

# Adaptation: The Financial Environment

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**“Adaptation:** Modification of an organism or its parts that makes it more fit for existence under the conditions of its environment” – Merriam Webster

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Over the past seven years, when the only budget certainty has been uncertainty, the language of the budget has borrowed more and more from the language of the environment. With the fiscal year 2008 budget, we began the conversation about sustainability – meeting the needs of the present without compromising the ability of future generations to meet their needs – that continues today. The fiscal year 2009 budget emphasized the importance of stewardship – the careful management of this community that has been entrusted in our care, and the fiscal year 2012 budget introduced resilience – the ability to withstand adversity and adjust to a changing environment.

In this transmittal of the seventh budget under the Town Manager form of government, we once again turn to the natural world for guidance. In order to preserve the community of Needham and the programs, services and sense of place that our citizens have come to expect, we must be positioned to adapt to changing conditions.

One of the best ways to meet changing conditions is to have adequate reserves. Even given the competing needs for program and service delivery improvements, the community has prioritized the reservation of funds to meet not just emergencies, but the now normal, and often wide swings in revenue sources such as Free Cash. As will be discussed in Section 2, the amount of Free Cash available for appropriation in fiscal year 2014 is significantly lower than originally projected. Maintaining reserves for the express purpose of continuity of operations allows the Town to adapt to changing circumstances. Most importantly, the Town’s practice has been to limit the use of Free Cash to fund operations. The wide swing in Free Cash certification as we are experiencing in fiscal year 2014 would be devastating if a larger portion of Free Cash were used to fund recurring expenses. In order to ensure that we continue to be able to adapt to unforeseen circumstances in the future, we recommend that the Town develop a plan to eliminate the reliance on Free Cash for operations over a set period of time, and, in the meantime, that the use of Free Cash as a funding source for all appropriations be made more transparent.

## Budget in Brief

The FY2014 General Fund operating budget totals **\$123,611,594**, or **\$5,513,171** more than FY2013, representing a change of 4.7%. The combined total of the General Fund operating budget, cash capital, and other financial requirements for FY2014 is \$128,804,441 or \$1,363,188 more than FY2013 or 1.1% higher.

Department spending requests were submitted to the Finance Committee on December 12, 2012. Department spending requests represented an increase of 5.5% over FY2013, with the School Superintendent’s initial request consisting of a 6.5% increase over FY2013, and General Government departments representing an increase of 4.4%. Submitted spending plans for Townwide expenses increased 5.2% over FY2013. A comparison of the FY2013 budget to the FY2014 recommended budget is shown in Table 1.1 below:

Table 1.1  
General Fund Spending Plan

Description	FY2013 Current	FY2014 Recommended	\$ Change	% Change
Townwide Expenses (excludes CPS)	\$33,285,831	\$34,983,069	\$1,697,238	5.1%
General Departments (includes CPS)	\$25,147,411	\$25,880,192	\$732,781	2.9%
Department of Public Facilities	\$7,772,462	\$8,053,190	\$280,728	3.6%
Needham Public Schools	\$51,112,681	\$53,955,587	\$2,842,906	5.6%
Minuteman Assessment	\$780,038	\$739,556	(\$40,482)	-5.2%
<b>Total Operating Budget</b>	<b>\$118,098,423</b>	<b>\$123,611,594</b>	<b>\$5,513,171</b>	<b>4.7%</b>
Cash Capital funded by Free Cash	\$3,421,633	\$534,584	(\$2,887,049)	-84.4%
Cash Capital funded by Other Sources	\$365,000	\$500,000	\$135,000	37.0%
Financial Warrant Articles	\$372,699	\$218,095	(\$154,604)	-41.5%
Other	\$5,183,498	\$3,940,168	(\$1,243,330)	-24.0%
<b>General Fund Grand Total</b>	<b>\$127,441,253</b>	<b>\$128,804,441</b>	<b>\$1,363,188</b>	<b>1.1%</b>

# Budget Process

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## **Budgeting Best Practices**

In developing the FY2014 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 FY2014 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 FY2014:

1. Support for items that contribute to the achievement of the Board's goals and objectives.
2. Support for initiatives that contribute to the preservation of existing Town assets.
3. Support for initiatives that contribute to sustainability, such as reducing energy use and planning for ongoing, long term balance of foreseeable revenues and financial commitments.
4. Support for initiatives aimed at achieving greater coordination and efficiency among departments and providing adequate resources to address the general administrative needs of the Town in the most cost effective manner.
5. Promote initiatives that contribute to the long-term economic vitality of Needham.
6. Support the stewardship of existing land and resources, including expansion of Town-owned open space for both 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

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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 FY2014 budget calendar is shown in Table 1.2.

Table 1.2  
Key Dates for the FY2014 Budget Process

<u>Date</u>		<u>Activity</u>	
July	1	2012	Fiscal Year 2013 Begins
August	1	2012	Capital Guidelines and Submission Information Released
August	14	2012	Town Manager Budget Consultation with the Board of Selectmen
September	5	2012	Town Manager Budget Consultation with the Finance Committee
September	11	2012	Town Manager Budget Consultation with the Board of Selectmen
September	18	2012	Budget Guidelines and Submission Information Released
<b>October</b>	<b>26</b>	<b>2012</b>	<b>Department Spending and Capital Requests Due to Town Manager</b>
October	29	2012	Special Town Meeting
November	27	2012	Preliminary Capital Recommendations to Board of Selectmen

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<u>Date</u>		<u>Activity</u>
December	4	2012 Preliminary Five-Year Capital Recommendations to Board of Selectmen
December	12	2012 FY2014 Department Spending Requests Due to Finance Committee
December	18	2012 Town Manager Budget Consultation with the Board of Selectmen
December	18	2012 Board of Selectmen Votes CIP Recommendation
January	8	2013 Open the May 6, 2013 Annual Town Meeting Warrant
<b>January</b>	<b>8</b>	<b>2013 FY2014 – FY2018 Capital Improvement Plan Released</b>
January	15	2013 Town Manager Consultation with the School Committee
<b>January</b>	<b>31</b>	<b>2013 Town Manager’s Balanced Budget Due</b>
February	4	2013 Warrant Articles for the 2013 Annual Town Meeting Due to the Board of Selectmen
February	22	2013 Finance Committee’s FY2014 Draft Budget Due to the Town Manager
<b>March</b>	<b>15</b>	<b>2013 Finance Committee’s FY2014 Budget Recommendations for Publication Due</b>
<b>April</b>	<b>9</b>	<b>2013 Annual Town Election</b>
May	6	2013 Annual Town Meeting Begins
July	1	2013 Start of Fiscal Year 2014

Budget guidelines were distributed to departments, boards, and committees on September 21, 2012, with spending requests due on October 26, 2012. The senior management team held budget review meetings with all departments during the month of November. Finance Committee and Community Preservation Committee liaisons were invited to attend these meetings in order to prepare for their own deliberations. Discussions with the Board of Selectmen, Finance Committee, and School Committee continued during the fall and winter, and the School Committee held a public hearing on the budget for the Needham Public Schools on January 15, 2013. At the time of the distribution of this proposed budget, the School Committee had not yet voted its FY2014 budget recommendation.

## Budget Drivers: Personnel-Related Costs & Enrollment

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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 enrollment growth has placed a significant demand on available resources. The First Proposed Annual Budget released under the Town Manager form of government was for fiscal year 2007. Since that time, School enrollment in the Town of Needham has continued to climb – 8.3% or 411 students – approximately the size of the Hillside School. Needham remains a highly desirable community for families with children, which continues to drive the pressure on the operating and capital budgets. Table 1.3 details the School enrollment growth from 2006/2007 to 2012/2013.

Table 1.3  
Needham Public Schools Enrollment  
2006/2007 - 2012/2013

	<b>Enrollment</b>	<b>Increase in Students</b>	<b>Percentage Change</b>
2006/2007	4,979		
2007/2008	5,003	24	0.5%
2008/2009	5,059	56	1.1%
2009/2010	5,238	179	3.5%
2010/2011	5,301	63	1.2%
2011/2012	5,360	59	1.1%
2012/2013	5,390	30	0.6%
<b>Total Increase</b>		<b>411</b>	<b>8.3%</b>

Source: Future School Needs Committee Annual Reports

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Table 1.4 details the number of General Fund and Enterprise Fund benefit-eligible employees by department.

Table 1.4  
General and Enterprise Fund Full-time Equivalent Benefit-Eligible Positions  
FY2009 to FY2013

	Funded FY09	Funded FY10	Funded FY11	Funded FY12	Funded FY13	FY09- 13 % Change
Town Manager/Selectmen	7.9	8.0	8.0	8.0	8.0	1.3%
Town Clerk	4.0	4.0	4.0	4.0	4.0	0.0%
Finance	21.0	21.0	21.0	21.0	23.0	9.5%
Police	58.0	58.0	58.0	57.0	57.0	-1.7%
Fire	74.0	74.0	74.0	72.0	72.0	-2.7%
Building	7.0	7.0	7.0	7.0	7.0	0.0%
DPW	88.0	89.0	89.0	86.0	86.0	-2.3%
Public Facilities	53.2	53.8	53.8	54.8	55.0	3.4%
Health	4.6	4.6	4.6	4.6	4.6	0.0%
Human Services	8.3	8.3	8.3	7.8	7.8	-6.4%
Planning & Community Development	4.9	4.9	5.6	5.8	5.8	18.4%
Library	14.0	14.0	14.0	13.0	13.0	-7.1%
Park and Recreation	4.0	4.0	4.0	4.0	4.0	0.0%
<b>Total</b>	<b>348.9</b>	<b>350.6</b>	<b>351.3</b>	<b>345.0</b>	<b>347.2</b>	<b>-0.5%</b>
<b>Needham Public Schools</b>	<b>607.6</b>	<b>621.4</b>	<b>618.5</b>	<b>624.4</b>	<b>648.5</b>	<b>6.7%</b>

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The number of General Government benefit-eligible full-time equivalent employees remained relatively constant from FY2009 to FY2013, decreasing by 0.5%. The number of School Department FTEs has grown by 6.7% over that same period.

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. The Town has adapted to the continued pressure on health insurance costs by working with employee groups to transition to a new paradigm. The budget for employee benefits and assessments shows only a modest increase due to the conversion of all of the Town’s active employees to Rate Saver health insurance plans. Initial projections assume an increase of 5% for health insurance rates in FY2014, yet due to the change in plan design, the health insurance portion of the budget is projected to increase just 3.1% (after including 17 additional FTEs in the School budget). The West Suburban Health Group – a consortium of regional towns and districts joining together to purchase health insurance – has not yet released the rate structure for FY2014, so this budget is still preliminary. Employee participation in the Town’s group health insurance program continues to fluctuate. As evidenced in Table 1.5, health insurance enrollment for active employees grew just under 1% from FY2012 to FY2013, and is up 5.36% in the last five years.

Table 1.5  
Health Insurance Enrollment  
FY2009 - FY2013

Fiscal Year	Town	School	Total Actives	Retirees	Survivors	Total Active & Retired
FY09	293	491	784	804		1,588
FY10	286	541	827	796		1,623
FY11	290	515	805	799		1,604
FY12	288	530	818	806		1,624
FY13	284	542	826	812		1,638
<b>Total Change FY09-FY13</b>	<b>-3.07%</b>	<b>10.39%</b>	<b>5.36%</b>	<b>1.00%</b>		<b>3.15%</b>
<b>Total Change FY12-FY13</b>	<b>-1.39%</b>	<b>2.26%</b>	<b>0.98%</b>	<b>0.74%</b>		<b>0.86%</b>

Note: Retiree enrollment is expressed in covered lives. In FY13, 476 individuals who retired from the Town of Needham are receiving health insurance benefits.

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Table 1.6  
Changes in Salary Line Items FY2009 – FY2013

	FY2009	FY2010	FY2011	FY2012	FY2013 Current	Average % Change
Board of Selectmen	586,099	630,398	644,644	649,992	669,819	3.4%
Town Clerk	276,327	263,081	282,308	281,663	296,301	1.9%
Town Counsel	66,989	68,664	68,664	68,664	70,039	1.1%
Personnel Board	1,641	1,128	600	600	600	-19.5%
Finance Department	1,296,242	1,326,597	1,342,043	1,399,514	1,600,620	5.5%
Finance Committee	29,261	29,993	27,493	28,524	30,289	1.0%
<b>Total Municipal Administration</b>	<b>2,256,559</b>	<b>2,319,861</b>	<b>2,365,752</b>	<b>2,428,957</b>	<b>2,667,668</b>	<b>4.3%</b>
Police Department	4,529,149	4,771,895	4,884,190	4,863,916	4,959,157	2.3%
Fire Department	5,616,784	5,722,539	5,812,408	6,100,123	6,249,767	2.7%
Building Department	422,358	444,020	445,919	443,281	460,619	2.2%
<b>Total Public Safety</b>	<b>10,568,291</b>	<b>10,938,454</b>	<b>11,142,517</b>	<b>11,407,320</b>	<b>11,669,543</b>	<b>2.5%</b>
<b>Education</b>	<b>37,287,966</b>	<b>39,247,086</b>	<b>40,264,790</b>	<b>40,908,300</b>	<b>44,478,354</b>	<b>4.5%</b>
<b>Public Works*</b>	<b>3,137,945</b>	<b>3,258,049</b>	<b>3,393,323</b>	<b>3,049,989</b>	<b>3,109,481</b>	<b>0.0%</b>
<b>Public Facilities</b>	<b>2,608,373</b>	<b>2,875,501</b>	<b>2,870,212</b>	<b>3,087,351</b>	<b>3,227,402</b>	<b>5.5%</b>
Planning	196,791	207,833	218,028	235,022	238,982	5.0%
Community Development	92,366	97,829	102,588	112,305	118,626	6.5%
<b>Total Land Use &amp; Development</b>	<b>289,157</b>	<b>305,662</b>	<b>320,616</b>	<b>347,327</b>	<b>357,608</b>	<b>5.5%</b>
Health Department	364,066	377,408	383,012	388,665	401,658	2.5%
Human Services	501,839	525,393	488,996	498,717	510,811	0.5%
Public Library	1,033,541	1,075,014	1,076,094	1,077,213	1,071,967	0.9%
Park & Recreation Department	430,134	441,142	443,185	443,118	453,499	1.3%
<b>Total Community Services</b>	<b>2,329,580</b>	<b>2,418,957</b>	<b>2,391,287</b>	<b>2,407,713</b>	<b>2,437,935</b>	<b>1.2%</b>
<b>Total</b>	<b>58,477,871</b>	<b>61,363,570</b>	<b>62,748,497</b>	<b>63,636,957</b>	<b>67,947,991</b>	<b>3.8%</b>
<b>Total General Government</b>	<b>21,189,905</b>	<b>22,116,484</b>	<b>22,483,707</b>	<b>22,728,657</b>	<b>23,469,637</b>	<b>2.6%</b>

\* Effective FY2012 the drains program and related expenses were moved from Public Works to the Sewer Enterprise budget; the average percentage change in the salary line with the drains program in the Public Works budget would be 2.2% and the Total General Government would be 2.9%

As noted on Table 1.6, annual increases in salary line items from FY2009 to FY2013 are consistent with the Town's sustainability guideline by mirroring the historical annual increase in revenue (3.8% overall, 4.5% for the Needham Public Schools, and 2.6% for General Government departments).

## 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

**Casualty, Liability and Self-Insurance** This budget is level funded for FY2014.

**General Fund Debt Service** This budget increased 7.3% in FY2014. The change reflects an increase in excluded debt service for the Newman School HVAC project, and an increase in the CPA supported debt service for the Town Hall. FY2014 is the peak debt service year for the Town Hall project. FY2014 is also the peak year for the excluded debt service for the projects that have already been approved. The balance of the change for this line item is a reflection of the general debt service that is equal to 3% of general revenues.

**Employee Benefits and Employer Assessments** As noted previously, the health insurance portion of this budget increased by 3.1% from FY2013 to FY2014 assuming an increase of 17 FTEs in the School budget (2% without the additional headcount.) The submitted unemployment budget has been decreased by \$100,000 to reflect actual projected expenses in FY2014. The overall budget for employee benefits and Employer Assessment has increased 1.7% from fiscal year 2013 to 2014.

The **Retirement Assessments** budget increased by 8.4% in FY2014 over FY2013 based on an actuarial analysis effective January 1, 2012. The increase is attributable primarily to lower than expected returns in calendar year 2011 and the implementation of a new mortality table.

**Retiree Insurance and Insurance Liability Fund** This budget increased by 4.5%, consistent with the actuarial funding schedule. The Board of Selectmen recently voted to require all retirees enrolled in traditional HMO plans to convert to Rate Saver plans effective July 1, 2013. This will have a positive impact on the Town's OPEB liability.

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**Classification, Performance and Settlements** This line provides a reserve for funding General Government personnel-related items as they occur during the year. All of the Town's collective bargaining agreements are settled for FY2014, and the Classification, Performance and Settlements line includes a reserve for performance increases, merit pay, and reclassification for non-represented personnel. The submitted request was reduced by \$28,000.

The purpose of the **Reserve Fund** is to provide an annual budgetary reserve for unforeseen or extraordinary expenses. The FY2014 Reserve Fund request presented by the Finance Committee is calculated at 1.4% of the projected operating budget.

## General Government

**Board of Selectmen/Town Manager** The Board of Selectmen/Town Manager's budget decreased by 3.9% from FY2013 to FY2014 due primarily to the reallocation of local and long distance telephone charges to the Public Facilities Department.

**Town Clerk/Board of Registrars** The Town Clerk/Board of Registrars budget decreased by 5.8% from FY2013 to FY2014 due to the number of scheduled elections.

**Town Counsel** The legal budget increased by 1.9% due to projected salary increases for existing staff. The budget request was reduced by \$10,000, recognizing that the Reserve Fund has been set at a level to accommodate legal fee overruns.

**Personnel Board** The Personnel Board budget increased by 34.5% based on the reallocation of \$4,000 from the Town Manager/Board of Selectmen budget to reflect historical support of the Personnel Board's classification and classification studies by the Town Manager/Board of Selectmen budget. The \$4,000 increase is identified as a performance increase, even though the amount is a transfer from another budget. The requested amount was \$7,000.

**Finance Department** The Finance Department budget increased by 1.7% from FY2013 to FY2014 attributable to projected salary increases for existing staff and the number and cost of software license agreements.

**Finance Committee** This budget increased by 4.9% from FY2013 to FY2014 due primarily to projected salary increases for existing staff.

## Planning and Community Development

The consolidated Planning and Community Development Department was created in 2010 by combining the existing Conservation and Zoning Board of Appeals budgets. The fiscal year 2014 Community Development budget has increased by 8.6%, attributable to projected salary increases for existing staff, and elimination of wetlands funds to support the Director of Conservation, in keeping with the original consolidation plan. The Planning budget increased by 5.5% from FY2013 to FY2014 due to projected salary increases for existing staff. The budget request was reduced by \$35,000 for a community housing specialist, which is proposed for funding through Community Preservation Funds.

## Public Safety

**The Police Department** budget increased 2.9% from FY2013 to FY2014, primarily due to the implementation of new collective bargaining agreements with the Police Union and the Police Superior Officers Association. The submitted budget was reduced by \$25,618 to reflect the deferral of the replacement of one police vehicle.

**Fire Department** The recommended Fire Department budget is 5.4% higher in FY2014 than FY2013 due primarily to the implementation of a new collective bargaining agreement with the Needham Fire Union. The budget was reduced by \$89,804. The Department's submitted request included \$119,804 to fund of the structural budget gap in the Department's overtime line, of which \$30,000 was recommended for funding. The overtime line reduction is deemed appropriate given that the Reserve Fund is set at a level to accommodate an emergency overtime shortfall. The budget also includes an increase of \$11,711 for the installation of a radio remote satellite receiver at the Charles River Water Treatment Facility due to poor radio coverage in the area.

**Building Department** The recommended budget for the Building Department is 3.6% higher than FY2012 due to projected salary increases for existing staff, and an increase of \$13,500 for additional substitute inspectors and overtime. The Department continues to experience a high level of permit activity. Use of substitute inspectors and overtime provides an increase in our ability to meet the demand without increasing headcount and incurring legacy costs.

## Education

**Minuteman School** The Town has received a preliminary assessment from the Minuteman School which is \$40,482 or 5.2% lower than the FY2013 budget, based primarily on the number and mix of students attending the school from Needham. Needham's October 1, 2012 enrollment was seven fewer than the prior year. This estimate is not final and is subject to change.

**Needham Public Schools** Based on the demands on the School Department budget over the past several years, we recommend an increase of \$2,842,906 from fiscal year 2013 to 2014. While this is an unsustainable level of growth based on the historical availability of revenue, it will serve to adjust the base of the School Department budget for the succeeding year. The Town Manager's recommended budget for the School Department is **\$53,955,587**, representing an increase of 5.6%. By way of comparison, the FY2014 increase in General Government Departments (exclusive of Public Facilities) is 2.9%. If the Public Facilities budget is included, the increase is 3.1%.

## Public Works

The Department of Public Works General Fund operating budget is recommended to increase by 0.5%. (The FY2013 budget included a one-time transfer of \$120,000. But for that transfer, the FY2013 to FY2014 increase would be 2.9%). The Town Manager's recommended budget reduces the DPW request by a total of \$120,268. A pending classification change in the Administration Division provides for a reduction of \$17,238. The Parks and Forestry budget was reduced by \$46,000 for field maintenance. The Town Manager will recommend to the Board of Selectmen and the Park and Recreation Commission that the field maintenance fee be increased by \$5 per participant. This fee is expected to generate \$46,000 to support the Department's efforts to maintain newly renovated fields in excellent condition. The Parks and Forestry request of \$25,000 for the renovation of the infield at Warner Field is proposed for funding through reallocation of a prior capital article and will be recommended as a financial warrant article. The Highway Division request to complete the conversion of traffic signals to LED lighting in the amount of \$28,070 is also proposed for funding through reallocation of a prior capital article and will be recommended as a financial warrant article. A request of \$3,960 for a portable tablet pilot program has been deferred.

**Municipal Parking** The Municipal Parking budget is 27.7% higher in FY2014, attributable to the renegotiation of the license agreement for the Dedham Avenue parking lot.

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**Municipal Streetlight Program** The Municipal Streetlight Program budget is 2.2% less than FY2013. Energy cost reductions have allowed the reallocation of funding to provide for additional streetlight maintenance.

### Public Facilities

The recommended budget for Department of Public Facilities is 3.6% higher than FY2013. In FY2014, the funding for telephone service for Town buildings was transferred to the Public Facilities budget from the Town Manager/Board of Selectmen budget. The Department of Public Facilities budget already funded telephone service for School buildings, and it makes sense from an accounting standpoint to fund all local and long distance service from one budget. In addition, the Department of Public Facilities budget includes the addition of one custodian and other expense categories to support the new Senior Center planned to open in FY2014. Energy prices have moderated resulting in a reduction in the energy line.

### Human Services

**Health Department** The Health Department budget is recommended to increase by 3.4%. This increase is attributable to projected salary increases for existing staff. The submitted budget has been reduced by \$16,118 in performance improvements. However, an increase of \$11,400 for contracted mental health and CPR/AED training services is recommended in the performance budget if funds become available.

**Human Services** The Human Services budget is recommended to increase by 14%. This increase is primarily attributable to changes in the Council on Aging and Veterans' Services programs. With respect to the Council on Aging, this budget includes a performance increase of \$26,606 for van drivers for the transportation program. The drivers have historically been funded through a grant from the MBTA that has been eliminated, and through private fundraising, which has slowed in recent years. Funding of this performance request, even as other budgets have been reduced, is seen as critical given the integral role transportation plays in the Senior Center's mission, and the planned opening of our new Senior Center in calendar year 2013. With respect to Veterans' services, the budget increase is attributable to an increase in the projected level of benefits paid to Needham veterans. The Town is reimbursed for 75% of these expenditures by the Commonwealth. In addition, the budget request assumes an increase in the Town's assessment from the West Suburban Veterans' District due to increased staffing required by the Commonwealth in recognition of the number of cases served by the Director and Deputy Director. FY2013 represented the first year that the District was expanded to include the Town of Wayland.

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**Commission on Disabilities** No change is recommended for the Commission on Disabilities budget in FY2014.

**Historical Commission** No change is recommended for the Historic Commission budget in FY2014.

**Public Library** The recommended Library budget is 2.7% higher than FY2013 due to projected salary increases for existing staff. 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. Although we are not able to recommend the transfer of additional services to the operating budget in FY2014, we continue to recommend that these services be converted to Town funding over a period of several years. The submitted budget was reduced by a total of \$44,708 for a part-time Children’s Programming Librarian, additional circulation hours, network transfer staffing, and museum pass software. However, the amount of \$20,207 for the Children’s Programming Librarian is recommended in the performance budget if funding becomes available.

**Park and Recreation** The Park and Recreation budget increased by 2.3% from FY2013 to FY2014 due to projected salary increases for existing staff. A performance request for \$10,000 to support playground and facility maintenance is proposed for funding through the field maintenance revolving fund/special programs.

**Memorial Park** No change is proposed for the Memorial Park budget for FY2014.

The following tables highlight the changes discussed above.

Table 1.7  
FY2014 Changes to General Fund Operating Budget Requests

Item	Department	Budget Changes
Employee Benefits/Unemployment	Townwide	(\$100,000)
Employee Benefits/Health Insurance	Townwide	\$92,887
Employee Benefits/Classification & Settlements	Townwide	(\$28,000)
Classification & Compensation Studies	Personnel Board	(\$3,000)
Legal Fees	Legal	(\$10,000)
Community Housing Specialist	Planning & Economic Development	(\$35,000)

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Item	Department	Budget Changes
SUV Replacement	Police	(\$25,618)
Overtime	Fire	(\$89,804)
Additional Administrative Staff (FT)	Building	(\$32,743)
Additional Local Building Inspector (PT)	Building	(\$33,320)
Minuteman Assessment	Education	(\$40,482)
Operating Budget	Needham Public Schools	(\$468,380)
Classification Change Administrative Support	Public Works	(\$17,238)
Field Maintenance	Public Works	(\$46,000)
LED Conversion Program	Public Works	(\$28,070)
Portable Table Pilot Program	Public Works	(\$3,960)
Infield Renovation - Warner Field	Public Works	(\$25,000)
Increase Riverside Care Contract	Public Health	(\$10,000)
Increase Administrative Support	Public Health	(\$3,218)
AED/CPR Course Instructor	Public Health	(\$1,400)
Professional Development	Public Health	(\$1,500)
Children's Programming Librarian	Public Library	(\$20,207)
Circulation Desk Hours	Public Library	(\$14,776)
Network Transfer Hours	Public Library	(\$9,000)
Museum Pass Software	Public Library	(\$725)
Playground Maintenance Overtime	Park & Recreation	(\$10,000)
<b>Total</b>		<b>(\$964,554)</b>

Table 1.8  
 Town Manager  
 Performance Budget Recommendation if Funding Becomes Available

Item	Department	Amount
Riverside Community Care	Public Health	\$10,000
Children's Programming Librarian	Public Library	\$20,207
AED/CPR Course Instructor	Public Health	\$1,400
<b>Total</b>		<b>\$31,607</b>

## Beyond the General Fund Operating Budgets

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### Capital Budget Summary

The focus of this document is the FY2014 General Fund, Enterprise Fund, and Community Preservation Fund budgets. The FY2014 – FY2018 Capital Improvement Plan (CIP) is published as a separate document. Section 5 of this document contains the executive summary of the FY2014 - FY2018 CIP. An integral part of the balanced budget proposal contained herein, however, is the funding of capital and other non-operating budget items.

The general fund cash capital recommendation is broken into two components – Tier 1 (\$1,838,672) and Tier 2 (\$902,993). Based on the unusually low amount of certified Free Cash (as explained in Section 2) the Town Manager’s recommended cash capital budget consists of \$1,034,584. Under this proposal, the \$500,000 transfer from Overlay Surplus originally intended to support the Hillside School feasibility study is reallocated to other School-related capital. The feasibility study will not be

Fiscal Year 2014 Proposed Budget

presented for funding until November at the earliest. At that time, the feasibility study will be proposed for funding through newly certified Free Cash. Table 1.9 details the capital currently recommended for funding in fiscal year 2014, and Table 1.10 includes a list of additional capital recommended if funds become available/or deferred until the fall 2013 Special Town Meeting.

Table 1.9  
Town Manager  
Priority Order - General Fund Cash Capital Budget

Item	Department	Amount
Needham High School Radio	Public Schools	\$37,275
DPW/PSAB Radio Upgrade	Public Works	\$47,700
Pollard Telephone System	Public Facilities	\$53,000
Heart Monitor/Defibrillator	Fire	\$27,500
Technology Infrastructure & 1:1 Pilot	Public Schools	\$145,000
Public Facility Maintenance Program	Public Facilities	\$430,560
Police/Fire Station Gas Tank Removal	Public Facilities	\$28,500
School Technology & Equipment - Other	Public Schools	\$265,049
<b>Total</b>		<b>\$1,034,584</b>

Table 1.10  
Town Manager  
Additional Capital Recommended if funds become Available/Deferred to Fall 2013

Item	Department	Amount
Brush Truck/C-6 Tier 1	Fire	\$49,200
Core Fleet Replacement Tier 1	Building	\$45,042
Core Fleet Replacement Tier 1	Public Works	\$387,000

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Table 1.10  
Town Manager  
Additional Capital Recommended if funds become Available/Deferred to Fall 2013

Item	Department	Amount
Core Fleet Replacement Tier 2	Public Facilities	\$33,600
Election Equipment Tier 1	Town Clerk	\$85,000
Energy Efficiency Upgrade Program Tier 1	Public Facilities	\$113,078
Network Hardware, Servers & Switches Tier 1	Finance	\$30,000
Portable Generator Tier 2	Public Facilities	\$61,250
Public Facility Maintenance Program Tier 2	Public Facilities	\$35,190
School Technology & Equipment Tier 1	Public Schools	\$94,768
School Technology & Equipment Tier 2	Public Schools	\$267,853
Small Specialty Equipment Tier 2	Public Works	\$130,800
Snow & Ice Equipment Tier 2	Public Works	\$210,300
Wireless Radio Master Fire Box System Tier 2	Fire	\$164,000
<b>Total</b>		<b>\$1,707,081</b>

## Enterprise Fund Summary

**RTS** The RTS budget is 1.8% higher in FY2014 than in fiscal year 2013. The submitted budget has been reduced by a total of \$26,200. This includes a reduction of \$7,200 for education/information mailing costs, and \$19,000 for purchase of an additional roll-off container which is proposed for funding by way of reallocation of a prior capital article.

**Sewer** The Sewer Enterprise Fund budget is 0.8% higher than in fiscal year 2013. The submitted budget has been reduced by a total of \$22,240. This represents a reduction of \$19,120 to reflect refined fuel consumption estimates, and deferral of increases in the temporary help line. The MWRA Assessment line has been level-funded as the Town's 2014 assessment is not yet available.

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**Water** The recommended Water Enterprise Fund budget is 0.6% higher than the FY2013 budget. The submitted budget has been reduced by a total of \$17,460. This represents deferral of increases in the temporary help line in the amount of \$3,120 and a reduction of \$14,340 to reflect refined fuel consumption estimates. The MWRA Assessment line has been level-funded as the Town’s 2014 assessment is not yet available.

**Community Preservation**

The administrative budget of the Community Preservation Fund is unchanged from FY2013.

Table 1.11  
Town Manager  
FY2014 Changes to Base Operating Budget Requests/Enterprise Funds

Item	Department	Amount
Mailing Costs	RTS Enterprise	(\$7,200)
Operating Capital (Alternative Funding Source)	RTS Enterprise	(\$19,000)
Level Fund Temporary Help	Sewer Enterprise	(\$3,120)
Fuel	Sewer Enterprise	(\$19,120)
Level Fund Temporary Help	Water Enterprise	(\$3,120)
Fuel	Water Enterprise	(\$14,340)
<b>Total</b>		<b>(\$65,900)</b>

**Other Financial Warrant Articles**

**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. As in fiscal year 2013, given the projected level of retirements and existing fund balance, there is no request for compensated absences funding this year.

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**Senior Corps Program** Given the current balance in the Senior Corps fund, there is no request for additional funding this year.

**Property Tax Relief Fund** The balanced budget includes \$15,025 in funding for the Property Tax Relief Fund. The 2009 Annual Town Meeting voted to establish a Property Tax Assistance Program. The goal of the Board of Selectmen is to set a target annual appropriation for the fund equal to the amount of private contributions to the Town's statutory voluntary tax relief program during the preceding fiscal year, up to a maximum appropriation of \$25,000 (2008 dollars). The voluntary fund received \$15,025 in fiscal year 2012 – an increase of 12.5% over the prior year.

**Facility Master Plan** This article will fund a feasibility study in the amount of \$150,000 as a follow-up to the plan released in 2007. The DiNisco study included an action plan for years 2008 – 2012 and a tentative plan for years 2013 – 2022. Since the release of the plan, the Town has renovated and re-opened the High Rock School, renovated and re-opened the Town Hall, constructed and opened a new Public Services Administration Building, renovated and re-opened the Newman School, and begun construction on a new Senior Center. Funding for the relocation of the Salt Shed has been secured, and funding for DPW garage bay storage is proposed for funding at the May, 2013 Town Meeting. A study of options for location of the School Administration staff and the suitability of the Emery Grover Facility is underway, and a request for proposals for evaluation of Rosemary Pool will be issued shortly. Condition Assessments of the Hillside, Mitchell, and Pollard School have been conducted, and Energy Audits of 10 facilities were completed in 2011. A pre-feasibility study for the options for renovation or reconstruction of the Hillside and Mitchell Schools is complete, and the Town is in the process of preparing a Statement of Interest to submit to the Massachusetts School Building Authority for reconstruction of the Hillside School. Evaluation and planning for existing municipal facilities, including Police and Fire Stations, Public Works Operations, RTS, Ridge Hill/Nike, and School buildings, as well as future possibilities such as a community center, is needed to update the Facility Master Plan for the next five year period and beyond.

**LED Replacement** This article will fund the conversion of the balance of the existing traffic signals to LED lights. The Town has undertaken a concerted effort to convert traffic signal light bulbs from incandescent to LEDs and has completed approximately 55%. The LED lighting is more energy efficient. The project is estimated at \$28,070 and is proposed for funding through reallocation of a prior capital article.

**Infield Renovation/Warner Field** This article will fund the renovation of areas in and around the infield at Warner Field. These areas have been treated repeatedly without success due to the amount of weeds that have taken over the area. If the infield area is not renovated properly, it is likely that weeds from the infield will migrate into the newly sodded outfield. The project is estimated at \$25,000 and proposed for funding through reallocation of a prior capital article.

## Fiscal Year 2014 Proposed Budget

**GF/RTS Contribution** The balanced budget includes an estimated contribution to the RTS Enterprise Fund of \$780,000. It is the policy of the Town to annually support the RTS Enterprise Fund by means of a transfer from the General Fund in an amount equal to the average of the "avoided cost" for the most recent three complete fiscal years. Avoided cost is the value of the services provided to Town Departments by the Recycling and Transfer Station. Included in these services are: receiving, processing and recycling DPW construction debris; disposal of trash from public trash receptacles; composting of leaves and yard waste which is then used by the Town; collecting and processing recyclables from Town departments, including schools; and disposal of snow and other normal trash from Town property. The expense of Recycling and Transfer Station labor, vehicles, and equipment used to provide these services and repairs and maintenance are factored into the calculation of the avoided cost. The Board of Selectmen has appointed an ad hoc committee to evaluate the funding model for RTS operations. It is expected that this citizen committee will present a recommendation for a revision to the General Fund contribution formula, which, if approved, will result in a change in this budget.

**Drains/Sewer Contribution** The balanced budget includes a \$508,936 contribution to the Sewer Enterprise Fund to offset the cost of the Drains program. 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.

**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, particularly Memorial and DeFazio, which were renovated as part of a remarkable public/private partnership at a cost of more than \$7 million. Replacement of the synthetic turf fields is expected to be in the \$1.6 to \$1.8 million range in the coming years. The Town Manager's recommendation for funding the Athletic Facility Stabilization Fund in FY2014 is at least \$50,450, an amount equal to the Park and Recreation administrative fee receipts.

**Stabilization Funds/Workers' Compensation Fund/Other One-time Uses** No recommendation for appropriation to the Town's reserve funds is included in the balanced budget proposal, as funds available for such appropriation, and the most beneficial use of such funds, are typically determined later in the budget process. The Capital Improvement Fund is a reserve for future acquisition and replacement of new equipment and certain building and facility improvements. The Capital Facility Stabilization Fund is a reserve for future design, maintenance, renovation or reconstruction relating to the structural integrity, building envelope or MEP (mechanical, electrical, plumbing) systems of then existing capital facilities. The Workers' Compensation Fund is the Town's reserve fund for paying workers' compensation claims of a prior year and for lump sum settlements up to the limit of the Town's reinsurance limit.

## In Conclusion

The Town Manager's recommendations contained herein, while balanced, are not without difficult choices to be faced by department managers and the School Committee and Superintendent. As a community, we have demonstrated a capacity to adapt to new and changing circumstances, and I remain confident in our ability to continue to meet the challenges ahead. After all, "it is not the strongest of the species that survives, nor the most intelligent, but rather the one most adaptable to change." (Leon C. Megginson)

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.

I continue to be impressed with the commitment to sustainability and spirit of cooperation that has been demonstrated by the Board of Selectmen, School Committee, Finance Committee, Town Meeting, and ultimately the community. We are fortunate to have a dedicated, loyal, and hardworking staff who, like board and committee members, often put the needs of the community ahead of their own personal interests. I thank you for the opportunity to serve the residents and businesses in the Town of Needham.

*Kate Fitzpatrick*

Town Manager

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Fiscal Year 2014 Proposed Budget

Town of Needham Appropriation Lines  Budget	Current	Submission		Town Manager Recommendation				
	FY2013	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014
	Dec-12	DSR2 & DSR4	\$ change from FY2013	DSR2	DSR4	Balance Budget	\$ change from FY2013	% Change
<b>Townwide Expense</b>								
Casualty, Liability and Self Insurance Program	525,000	525,000		525,000		525,000		
Debt Service	11,288,276	12,108,851	820,575	12,108,851		12,108,851	820,575	7.3%
Employee Benefits and Employer Assessments	10,608,775	10,801,072	192,297	10,793,959		10,793,959	185,184	1.7%
Retirement Assessments	5,030,821	5,454,554	423,733	5,454,554		5,454,554	423,733	8.4%
Retiree Insurance Program & Insurance Liability Fund	4,523,887	4,727,462	203,575	4,727,462		4,727,462	203,575	4.5%
Classification, Performance and Settlements*	25,000	53,000	28,000	25,000		25,000		
Reserve Fund	1,309,072	1,373,243	64,171	1,373,243		1,373,243	64,171	4.9%
<b>Group Total</b>	<b>33,310,831</b>	<b>35,043,182</b>	<b>1,732,351</b>	<b>35,008,069</b>		<b>35,008,069</b>	<b>1,697,238</b>	<b>5.1%</b>
*Adjusted to reflect CBA voted by Town Meeting								
<b>Board of Selectmen &amp; Town Manager</b>								
Personnel	669,819	687,407	17,588	687,407		687,407	17,588	
Expenses	156,433	106,941	(49,492)	106,941		106,941	(49,492)	
Operating Capital								
<b>Total</b>	<b>826,252</b>	<b>794,348</b>	<b>(31,904)</b>	<b>794,348</b>		<b>794,348</b>	<b>(31,904)</b>	<b>-3.9%</b>
<b>Town Clerk and Board of Registrars</b>								
Personnel	296,301	282,647	(13,654)	282,647		282,647	(13,654)	
Expenses	45,552	39,265	(6,287)	39,265		39,265	(6,287)	
Operating Capital								
<b>Total</b>	<b>341,853</b>	<b>321,912</b>	<b>(19,941)</b>	<b>321,912</b>		<b>321,912</b>	<b>(19,941)</b>	<b>-5.8%</b>
<b>Town Counsel</b>								
Personnel	70,039	71,790	1,751	71,790		71,790	1,751	
Expenses	230,000	244,000	14,000	234,000		234,000	4,000	
Operating Capital								
<b>Total</b>	<b>300,039</b>	<b>315,790</b>	<b>15,751</b>	<b>305,790</b>		<b>305,790</b>	<b>5,751</b>	<b>1.9%</b>

Fiscal Year 2014 Proposed Budget

Town of Needham Appropriation Lines  Budget	Current	Submission		Town Manager Recommendation					
	FY2013	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014	
	Dec-12	DSR2 & DSR4	\$ change from FY2013	DSR2	DSR4	Balance Budget	\$ change from FY2013	% Change	
<b>Personnel Board</b>									
Personnel	600	600		600		600			
Expenses	11,000	18,000	7,000	11,000	4,000	15,000	4,000		
Operating Capital									
<b>Total</b>	<b>11,600</b>	<b>18,600</b>	<b>7,000</b>	<b>11,600</b>	<b>4,000</b>	<b>15,600</b>	<b>4,000</b>	<b>34.5%</b>	
<b>Finance Department</b>									
Personnel	1,600,620	1,637,963	37,343	1,637,963		1,637,963	37,343		
Expenses	793,865	797,005	3,140	797,005		797,005	3,140		
Operating Capital	37,500	37,500		37,500		37,500			
<b>Total</b>	<b>2,431,985</b>	<b>2,472,468</b>	<b>40,483</b>	<b>2,472,468</b>		<b>2,472,468</b>	<b>40,483</b>	<b>1.7%</b>	
<b>Finance Committee</b>									
Personnel	30,289	31,668	1,379	31,668		31,668	1,379		
Expenses	1,075	1,225	150	1,225		1,225	150		
Operating Capital									
<b>Total</b>	<b>31,364</b>	<b>32,893</b>	<b>1,529</b>	<b>32,893</b>		<b>32,893</b>	<b>1,529</b>	<b>4.9%</b>	
<b>General Government Group</b>	<b>3,943,093</b>	<b>3,956,011</b>	<b>12,918</b>	<b>3,939,011</b>	<b>4,000</b>	<b>3,943,011</b>	<b>(82)</b>	<b>0.0%</b>	
<b>Planning</b>									
Personnel	238,982	287,939	48,957	252,939		252,939	13,957		
Expenses	16,460	16,460		16,460		16,460			
Operating Capital									
<b>Total</b>	<b>255,442</b>	<b>304,399</b>	<b>48,957</b>	<b>269,399</b>		<b>269,399</b>	<b>13,957</b>	<b>5.5%</b>	
<b>Community Development</b>									
Personnel	118,626	129,899	11,273	129,899		129,899	11,273		
Expenses	11,858	11,858		11,858		11,858			
Operating Capital									
<b>Total</b>	<b>130,484</b>	<b>141,757</b>	<b>11,273</b>	<b>141,757</b>		<b>141,757</b>	<b>11,273</b>	<b>8.6%</b>	
<b>Land Use &amp; Development Group</b>	<b>385,926</b>	<b>446,156</b>	<b>60,230</b>	<b>411,156</b>		<b>411,156</b>	<b>25,230</b>	<b>6.5%</b>	

Fiscal Year 2014 Proposed Budget

Town of Needham Appropriation Lines  Budget	Current	Submission		Town Manager Recommendation				
	FY2013	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014
	Dec-12	DSR2 & DSR4	\$ change from FY2013	DSR2	DSR4	Balance Budget	\$ change from FY2013	% Change
<b>Police Department</b>								
Personnel	4,959,157	5,175,845	216,688	5,175,845		5,175,845	216,688	
Expenses	280,835	292,426	11,591	292,426		292,426	11,591	
Operating Capital	228,018	181,370	(46,648)	155,752		155,752	(72,266)	
<b>Total</b>	<b>5,468,010</b>	<b>5,649,641</b>	<b>181,631</b>	<b>5,624,023</b>		<b>5,624,023</b>	<b>156,013</b>	<b>2.9%</b>
<b>Fire Department</b>								
Personnel	6,249,767	6,671,597	421,830	6,581,793		6,581,793	332,026	
Expenses	253,965	262,987	9,022	262,016	971	262,987	9,022	
Operating Capital		10,740	10,740		10,740	10,740	10,740	
<b>Total</b>	<b>6,503,732</b>	<b>6,945,324</b>	<b>441,592</b>	<b>6,843,809</b>	<b>11,711</b>	<b>6,855,520</b>	<b>351,788</b>	<b>5.4%</b>
<b>Building Department</b>								
Personnel	460,619	542,115	81,496	464,652	13,500	478,152	17,533	
Expenses	28,940	31,040	2,100	28,940		28,940		
Operating Capital								
<b>Total</b>	<b>489,559</b>	<b>573,155</b>	<b>83,596</b>	<b>493,592</b>	<b>13,500</b>	<b>507,092</b>	<b>17,533</b>	<b>3.6%</b>
<b>Public Safety Group</b>	<b>12,461,301</b>	<b>13,168,120</b>	<b>706,819</b>	<b>12,961,424</b>	<b>25,211</b>	<b>12,986,635</b>	<b>525,334</b>	<b>4.2%</b>
<b>Minuteman</b>	<b>780,038</b>	<b>780,038</b>		<b>739,556</b>		<b>739,556</b>	<b>(40,482)</b>	<b>-5.2%</b>
<b>Needham Public Schools</b>	<b>51,112,681</b>	<b>54,423,967</b>	<b>3,311,286</b>	<b>53,955,587</b>		<b>53,955,587</b>	<b>2,842,906</b>	<b>5.6%</b>
<b>Department of Public Works</b>								
Personnel	3,109,481	3,224,416	114,935	3,207,178		3,207,178	97,697	
Expenses	1,384,915	1,532,184	147,269	1,429,154		1,429,154	44,239	
Operating Capital	126,500	7,750	(118,750)	7,750		7,750	(118,750)	
Snow and Ice Budget	400,000	400,000		400,000		400,000		
<b>Total</b>	<b>5,020,896</b>	<b>5,164,350</b>	<b>143,454</b>	<b>5,044,082</b>		<b>5,044,082</b>	<b>23,186</b>	<b>0.5%</b>
<b>Municipal Parking</b>								
<b>Program Total</b>	<b>55,000</b>	<b>70,250</b>	<b>15,250</b>	<b>70,250</b>		<b>70,250</b>	<b>15,250</b>	<b>27.7%</b>
<b>Municipal Street Light Program</b>								
<b>Program Total</b>	<b>233,000</b>	<b>227,804</b>	<b>(5,196)</b>	<b>227,804</b>		<b>227,804</b>	<b>(5,196)</b>	<b>-2.2%</b>
<b>Public Works Group</b>	<b>5,308,896</b>	<b>5,462,404</b>	<b>153,508</b>	<b>5,342,136</b>		<b>5,342,136</b>	<b>33,240</b>	<b>0.6%</b>

Fiscal Year 2014 Proposed Budget

Town of Needham Appropriation Lines  Budget	Current	Submission		Town Manager Recommendation				
	FY2013	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014
	Dec-12	DSR2 & DSR4	\$ change from FY2013	DSR2	DSR4	Balance Budget	\$ change from FY2013	% Change
<b>Department of Public Facilities</b>								
Personnel	3,227,402	3,407,208	179,806	3,407,208		3,407,208	179,806	
Expenses	4,545,060	4,645,982	100,922	4,645,982		4,645,982	100,922	
Operating Capital								
<b>Total</b>	<b>7,772,462</b>	<b>8,053,190</b>	<b>280,728</b>	<b>8,053,190</b>		<b>8,053,190</b>	<b>280,728</b>	<b>3.6%</b>
<b>Public Facilities Group</b>	<b>7,772,462</b>	<b>8,053,190</b>	<b>280,728</b>	<b>8,053,190</b>		<b>8,053,190</b>	<b>280,728</b>	<b>3.6%</b>
<b>Health Department</b>								
Personnel	401,658	421,513	19,855	418,295		418,295	16,637	
Expenses	87,054	100,154	13,100	87,254		87,254	200	
Operating Capital								
<b>Total</b>	<b>488,712</b>	<b>521,667</b>	<b>32,955</b>	<b>505,549</b>		<b>505,549</b>	<b>16,837</b>	<b>3.4%</b>
<b>Human Services</b>								
Personnel	510,811	555,478	44,667	528,872	26,606	555,478	44,667	
Expenses	77,205	114,870	37,665	114,870		114,870	37,665	
Operating Capital								
<b>Total</b>	<b>588,016</b>	<b>670,348</b>	<b>82,332</b>	<b>643,742</b>	<b>26,606</b>	<b>670,348</b>	<b>82,332</b>	<b>14.0%</b>
<b>Commission on Disabilities</b>								
Expenses	550	550		550		550		
<b>Total</b>	<b>550</b>	<b>550</b>		<b>550</b>		<b>550</b>		
<b>Historical Commission</b>								
Expenses	1,050	1,050		1,050		1,050		
<b>Total</b>	<b>1,050</b>	<b>1,050</b>		<b>1,050</b>		<b>1,050</b>		
<b>Public Library</b>								
Personnel	1,071,967	1,147,786	75,819	1,103,803		1,103,803	31,836	
Expenses	310,776	316,473	5,697	315,748		315,748	4,972	
Operating Capital								
<b>Total</b>	<b>1,382,743</b>	<b>1,464,259</b>	<b>81,516</b>	<b>1,419,551</b>		<b>1,419,551</b>	<b>36,808</b>	<b>2.7%</b>

Fiscal Year 2014 Proposed Budget

Town of Needham Appropriation Lines  Budget	Current	Submission		Town Manager Recommendation				
	FY2013	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014
	Dec-12	DSR2 & DSR4	\$ change from FY2013	DSR2	DSR4	Balance Budget	\$ change from FY2013	% Change
<b>Park and Recreation Department</b>								
Personnel	453,499	478,456	24,957	468,456		468,456	14,957	
Expenses	107,875	106,000	(1,875)	106,000		106,000	(1,875)	
Operating Capital								
<b>Total</b>	<b>561,374</b>	<b>584,456</b>	<b>23,082</b>	<b>574,456</b>		<b>574,456</b>	<b>13,082</b>	<b>2.3%</b>
<b>Memorial Park</b>								
Expenses	750	750		750		750		
<b>Total</b>	<b>750</b>	<b>750</b>		<b>750</b>		<b>750</b>		
<b>Community Services Group</b>	<b>3,023,195</b>	<b>3,243,080</b>	<b>219,885</b>	<b>3,145,648</b>	<b>26,606</b>	<b>3,172,254</b>	<b>149,059</b>	<b>4.9%</b>
<b>Department Budgets</b>	<b>84,787,592</b>	<b>89,532,966</b>	<b>4,745,374</b>	<b>88,547,708</b>	<b>55,817</b>	<b>88,603,525</b>	<b>3,815,933</b>	<b>4.5%</b>
<b>Townwide Expense Group</b>	<b>33,310,831</b>	<b>35,043,182</b>	<b>1,732,351</b>	<b>35,008,069</b>		<b>35,008,069</b>	<b>1,697,238</b>	<b>5.1%</b>
<b>Total General Fund Operating Budget</b>	<b>118,098,423</b>	<b>124,576,148</b>	<b>6,477,725</b>	<b>123,555,777</b>	<b>55,817</b>	<b>123,611,594</b>	<b>5,513,171</b>	<b>4.7%</b>

Fiscal Year 2014 Proposed Budget

Town of Needham Appropriation Lines  Budget	Current	Submission		Town Manager Recommendation				
	FY2013	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014	FY2014
	Dec-12	DSR2 & DSR4	\$ change from FY2013	DSR2	DSR4	Balance Budget	\$ change from FY2013	% Change
<b>Solid Waste and Recycling Enterprise</b>								
Personnel	653,290	666,915	13,625	666,915		666,915	13,625	2.1%
Expenses	1,214,293	1,248,016	33,723	1,221,816		1,221,816	7,523	0.6%
Operating Capital	43,000	60,000	17,000	60,000		60,000	17,000	39.5%
Debt Service	150,000	150,000		150,000		150,000		
Reserve Fund	25,000	25,000		25,000		25,000		
<b>TOTAL</b>	<b>2,085,583</b>	<b>2,149,931</b>	<b>64,348</b>	<b>2,123,731</b>		<b>2,123,731</b>	<b>38,148</b>	<b>1.8%</b>
<b>Sewer Enterprise</b>								
Personnel	902,938	934,261	31,323	931,141		931,141	28,203	3.1%
Expenses	475,056	389,065	(85,991)	369,945		369,945	(105,111)	-22.1%
Operating Capital	25,000	65,000	40,000	65,000		65,000	40,000	160.0%
MWRA	5,440,127	5,440,127		5,440,127		5,440,127		
Debt Service	1,400,000	1,500,000	100,000	1,500,000		1,500,000	100,000	7.1%
Reserve Fund	35,000	35,000		35,000		35,000		
<b>TOTAL</b>	<b>8,278,121</b>	<b>8,363,453</b>	<b>85,332</b>	<b>8,341,213</b>		<b>8,341,213</b>	<b>63,092</b>	<b>0.8%</b>
<b>Water Enterprise</b>								
Personnel	1,028,088	1,041,273	13,185	1,044,393	4,200	1,048,593	20,505	2.0%
Expenses	1,026,906	1,030,620	3,714	1,047,350		1,047,350	20,444	2.0%
Operating Capital	20,000	31,500	11,500	31,500		31,500	11,500	57.5%
MWRA	965,737	965,737		965,737		965,737		
Debt Service	1,550,000	1,550,000		1,550,000		1,550,000		
Reserve Fund	75,000	75,000		75,000		75,000		
<b>TOTAL</b>	<b>4,665,731</b>	<b>4,694,130</b>	<b>28,399</b>	<b>4,713,980</b>	<b>4,200</b>	<b>4,718,180</b>	<b>52,449</b>	<b>1.1%</b>
<b>Community Preservation Committee</b>								
<b>Total</b>	<b>82,000</b>	<b>82,000</b>		<b>82,000</b>		<b>82,000</b>		