSW and recycling | 54%            |                | 55%            |
| <b>Enterprise Funds:<br/>RTS Enterprise Fund</b>           | Increased utilization and satisfaction with RTS by residents   | % of residents acquiring stickers  | 79%            |                |                |
|  |  | Citizens' Rating Recycling Services as excellent/good  | 80%            |                |                |

## FY2017 PILOT PERFORMANCE MEASUREMENT

| Budget Group:<br>Department                                     | Long-Term Impact   | Measure  | FY15<br>Actual                       | FY16<br>Actual | FY17<br>Target |
|---|--|--|--------------------------------------|----------------|----------------|
| <b>Enterprise Funds:<br/>Sewer Enterprise Funds:<br/>Drains</b> | Maintain free flowing catch basins and minimize flooding of houses.  | Number of catch basins cleaned at least once on an annual basis  | 1517                                 |                | 2100           |
|   |  | Percentage of catch basins cleaned using clam shell truck vs. vactor                                     | 63%                                  |                | 75%            |
|   |  | Number of complaint calls for flooding   | 39                                   |                | 30             |
|   |  | Number of catch basins repaired and replaced.  | 47                                   |                | 15             |
|   |  | Citizens' Rating Storm Drainage as excellent/good  | 66%                                  |                |                |
| <b>Enterprise Funds:<br/>Sewer Enterprise Fund:<br/>Sewers</b>  | Have a sewer system that services all the needs of the residents and businesses  | Percentage of wet wells cleaned 2x per year  | 100%                                 |                | 70%            |
|   |  | Number of hours pumps run  | 16583                                |                | < 15,500       |
|   |  | Citizens' Rating Sewer Services as excellent/good  | 88%                                  |                |                |
| <b>Enterprise Funds:<br/>Sewer Enterprise Fund:<br/>Sewers</b>  | Reduced inflow and infiltration  | Number of infiltrations identified by Town staff that require further investigation for I/I              |                                      |                | 5              |
|   |  | Number of gallons per day of I/I removed from the System   | 8330                                 |                |                |
| <b>Enterprise Funds:<br/>Water Enterprise Fund</b>              | Clean water for residents with sufficient infrastructure to support water production and distribution to residents; limited interruptions to service | Ratio of water supplied by the Town vs MWRA water  | 74%                                  |                | 75%            |
|   |  | Gallons water flushed on an annual basis (duration of flush continues until water quality is acceptable) | 10.6 million<br>*incomplete flushing |                | 14 million     |
|   |  | Citizens' Rating Drinking Water as excellent/good  | 85%                                  |                |                |
| <b>Enterprise Funds:<br/>Water Enterprise Fund</b>              | Proper replacement schedule for system, evaluation of distribution to ensure sufficient water to meet current needs of community                     | Number of water quality (taste, odor, color) complaints  | 7                                    |                | 5              |
|   |  | Hours it takes for staff to respond to water main break  |                                      |                | 2              |
| <b>Enterprise Funds:<br/>Water Enterprise Fund</b>              | A decrease in the unaccounted for water and an increase in revenue   | Number of meters changed out on an annual basis  | 1203                                 |                | 1000           |
|   |  | Number of households who have not responded to change out meter requests                                 | 697                                  |                | 400            |