

Town of Needham
General Fund
Revenue and Expense
FY2014 – FY2018 Pro Forma

Presented
to
Board of Selectmen
September 11, 2012

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Town of Needham
General Fund Revenue and Expense Pro Forma
FY2014 – FY2018

Overview

The purpose of developing the Pro Forma budget is to provide a resource to use for planning the upcoming fiscal year budget and to allow for early planning for the next several budget cycles. An underlying purpose of the Pro Forma is to anticipate and prepare contingency plans for the operation of the government and continuation of the primary services and functions in a sustainable way. The annual update of the five-year Pro Forma is done to provide a tool that assists the Town in its planning and to allow for proactive steps to maintain a sustainable operation within reasonable anticipated revenues and other funding sources. Pro Forma expense amounts are not necessarily where department budgets will be or should be, but rather an outlook of expenses on a macro level, taking into consideration expected changes based on known (contractual obligations) and forecasted trends on major (key) expenditures, as compared to revenue trends.

As in prior years, we forecast revenues and expenditures in a conservative manner, reflective of current and anticipated trends. Although each year the variance between the revenue estimates and expenditure estimates grows, the line of focus should be the incremental gap. Because the Town can not approve a deficit budget, (so the gap between revenue and expenses is closed every year), the deficit is not growing by the amount shown on Line I, but rather the gap to be closed in each year is the incremental amount shown on Line II. With any forecast based on past trends and future assumptions, revenues and expenses are better known as we come into the actual year. It is important to note that, even in the best of recent economic climates, the Pro Forma budget reflected a gap between estimated revenues and expenditures.

The FY2013 operating budget is the base year on which annual changes are based. The FY2014 estimate incorporates the proposed and required changes to the current budget to be considered at the October 2012 Special Town Meeting and by the Department of Revenue during the tax rate setting process.

In this analysis, we present a revised FY2013 operating budget and revenue estimate, the immediate three prior fiscal year final adjusted budgets (2012, 2011, and 2010), and a five year outlook. For the purposes of this report, we have removed the debt exclusions and CPA debt service amounts that are part of the actual General Fund operating budget which are budgetarily neutral.

The estimated expenditure requests for FY2014 at \$120,358,153 are \$1,934,607 more than the revised estimated

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expenditure total for FY2013. The projected revenue figure is \$119,501,685 compared to \$118,423,546 currently estimated for FY2013 - an increase of \$1,078,139. The gap between estimated revenue and estimated expenditures for FY2014 is slightly higher at \$856,467 when compared to the \$841,759 figure shown as the incremental gap for FY2014 in the August 16, 2011 Pro Forma. Furthermore, the incremental gap between estimated revenue and estimated expenditures increased in each of the out years (FY2015 – FY2017), and shows an incremental gap of \$1,524,916 in FY2018. One reason for the growing gap is that after two years of zero COLA - or minimum base wage increase in exchange for a transfer of employee groups to the Rate-Saver health plans – salary and wage settlements are expected to be higher, but not out of line with prior years. Another reason is that revenue is now forecasted to grow even more slowly than before due, in great part, to consequences of the actions or inactions of Congress in addressing the Federal budget deficit.

Revenues

We have assumed no operating overrides for any of the fiscal years. As stated earlier, because we have removed the excluded debt and CPA debt service from the expenditure side, we have also removed the debt-excluded revenue and MSBA payments, if any, and Community Preservation Act funds from the revenue projections, as they are offsetting. We have adjusted the FY2013 revenue budget to reflect the adoption of the 2013 State Budget. In addition, the local revenue estimate for FY2013 has been modified based on actual revenue collections in FY2012. The estimate is higher, but some, most notably investment income, is continuing a downward slide. The current estimate for property tax new growth revenue has been increased by \$100,000 from that assumed for the May 2012 Annual Town Meeting. Overall, for FY2013 and FY2014, we anticipate that the growth rate in net general fund revenue to be comparable to the average over the past few years, but that revenue is forecasted to grow even more slowly than previously seen. These estimates are in keeping with our conservative approach. There is a key consideration that should be understood and that is upcoming national and state elections and the impact of the automatic budget reductions if Congress fails to act next year. The fiscal remedies, and there must be, whether forced or thoughtful, to begin the course of lowering the Federal deficit will impact the Town may significantly alter the outlook for both the actual FY2014 budget process and more likely the overall long term picture. Hopefully, our leaders in Washington D.C. when they begin in earnest to tackle spending and taxation decisions on the road to a balanced and sustainable Federal budget, recognize that it took decades for the Federal deficit to grow as much as it has, and politics aside, regardless of the results of the national election this November, it will take decades to undo. This means that the changes that come about as a consequence may be long in duration and should not be seen as temporary.

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Property Taxes and Local Receipts

The message this year is the same as last year's Pro Forma "the local revenue picture can be described as more of the same, but weaker. The national real estate market is still dreary and more market correction is forecasted by national economists. Yet, the residential real estate picture in Needham still remains remarkably stable in comparison." This has not changed. Indeed, with added development in the commercial districts near Rte 128, new growth will be better in the near-term. We allow for the annual 2.5% increase in the tax levy each year and have increased the new growth revenue assumption for FY2014 to 1.25%, lowered to 0.95% for FY2015, and continued the new growth assumption for FY2016 and beyond at the same 0.9% as before. As noted previously, we have made no allowance for operating overrides, and we have removed the debt exclusion revenue as we have removed the debt exclusion payments from this report.

The Town plans on a certain level of recurring Free Cash, so our practice is to estimate receipts, principally local receipts in such a manner as to generate surplus to provide for the following year's Free Cash estimate. The FY2013 local receipts estimate has been revised upward, both motor vehicle excise and building permits are up, and we have increased the estimate to offset the reductions in the estimates for service charges and investment income. This continues to send a mixed message as all are indicators of economic activity. Most other local receipts were flat. The Town saw motor vehicle excise revenue increase over the prior year's actual for two years in a row (however the FY2012 actual to the FY2011 actual revenue increase was much smaller than the FY2011 to FY2010 actual). Prior to the increase in the actual excise revenue for FY2011, the Town was seeing annual declines in excise monies since 2008. The actual FY2012 excise revenue was \$4.35 million, actual FY2011 excise revenue was \$4.25 million which is compared to \$3.88 million in FY2010, and was more in line with the \$4.13 million in FY2009. The FY2013 estimate has been increased to \$3.67 million and we look ahead to FY2014 with a 3.5% growth assumption. We also assume the pent up demand for new vehicles will allow for an increase of another 3.5% in the budget estimate for FY2015, but then as the auto purchasing cycle goes, there may be a slow down in the number of new vehicle purchased which we account for by lowering the percentage change to 2.5% in FY2016 and FY2017; the FY2018 estimate is the same as our allowance for other local receipts of 3%. Given that motor vehicle excise usually is the largest local receipt category, a shortfall in this revenue stream could materially impact the Town's Free Cash position in the succeeding year, and therefore our estimates continue to be conservative and held below actual collections.

License and permit revenue continue to be sturdy, a reflection that construction activity in the Town is ongoing and licensed establishments are surviving. We do expect in time that this revenue stream will be lower, but for the current fiscal year, we have increased the estimate from \$1,050,000 to \$1,259,000, and have increased the

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FY2014 assumption by not only a 3% growth rate over the revised budget estimate, but also a \$50,000 increase. This is in anticipation of more building activity in the business park. We step down this \$50,000 increase by \$25,000 in FY2015 and FY2016, while maintaining an underlying 3.0% growth rate.

For the third year in a row, even after a downward estimate from the amount assumed at the time of the Annual Town Meeting, investment income came in under the budget estimate. FY2012 unaudited actual revenue is \$103,130 compared to a budget estimate of \$150,000; FY2011 actual revenue was \$222,981 compared to a budget estimate of \$325,000; FY2010 actual was \$497,129 compared to a budget estimate of \$545,000; and FY2009 actual was \$714,066 compared to a budget estimate of \$650,000. Looking back further than FY2009, actual investment income was \$1,253,286 (FY2008) and \$1,573,613 (FY2007). The original estimate for FY2013 was level dollar to the FY2012 budget, but based on actual interest income for FY2012 and no expectation that rates are to increase appreciably for the next year, we have lowered the estimate for FY2013 to \$80,000 and level dollar for FY2014. We assume of growth rate of 1% for FY2015 and 2% for FY2016. We assume a 3% growth rate in FY2017 and forward.

For FY2014, we have lowered our local receipt growth assumption from the 3.5% shown last year for FY2014 to 3%. For the out years, in keeping with the long term lower growth assumption, we project all other local receipts to be increased by a flat 3% per year.

State Aid

Although state aid for 2013 has been budgeted at a higher amount than originally forecasted, there continue to be reasonable concerns raised as to whether the Commonwealth will be able to sustain that level of growth in aid to the communities. This is even more pronounced than in prior years due to the uncertainty with the direction and action that Congress will take. The impact on local aid should begin to appear in FY2014, but more likely in FY2015 and beyond. Even though, based on prior actions by the Governor and Massachusetts Legislature, the State has tried to hold to its funding commitments to local education, even during recessions, Chapter 70 funding will likely be impacted by Washington as well.

We have allowed for a 1% annual reduction in all state aid accounts for each of the five years except for two of the major state aid programs. We have allowed for a 2.5% increase in the Chapter 70 Education Cherry Sheet aid to Needham for FY2014, as this program is the least likely to be reduced. Increases in this line item have been on average since 2006 approximately 10% a year (albeit one year was a decrease) and the percentage in the past three years has been even higher as the State took proactive measures to honor its "make whole" promise to cities

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and towns regarding educational aid, so for the immediate outlook a modest increase is still assumed. With the uncertainty, we assume FY2015 will be a level dollar funding year for Chapter 70 and then the Town will begin to see an actual decline in revenue beginning in FY2016 of 1% a year. We assume Unrestricted General Government Aid (UGGA) will be cut by 1% in FY2014 and 0.5% in FY2015; level funded in FY2016, and will begin to increase by 0.5% in FY2017, and 1% in FY2018. The UGGA is an outgrowth from the former state aid programs titled Lottery and Additional Assistance. UGGA funding is less than the funding that the Town received under the two previous programs, but the State had been reducing funding for those programs for a number of years. The growth factor in the out years is based on the assumption that the State will not divert lottery funds from the municipalities, and that lottery receipts will increase as the State Treasurer takes proactive steps to improve the viability of the program.

Because all Massachusetts School Building Authority (MSBA) funds are used to offset the excluded debt service, and since we have removed excluded debt expense from the Pro Forma, we have not included the remaining MSBA payments in this analysis.

Other Revenues

We continue to assume that abatement and exemption activity will remain predictable, and have made allowances that \$500,000 in overlay surplus should be available for appropriation each year. We are still in the process of tabulating FY2012 financial activities and preparing for the financial audit. We will not have a firm estimate of Free Cash until the fall. Early indications for 2014 Free Cash will be within the ten year average. For the purposes of this Pro Forma, we have taken a similar approach as we did last year, of assuming Free Cash for the upcoming year based on an average of \$3,271,000. The Free Cash amount is then assumed to increase annually by the rate of growth in core revenues (property tax, state aid, and local receipts); the annual change in this revenue category is in the three percent range. Free Cash is also affected by extraordinary turn backs, one-time revenue, allowances made for uncollectable receivables, and deficits in other funds. The Pro Forma continues to assume that any Free Cash amount in excess of the operating budget allocation will be used for increased capital investment or reserved in the capital funds for ongoing future needs. This strategy reduces the Town's dependence on reserves to fund recurring operating expenses, and/or to fund other non-operating costs. In recognition that most every year there are some additional resources which become available for appropriation, we have included \$51,500 in the FY2014 revenue assumption and grow the amount by 3% per year. The estimates are the same as used in the prior year's Pro Forma based on a five year average, after excluding operating budget reallocation towards capital and reserves that have been appropriated for capital and special warrant articles. Parking meter revenue is projected to provide \$40,000 annually.

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Expenditures

The FY2013 budget is the base year on which the out year estimates are calculated. With respect to department expenditures, except where otherwise noted, we assume a 3.9% increase in wage and salary expenses for FY2014 and 4% for FY2015 forward. Furthermore, other than as outlined below, all other budget items are assumed at a 2.32% annual increase, consistent with the average increase in the consumer price index (Northeast Index of all urban consumers) for the past five full calendar years (2007 – 2011). This index is used in consideration of the fact that the marketplace in which the Town purchases goods and services extends beyond the local Boston Metropolitan area, and this index is therefore more reflective of the mix of vendors from which the Town purchases. The calculated average with the same index in the prior three years was: 2.43%, 2.77%, and 3.46%, respectively.

A significant portion of the Town's work force is part of a collective bargaining group. Compensation to those employees is based on the collective bargaining agreements (CBA). Most employee groups (including all the school employee collective bargaining groups) are under contract for FY2013, and most are covered under contract for FY2014. Any year for which there is not a CBA in place or for departments with personnel not covered by a collective bargaining group, the salary and wage costs are based on historical averages with mitigating factors for certain budgets when the average is not representative of the changes.

Town Wide Expenses

As a result of recent efforts in collective bargaining, all employees including employees not part of a union have transitioned to lower premium health insurance plans over the past two years or will during FY2013. This change has helped to mitigate the growth rate in employee benefits. These efforts and recent trends in health care costs, have allowed us to retain the previous assumption that the health insurance budget increase will be lower in the out years, with a 5% increase for FY2014, and the increase in FY2015 forward will be at 4.75% per year. With respect to retiree health insurance and the insurance liability fund, we have relied upon the July 2011 actuarial schedule, but in anticipation of changes with the next update, we have assumed a 6.5% annual increase rather than the 4.5% growth rate in the schedule. The general insurance budget is expected to grow at the five-year CPI average of 2.32% per year with a one-time adjustment of \$7,500 for the senior center phased in over FY2014 and FY2015 (the new senior center is not expected to open until the fall of 2013). This line also covers deductibles, small claims, and risk management expenses.

The retirement assessment is based on the current actuarial funding schedule. The noncontributory retirement growth is pegged at the same rate of growth as general salaries and wages. The Retirement System assessment

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for FY2014 is \$5,164,696 which will increase by approximately 3.4% per year based on the updated actuarial analysis. The system is projected to be fully funded in 2027.

The unemployment budget is assumed to increase 2.32% or the five-year CPI average. The workers compensation budget line and the updated classification performance and settlements reserve are based on the same averages as the salary and wage lines. Debt service within the levy limit is maintained at approximately 3% of general revenue.

The reserve fund allowance is based on the same approach that was introduced in the 2012 Pro Forma. The formula provides for a reserve fund of 1.4% of the operating budget, excluding debt, OPEB, and retirement. Those three budgets have been excluded from the calculation as they are known amounts each budget year and therefore a call on the reserve fund from these programs is not expected. The formula provides for a reserve fund at a level similar to recent budgets.

Public Schools

We have assumed a 3.9% increase in the personnel expenditure line for FY2014 (the same as municipal departments); increasing to 4.2% in FY2015, then to 4.3% in FY2016 forward. As assumed in the previous Pro Forma, SPED tuition and related costs are still expected to moderate (and have), so the FY2014 and FY2015 estimates remain at a 4% growth rate; the FY2013 budgeted amount is \$3,556,169. The SPED budget is projected to increase by 3.75% FY2016 and FY2017, and then by 3.5% in FY2018. Another major cost item within the Needham public schools is transportation. The FY2013 general fund budget allocation for this expense is \$1,322,495. Based on higher bid prices and expected increases in fuel costs, the Pro Forma assumes this expense to grow by 5% in FY2014 and FY2015, and then increase by 4% in FY2016 and FY2017, with the growth rate dropping to 3.5% in FY2018. All other expenses are projected at a 2.32% increase annually. The increases in the SPED budget may be mitigated by increased funding by the Commonwealth through the circuit breaker program.

The Minuteman School assessment fluctuates significantly year to year, because the assessment is a factor of the Department of Education's net school spending calculation, the number of students attending from Needham, and the percentage that the Needham student enrollment bears to the total enrollment. In the past, we projected this line using the average of the actual assessment paid by the Town over the past five years. Based on significant increases in Minuteman enrollment from Needham in the last two years, for the purposes of this Pro Forma, we have used the FY2013 assessment figure of \$780,038 and assume a 5% annual increase thereafter.

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New Facilities and Building Maintenance

We have also incorporated into the Pro Forma operating cost estimates to the various budgets for the new Senior Center. The Center is scheduled to open in the fall of 2013. The new costs associated with the new senior center will occur over two fiscal years; 75% of the annualized cost will be incurred in FY2014 and the remaining 25% in FY2015. This additional cost by department is shown in an attached table. The Public Facilities Department budget accounts for most of the energy costs incurred by the Town to run its facilities. This budget also pays for the basic maintenance and repairs to Town and School buildings. Steps undertaken by the Town, through management, energy efficiency efforts, and favorable bid pricing, have ensured that this expense is not growing at the rate seen previously. The Town is locked into a favorable electric supply contract with TransCanada until December 2014. However, diesel fuel, gasoline, and heating oil prices continue to rise and fall with great swings over the past five years.

The five year average change in gasoline prices in the Boston area has been over 6%; the FY2012 change was a decrease of more than 7% over the FY2011; but FY2011 was an increase of more than 37% over FY2010. Heating oil prices have been just as variable, with the average over the past five fiscal years of nearly 15%, but the average priced declines by nearly 8% in FY2012 from FY2011. The Town has been converting its facilities to natural gas heat, so the impact of the increase in heating oil will not be as would have been true in previous years. The heating oil budget impact is assumed by reducing the current allocation of \$342,772 by \$75,000 to \$267,772 and then increasing the resultant by 10% in FY2014 and the out years. The budget for natural gas for FY2013 is \$586,584, although rates continue to decline (natural gas pricing per therm has declined on average by approximately 5% a year). We have added/changed buildings to natural gas heat, so our assumption holds the current dollar allocation level for FY2014 and FY2015, and then grows at the CPI rate for FY2016 forward. For the purposes of this Pro Forma, we assume an overall increase in all other non-salary lines of 2.32% per year for public facilities expenses. In addition to the increase in costs associated with the opening of the new senior center, we have estimated the Department's personnel cost to mirror general government with 3.9% in FY2014, and 4% thereafter.

The estimates noted above and for other departments below for energy also serve as a proxy for increased costs that may be passed on by contractors and suppliers due to higher energy and delivery costs.

Municipal Departments

The Town Clerk's budget, in addition to the assumed growth rate in salary and wage expenses of 3.9% and 4%,

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also provides for the annual increase/decrease for budget years that a State or Presidential election is held (FY2015 will be \$26,000 more and FY2017 will be \$27,040 more, the higher amount will be backed out in the subsequent year respectively.) We have assumed that the legal expense budget will increase at a 5% annual rate, but the salary line will grow at a lower rate.

The Finance Department, which includes the Information Technology Center, is charged with providing and supporting data processing services for all Town departments, which insofar as practical or otherwise necessitated, are centralized under that department. The FY2013 budget is being presented for amendment at the October 2012 Special Town Meeting to hire an additional permanent IT staff person, and additional funding for temporary staff cost that is being incurred by the department as it implements a new system-wide financial and accounting software system over an eighteen month period. The increased costs of \$14,000 to be funded in FY2013 will be reduced by \$7,000 with the FY2014 budget and another \$7,000 with the FY2015 budget. All other salary and wage expense are assumed at the same rate as the Town overall. With the increase in the expense budget due the new software and transition related costs for FY2013, the assumed rate for the non-personnel lines is carried at the 2.32%.

The Town has taken deliberate steps over the past several years toward increasing staff and resources in the land use departments of the Town. As the Community Development department weans off use of wetland funds over several years, the growth in the salary and wage line is expected to be higher than the Town overall. The increase in salary and wages for FY2014 is factored at 5%, then decreasing by a 0.25% per fiscal year (FY2015 at 4.75%; FY2016 at 4.50%; FY2016 at 4.50%; FY2017 at 4.25%), so that by FY2018 the growth rate will be the same as the Town overall at 4%.

Salary and wage expenses for the Police Department is assumed to increase by approximately 5.5% for FY2014, and then at the same rate as the other general government departments of 4% a year. The gasoline budget for the Police Department is estimated at a 6% increase per year (FY2013 budget allocation is \$104,040). The Fire Department should see an increase of approximately 4.8% in FY2014 and then 4.0% thereafter. The Fire Department fuel line will also be impacted by the overall trend in the cost of fuel, but with a greater reliance on diesel fuel than gasoline, this budget expense is assumed at a 10.0% increase for FY2014 then declining by 1% per year for FY2015 forward (FY2015 at 9%; FY2016 at 8%; FY2016 at 7%; FY2017 at 6%). The current budget allocation for fuel in the Fire Department is \$39,724. The five year average change in diesel fuel pricing in the northeast has been over 13%. Although the June 2012 average price of \$4.99 per gallon (a three percent drop from the prior year) was positive, the trend is not expected to continue. The annual equipment replacement cost

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for the Police Department is forecast at 2.32% per year after a one-time reduction of \$48,018 from the FY2013 budget allocation (the budget is pending an amendment of \$28,018 to be added to the current \$200,000 appropriation for FY2013. The additional funds were a result of a large insurance recovery). All other expenses for Police and Fire are projected to increase at 2.32%.

The municipal parking program budget no longer includes the commuter parking lots, which were transferred to the Massachusetts Bay Transportation Authority (MBTA) in the first quarter of CY2011. The budget was reduced significantly as the rental costs the Town paid to the MBTA disappeared with their assuming responsibility of the lots. However, the Town has been working towards a plan to increase general parking in the downtown business area. This will include an expansion of parking spaces in some lots, and retaining existing parking on other property for which the Town has a use license. The program budget is estimated at 2.32% per year, but it is also projected that additional funding will be provided in the amount of \$20,000 over two fiscal years (\$15,000 for FY2014 and \$5,000 for FY2015). The additional parking should also increase fee revenue to the Town and have a positive impact on commercial activity.

DPW salary and wages are pegged at the same rates as all other departments and expenses are estimated at an annual rate of 2.32%. However, similar to public safety and public facilities, DPW incurs expense for diesel and gasoline. The DPW vehicle supplies line, which includes fuel, is assumed to grow 10% in FY2014, and then the rate of increase will decline by 1% per year. The FY2013 budget allocation for DPW is \$252,500. Another specific adjustment includes an annual increase in the snow and ice budget of 2.5% per year. This is the only operating budget line in which deficit spending is allowed. However, any such deficit must be extinguished by the next fiscal year.

The Human Service budget has several assumed adjustments in addition to the increases in salary and wages and general expenses. The Council on Aging programs are anticipated to have additional costs, which are not supported by donations, revolving funds, or other external sources, that will result with the opening of the new senior center. We have assumed a \$5,400 increase in FY2014 for this purpose. The Department also pays costs associated with veterans' services. We are seeing greater utilization of services provided by the Veterans District by returning veterans from the war and with the growing older population of prior war veterans the need for these services has increased, especially with the changes in the makeup of the economy. We have assumed an 8% growth rate in the assessment and benefits costs for FY2014 forward.

The Library expense budget is assumed to grow at a 2.5% rate for each of the five years. Salary and wages would

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be the same as general government.

Other Appropriations and Expenditures

Lastly, for the purpose of this forecast, we have maintained the recommended approach towards increasing the General Fund cash capital investment with Free Cash. The amount of Free Cash that is used to offset the operating budget is an amount equal to 2% of the prior year appropriated departmental budgets or the actual turn back, whichever is lower. However, reducing reliance on Free Cash (even on the portion that we have a high degree of confidence will be available from year to year) is considered a credit enhancement, and provides an added source of security against an unexpected drop in revenue. The balance of Free Cash is directed to cash capital investment or reserved for future capital investment. The annual cash capital investment is assumed to increase at the estimated percent change in core revenue. We have used the average of cash capital appropriations (excluding cash capital funded by transfer of the reserve fund) for FY2008 through FY2012 as the basis to set FY2014. The FY2014 amount is then grown annually by the change in core revenues. The FY2014 cash capital calculates to \$1,845,850 which compares to \$1,816,976 for FY2014 in the August 16, 2011 Pro Forma.

The RTS payment is assumed to increase by three percent per year, as is the drains program in the Sewer Enterprise budget. The total for other financial warrant articles is assumed to increase at an annual rate of 2.5% over the five year average of such expense of \$224,087. The provision for abatements and exemptions is estimated to be set at an adjusted lower amount of approximately \$1.2 million for FY2014 and then increases annually at average rate of 3.4%. The provision for abatements would be increased by additional new growth revenue that was not otherwise committed at the time the Tax Rate is set. We have assumed a 2.5% increase for Other Amounts to be Provided, and assessments from the State and County governments.

End.

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**General Fund
Five Year Pro Forma - Excluding Debt Exclusions
FY2014 - FY2018**

| Description | Final Budget | Final Budget | Final Budget | Revised ATM Budget | Pro Forma | Pro Forma | Pro Forma | Pro Forma | Pro Forma |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| | June 30, 2010 | June 30, 2011 | June 30, 2012 | Includes Pending | September 11, 2012 | September 11, 2012 | September 11, 2012 | September 11, 2012 | September 11, 2012 |
| General Fund | | | | | | | | | |
| Property Tax Revenue* | 81,827,663 | 85,815,852 | 89,620,217 | 93,162,444 | 96,656,035 | 99,990,669 | 103,390,351 | 106,905,623 | 110,540,414 |
| State Aid* | 7,710,750 | 8,227,013 | 8,578,273 | 9,314,364 | 9,488,410 | 9,479,083 | 9,398,837 | 9,326,666 | 9,262,634 |
| Local Receipts* | 8,085,545 | 7,107,929 | 7,580,290 | 7,777,000 | 8,020,640 | 8,253,651 | 8,455,796 | 8,689,321 | 8,950,001 |
| Other Revenues and Sources | 929,804 | 1,404,029 | 703,192 | 1,338,018 | 591,500 | 593,045 | 594,636 | 596,275 | 597,964 |
| Free Cash & Reserves | 3,145,416 | 3,568,037 | 3,380,269 | 5,366,720 | 3,271,000 | 3,372,951 | 3,473,850 | 3,579,190 | 3,688,967 |
| Reimbursements | 1,760,595 | 1,659,715 | 1,615,715 | 1,465,000 | 1,474,100 | 1,483,417 | 1,492,953 | 1,502,711 | 1,512,693 |
| Revenues | \$103,459,773 | \$107,782,575 | \$111,477,956 | \$118,423,546 | \$119,501,685 | \$123,172,816 | \$126,806,424 | \$130,599,788 | \$134,552,674 |
| * CORE Revenue Change | 4.7% | 3.6% | 4.6% | 4.2% | 3.5% | 3.1% | 3.0% | 3.0% | 3.1% |
| Appropriations and Other Commitments | | | | | | | | | |
| Operating Budget | 98,438,054 | 101,645,519 | 103,977,812 | 110,041,274 | 114,659,912 | 119,399,168 | 124,284,356 | 129,432,122 | 134,725,347 |
| Special Financial Articles | 84,091 | 66,446 | 574,587 | 372,699 | 229,689 | 235,432 | 241,317 | 247,350 | 253,534 |
| Capital Funded by Cash | 1,495,220 | 2,271,749 | 1,817,051 | 3,421,633 | 1,845,850 | 1,903,382 | 1,960,320 | 2,019,764 | 2,081,712 |
| Appropriated to Other Funds | 590,681 | 975,434 | 1,050,283 | 1,963,590 | 1,116,707 | 1,150,208 | 1,184,714 | 1,220,256 | 1,256,863 |
| Other Obligations & Adjustments | 2,851,727 | 2,823,427 | 4,058,223 | 2,624,350 | 2,505,994 | 2,579,084 | 2,654,356 | 2,731,877 | 2,811,715 |
| Total | \$103,459,773 | \$107,782,575 | \$111,477,956 | \$118,423,546 | \$120,358,153 | \$125,267,273 | \$130,325,063 | \$135,651,370 | \$141,129,172 |
| I Surplus/(Deficit) | 0 | 0 | (0) | (0) | (856,467) | (2,094,457) | (3,518,639) | (5,051,582) | (6,576,498) |
| II Incremental Gap | | | | | | (1,237,990) | (1,424,183) | (1,532,942) | (1,524,916) |

**General Fund
Five Year Pro Forma - Excluding Debt Exclusions
General Fund Revenue**

| Description | Final Budget | Final Budget | Final Budget | Revised ATM Budget | Pro Forma | Pro Forma | Pro Forma | Pro Forma | Pro Forma |
|---|-----------------------|-----------------------|-----------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2010 June 30, 2010 | 2011 June 30, 2011 | 2012 June 30, 2012 | 2013 Includes Pending | 2014 September 11, 2012 | 2015 September 11, 2012 | 2016 September 11, 2012 | 2017 September 11, 2012 | 2018 September 11, 2012 |
| Real & Personal Property Tax | | | | | | | | | |
| Real & Personal Property Tax w/o Exclusions | 79,939,734 | 85,815,852 | 89,620,217 | 93,162,444 | 96,656,035 | 99,990,669 | 103,390,351 | 106,905,623 | 110,540,414 |
| General Override | 1,887,929 | | | | | | | | |
| SUBTOTAL | 81,827,663 | 85,815,852 | 89,620,217 | 93,162,444 | 96,656,035 | 99,990,669 | 103,390,351 | 106,905,623 | 110,540,414 |
| State Aid | | | | | | | | | |
| State Aid for Education | 6,031,907 | 6,622,455 | 7,084,895 | 7,708,707 | 7,898,810 | 7,898,070 | 7,819,089 | 7,740,898 | 7,663,489 |
| State Aid For General Government | 1,678,843 | 1,604,558 | 1,493,378 | 1,605,657 | 1,589,600 | 1,581,013 | 1,579,748 | 1,585,768 | 1,599,145 |
| SBA/MSBA Programs | | | | | | | | | |
| SUBTOTAL | 7,710,750 | 8,227,013 | 8,578,273 | 9,314,364 | 9,488,410 | 9,479,083 | 9,398,837 | 9,326,666 | 9,262,634 |
| Local Receipts | | | | | | | | | |
| Motor Vehicle Excise | 3,800,000 | 3,250,000 | 3,500,000 | 3,670,000 | 3,798,450 | 3,931,396 | 4,029,681 | 4,130,423 | 4,254,335 |
| Licenses & Permits | 900,000 | 800,000 | 800,000 | 1,259,000 | 1,346,770 | 1,362,173 | 1,378,038 | 1,419,379 | 1,461,961 |
| Investment Income | 545,000 | 325,000 | 150,000 | 80,000 | 80,000 | 80,800 | 82,416 | 84,888 | 87,435 |
| Other Local Receipts | 2,840,545 | 2,732,929 | 3,130,290 | 2,768,000 | 2,795,420 | 2,879,283 | 2,965,661 | 3,054,631 | 3,146,270 |
| SUBTOTAL | 8,085,545 | 7,107,929 | 7,580,290 | 7,777,000 | 8,020,640 | 8,253,651 | 8,455,796 | 8,689,321 | 8,950,001 |
| Other Revenues and Sources | | | | | | | | | |
| Overlay Surplus | 500,000 | 500,199 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Parking Meter Receipts | 67,000 | 25,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Restricted Proceeds | | | | 28,018 | | | | | |
| Unexpended Articles and Other Sources | 307,804 | 87,645 | 73,192 | 120,000 | 51,500 | 53,045 | 54,636 | 56,275 | 57,964 |
| Reuse of Operating Budget | 55,000 | 791,185 | 90,000 | 650,000 | | | | | |
| SUBTOTAL | 929,804 | 1,404,029 | 703,192 | 1,338,018 | 591,500 | 593,045 | 594,636 | 596,275 | 597,964 |
| Free Cash & Reserves | | | | | | | | | |
| Free Cash | 3,145,416 | 3,568,037 | 3,380,269 | 5,366,720 | 3,271,000 | 3,372,951 | 3,473,850 | 3,579,190 | 3,688,967 |
| SUBTOTAL | 3,145,416 | 3,568,037 | 3,380,269 | 5,366,720 | 3,271,000 | 3,372,951 | 3,473,850 | 3,579,190 | 3,688,967 |
| Total General Fund Revenue | \$101,699,178 | \$106,122,860 | \$109,862,241 | \$116,958,546 | \$118,027,585 | \$121,689,399 | \$125,313,471 | \$129,097,077 | \$133,039,980 |
| Reimbursements | | | | | | | | | |
| Reimbursements due from Other Funds | 1,760,595 | 1,659,715 | 1,615,715 | 1,465,000 | 1,474,100 | 1,483,417 | 1,492,953 | 1,502,711 | 1,512,693 |
| Available for Expenditure | \$103,459,773 | \$107,782,575 | \$111,477,956 | \$118,423,546 | \$119,501,685 | \$123,172,816 | \$126,806,424 | \$130,599,788 | \$134,552,674 |

**General Fund
Five Year Pro Forma - Excluding Debt Exclusions
Operating Budget**

| Description | Final Budget | Final Budget | Final Budget | Revised ATM Budget | Pro Forma | Pro Forma | Pro Forma | Pro Forma | Pro Forma |
|--------------------------------------|---------------|---------------|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| | June 30, 2010 | June 30, 2011 | June 30, 2012 | Includes Pending | September 11, 2012 | September 11, 2012 | September 11, 2012 | September 11, 2012 | September 11, 2012 |
| General Government | 3,523,343 | 3,544,486 | 3,644,860 | 3,943,093 | 4,050,575 | 4,214,607 | 4,340,241 | 4,524,739 | 4,662,234 |
| Land Use and Development | 335,665 | 348,934 | 375,645 | 385,926 | 404,463 | 422,971 | 441,359 | 459,531 | 477,391 |
| Public Safety | 11,657,060 | 11,812,664 | 12,041,847 | 12,461,301 | 13,154,279 | 13,674,508 | 14,215,160 | 14,776,970 | 15,360,709 |
| Education | 45,818,618 | 46,910,339 | 49,094,360 | 51,892,719 | 53,913,792 | 56,152,923 | 58,510,499 | 60,967,917 | 63,511,569 |
| Public Works | 5,418,999 | 5,443,079 | 5,089,984 | 5,308,896 | 5,396,304 | 5,600,067 | 5,804,389 | 6,013,834 | 6,228,079 |
| Public Facilities | 7,502,492 | 7,387,362 | 7,754,286 | 7,772,462 | 8,050,869 | 8,334,629 | 8,612,743 | 8,902,191 | 9,203,582 |
| Community Services | 2,909,219 | 2,919,344 | 2,960,198 | 3,023,195 | 3,140,983 | 3,260,407 | 3,384,592 | 3,513,740 | 3,648,059 |
| Department Budgets | 77,165,396 | 78,366,208 | 80,961,180 | 84,787,592 | 88,111,266 | 91,660,112 | 95,308,983 | 99,158,922 | 103,091,622 |
| Change from Prior Year | 5.8% | 1.6% | 3.3% | 4.7% | 3.9% | 4.0% | 4.0% | 4.0% | 4.0% |
| Townwide Expense Group | 21,272,658 | 23,279,311 | 23,016,632 | 25,253,682 | 26,548,646 | 27,739,056 | 28,975,373 | 30,273,201 | 31,633,725 |
| Change from Prior Year | 0.9% | 9.4% | -1.1% | 9.7% | 5.1% | 4.5% | 4.5% | 4.5% | 4.5% |
| General Fund Operating Budget | \$98,438,054 | \$101,645,519 | \$103,977,812 | \$110,041,274 | \$114,659,912 | \$119,399,168 | \$124,284,356 | \$129,432,122 | \$134,725,347 |
| Change from Prior Year | 4.7% | 3.3% | 2.3% | 5.8% | 4.2% | 4.1% | 4.1% | 4.1% | 4.1% |

**General Fund
Five Year Pro Forma - Excluding Debt Exclusions
Operating Budget**

| Description | Final Budget | Final Budget | Final Budget | Revised ATM Budget | Pro Forma | Pro Forma | Pro Forma | Pro Forma | Pro Forma |
|--|-----------------------|-----------------------|-----------------------|--------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2010 June 30, 2010 | 2011 June 30, 2011 | 2012 June 30, 2012 | 2013 Includes Pending | 2014 September 11, 2012 | 2015 September 11, 2012 | 2016 September 11, 2012 | 2017 September 11, 2012 | 2018 September 11, 2012 |
| Non-Contributory Retirement Payments | 89,000 | 59,400 | 32,700 | 33,400 | 34,736 | 36,125 | 37,570 | 39,073 | 40,636 |
| Contributory Retirement System | 4,271,094 | 4,552,978 | 4,722,775 | 4,997,421 | 5,164,696 | 5,337,632 | 5,516,424 | 5,701,271 | 5,892,382 |
| Group Health Insurance | 8,867,300 | 9,549,125 | 9,019,724 | 9,908,775 | 10,416,231 | 10,915,008 | 11,433,471 | 11,976,560 | 12,545,447 |
| Retiree Insurance & Insurance Liability Fund | 3,446,556 | 3,626,375 | 4,406,275 | 4,523,887 | 4,817,940 | 5,131,106 | 5,464,628 | 5,819,828 | 6,198,117 |
| Unemployment Compensation | 92,000 | 140,000 | 140,000 | 250,000 | 255,800 | 261,735 | 267,807 | 274,020 | 280,377 |
| Debt Service | 2,747,025 | 2,967,712 | 3,121,297 | 3,231,127 | 3,424,953 | 3,531,702 | 3,637,350 | 3,747,648 | 3,862,591 |
| Workers Compensation | 385,000 | 400,000 | 450,000 | 450,000 | 467,550 | 486,252 | 505,702 | 525,930 | 546,967 |
| Casualty Liability & Self Insurance Program | 525,000 | 525,000 | 525,000 | 525,000 | 542,805 | 557,273 | 570,202 | 583,430 | 596,966 |
| Classification Performance & Settlements # | 9,075 | 14,358 | 112,689 | 25,000 | 25,975 | 27,014 | 28,095 | 29,218 | 30,387 |
| Reserve Fund ## | 840,608 | 1,444,363 | 486,172 | 1,309,072 | 1,397,961 | 1,455,209 | 1,514,126 | 1,576,220 | 1,639,854 |
| | | | | | | | | | |
| Townwide Expense Group | 21,272,658 | 23,279,311 | 23,016,632 | 25,253,682 | 26,548,646 | 27,739,056 | 28,975,373 | 30,273,201 | 31,633,725 |
| | | | | | | | | | |
| Board of Selectmen/Town Manager | 796,848 | 806,094 | 806,425 | 826,252 | 856,674 | 888,252 | 921,031 | 955,057 | 990,378 |
| Town Clerk/Board of Registrars | 297,061 | 321,578 | 319,953 | 341,853 | 329,466 | 367,861 | 355,774 | 396,226 | 384,196 |
| Town Counsel | 262,164 | 262,164 | 298,664 | 300,039 | 313,290 | 326,801 | 341,310 | 357,625 | 374,726 |
| Personnel Board | 11,628 | 11,600 | 11,600 | 11,600 | 11,879 | 12,165 | 12,458 | 12,758 | 13,066 |
| Finance Department | 2,124,349 | 2,114,432 | 2,178,619 | 2,431,985 | 2,506,697 | 2,585,674 | 2,674,478 | 2,766,496 | 2,861,847 |
| Finance Committee | 31,293 | 28,618 | 29,599 | 31,364 | 32,570 | 33,855 | 35,190 | 36,578 | 38,021 |
| Planning Board | 225,593 | 234,488 | 251,482 | 255,442 | 267,773 | 280,083 | 292,311 | 304,394 | 316,267 |
| Community Development | 110,072 | 114,446 | 124,163 | 130,484 | 136,690 | 142,888 | 149,048 | 155,137 | 161,124 |
| Police Department | 5,168,615 | 5,279,417 | 5,229,665 | 5,468,010 | 5,750,285 | 5,976,349 | 6,211,447 | 6,455,942 | 6,710,217 |
| Fire Department | 6,028,743 | 6,071,646 | 6,340,806 | 6,503,732 | 6,895,800 | 7,170,133 | 7,455,076 | 7,750,966 | 8,058,161 |
| Building Inspector | 459,702 | 461,601 | 471,376 | 489,559 | 508,195 | 528,025 | 548,637 | 570,061 | 592,331 |
| Needham Public Schools | 45,382,885 | 46,541,078 | 48,501,371 | 51,112,681 | 53,094,752 | 55,292,931 | 57,607,508 | 60,019,776 | 62,516,021 |
| Minuteman Assessment | 435,733 | 369,261 | 592,989 | 780,038 | 819,040 | 859,992 | 902,991 | 948,141 | 995,548 |
| Public Works Department | 4,850,799 | 4,906,879 | 4,778,984 | 5,020,896 | 5,086,623 | 5,278,201 | 5,475,056 | 5,676,860 | 5,883,287 |

**General Fund
Five Year Pro Forma - Excluding Debt Exclusions
Operating Budget**

| Description | Final Budget | Final Budget | Final Budget | Revised ATM Budget | Pro Forma | Pro Forma | Pro Forma | Pro Forma | Pro Forma |
|-------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2010 June 30, 2010 | 2011 June 30, 2011 | 2012 June 30, 2012 | 2013 Includes Pending | 2014 September 11, 2012 | 2015 September 11, 2012 | 2016 September 11, 2012 | 2017 September 11, 2012 | 2018 September 11, 2012 |
| Municipal Parking Program | 282,900 | 282,900 | 55,000 | 55,000 | 71,276 | 77,930 | 79,738 | 81,587 | 83,480 |
| Municipal Lighting Program | 285,300 | 253,300 | 256,000 | 233,000 | 238,406 | 243,937 | 249,596 | 255,387 | 261,312 |
| Public Facilities Department | 7,502,492 | 7,387,362 | 7,754,286 | 7,772,462 | 8,050,869 | 8,334,629 | 8,612,743 | 8,902,191 | 9,203,582 |
| Health Department | 451,763 | 459,841 | 465,494 | 488,712 | 506,396 | 525,156 | 544,631 | 564,849 | 585,840 |
| Human Services | 565,063 | 566,156 | 569,087 | 588,016 | 618,300 | 644,986 | 672,922 | 702,173 | 732,808 |
| Commission on Disabilities | 550 | 550 | 550 | 550 | 563 | 576 | 589 | 603 | 617 |
| Historical Commission | 1,050 | 1,050 | 1,050 | 1,050 | 1,074 | 1,099 | 1,125 | 1,151 | 1,178 |
| Library | 1,338,026 | 1,336,937 | 1,369,274 | 1,382,743 | 1,432,319 | 1,484,834 | 1,539,329 | 1,595,883 | 1,654,572 |
| Park & Recreation Commission | 552,017 | 554,060 | 553,993 | 561,374 | 581,563 | 602,971 | 625,193 | 648,259 | 672,203 |
| Memorial Park | 750 | 750 | 750 | 750 | 767 | 785 | 803 | 822 | 841 |
| Department Budgets | 77,165,396 | 78,366,208 | 80,961,180 | 84,787,592 | 88,111,266 | 91,660,112 | 95,308,983 | 99,158,922 | 103,091,622 |
| Total Operating Budget | 98,438,054 | 101,645,519 | 103,977,812 | 110,041,274 | 114,659,912 | 119,399,168 | 124,284,356 | 129,432,122 | 134,725,347 |

**General Fund
Changes in Salary and Wage Accounts
FY2003 to FY2012**

| Description | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government | \$1,813,110 | \$1,771,314 | \$1,821,122 | \$1,861,841 | \$2,096,237 | \$2,149,201 | \$2,256,559 | \$2,319,861 | \$2,365,752 | \$2,428,957 |
| Percent Change for Group from Prior Year | 2.9% | -2.3% | 2.8% | 2.2% | 12.6% | 2.5% | 5.0% | 2.8% | 2.0% | 2.7% |
| Land Use | \$167,117 | \$166,021 | \$169,110 | \$179,096 | \$202,066 | \$275,146 | \$289,157 | \$305,662 | \$320,366 | \$347,327 |
| Percent Change for Group from Prior Year | 12.3% | -0.7% | 1.9% | 5.9% | 12.8% | 36.2% | 5.1% | 5.7% | 4.8% | 8.4% |
| Public Safety | \$8,903,510 | \$9,069,911 | \$9,199,598 | \$9,616,189 | \$9,794,881 | \$10,045,611 | \$10,568,291 | \$10,938,454 | \$11,142,517 | \$11,407,320 |
| Percent Change for Group from Prior Year | 1.5% | 1.9% | 1.4% | 4.5% | 1.9% | 2.6% | 5.2% | 3.5% | 1.9% | 2.4% |
| Public Works - General Fund Only | \$2,505,037 | \$2,446,938 | \$2,615,781 | \$2,708,592 | \$2,962,632 | \$2,971,552 | \$3,137,945 | \$3,258,049 | \$3,393,323 | \$3,049,989 |
| Percent Change for Group from Prior Year | 7.1% | -2.3% | 6.9% | 3.5% | 9.4% | 0.3% | 5.6% | 3.8% | 4.2% | -10.1% |
| Public Facilities | \$2,275,845 | \$2,221,182 | \$2,330,197 | \$2,327,509 | \$2,432,903 | \$2,540,529 | \$2,608,373 | \$2,875,501 | \$2,870,212 | \$3,087,351 |
| Percent Change for Group from Prior Year | 5.9% | -2.4% | 4.9% | -0.1% | 4.5% | 4.4% | 2.7% | 10.2% | -0.2% | 7.6% |
| Community Services | \$1,852,131 | \$1,873,645 | \$1,919,096 | \$2,054,106 | \$2,162,084 | \$2,238,383 | \$2,329,580 | \$2,418,957 | \$2,391,287 | \$2,403,792 |
| Percent Change for Group from Prior Year | 5.5% | 1.2% | 2.4% | 7.0% | 5.3% | 3.5% | 4.1% | 3.8% | -1.1% | 0.5% |
| Municipal Departments | \$17,516,750 | \$17,549,011 | \$18,054,904 | \$18,747,333 | \$19,650,803 | \$20,220,422 | \$21,189,905 | \$22,116,484 | \$22,483,457 | \$22,724,736 |
| Percent Change for Group from Prior Year | 3.5% | 0.2% | 2.9% | 3.8% | 4.8% | 2.9% | 4.4% | 4.4% | 1.7% | 1.1% |
| Total Town Departments w/o PFD | \$15,240,905 | \$15,327,829 | \$15,724,707 | \$16,419,824 | \$17,217,900 | \$17,679,893 | \$18,581,532 | \$19,240,983 | \$19,613,245 | \$19,637,385 |
| Percent Change From Prior Year Comparable | 3.2% | 0.6% | 2.6% | 4.4% | 4.9% | 2.7% | 5.1% | 3.5% | 1.9% | 0.1% |
| School Department | \$27,966,072 | \$28,796,240 | \$29,835,477 | \$32,139,137 | \$33,251,907 | \$34,895,067 | \$37,287,966 | \$39,247,086 | \$40,264,790 | \$40,908,300 |
| Percent Change from Prior Year | 5.2% | 3.0% | 3.7% | 7.7% | 3.5% | 4.9% | 6.4% | 5.3% | 2.6% | 1.6% |
| Board of Selectmen | 387,669 | 384,993 | 397,189 | 430,590 | 488,912 | 504,290 | 586,099 | 630,398 | 644,644 | 649,992 |
| Town Clerk | 208,814 | 214,965 | 219,465 | 205,048 | 251,009 | 258,026 | 276,327 | 263,081 | 282,308 | 281,663 |
| Town Counsel | 58,192 | 59,750 | 61,244 | 63,081 | 64,637 | 65,464 | 66,989 | 68,664 | 68,664 | 68,664 |
| Personnel Board | 1,985 | 1,523 | 1,562 | 3,109 | 1,641 | 1,601 | 1,641 | 1,128 | 600 | 600 |
| Finance Department | 1,128,535 | 1,084,833 | 1,116,037 | 1,133,619 | 1,262,829 | 1,291,273 | 1,296,242 | 1,326,597 | 1,342,043 | 1,399,514 |
| Finance Committee | 27,915 | 25,250 | 25,625 | 26,394 | 27,209 | 28,547 | 29,261 | 29,993 | 27,493 | 28,524 |
| General Government Total | 1,813,110 | 1,771,314 | 1,821,122 | 1,861,841 | 2,096,237 | 2,149,201 | 2,256,559 | 2,319,861 | 2,365,752 | 2,428,957 |
| Planning Department | 123,418 | 121,741 | 124,160 | 131,664 | 137,811 | 188,469 | 196,791 | 207,833 | 218,028 | 235,022 |
| Community Development | 43,699 | 44,280 | 44,950 | 47,432 | 64,255 | 86,677 | 92,366 | 97,829 | 102,338 | 112,305 |
| Land Use and Development Total | 167,117 | 166,021 | 169,110 | 179,096 | 202,066 | 275,146 | 289,157 | 305,662 | 320,366 | 347,327 |
| Police Department | 3,838,209 | 3,836,266 | 3,950,138 | 4,096,350 | 4,256,517 | 4,307,656 | 4,529,149 | 4,771,895 | 4,884,190 | 4,863,916 |
| Fire Department | 4,802,431 | 4,957,565 | 4,970,245 | 5,159,042 | 5,152,611 | 5,330,631 | 5,616,784 | 5,722,539 | 5,812,408 | 6,100,123 |
| Building Inspector | 262,870 | 276,080 | 279,215 | 360,797 | 385,753 | 407,324 | 422,358 | 444,020 | 445,919 | 443,281 |
| Public Safety Total | 8,903,510 | 9,069,911 | 9,199,598 | 9,616,189 | 9,794,881 | 10,045,611 | 10,568,291 | 10,938,454 | 11,142,517 | 11,407,320 |
| Department of Public Works (including enterprise employees) | 4,093,296 | 4,157,421 | 4,433,572 | 4,596,122 | 4,881,325 | 5,058,938 | 5,286,997 | 5,501,152 | 5,705,831 | 5,603,635 |
| Department of Public Facilities | 2,275,845 | 2,221,182 | 2,330,197 | 2,327,509 | 2,432,903 | 2,540,529 | 2,608,373 | 2,875,501 | 2,870,212 | 3,087,351 |
| Health Department | 274,472 | 281,167 | 289,816 | 304,968 | 318,046 | 344,624 | 364,066 | 377,408 | 383,012 | 388,665 |
| Human Services | 430,709 | 438,386 | 449,286 | 478,503 | 468,797 | 469,698 | 501,839 | 525,393 | 488,996 | 498,717 |
| Needham Public Library | 772,654 | 774,050 | 791,118 | 867,514 | 963,323 | 1,000,410 | 1,033,541 | 1,075,014 | 1,076,094 | 1,073,225 |
| Park & Recreation Department | 374,296 | 380,042 | 388,876 | 403,121 | 411,918 | 423,651 | 430,134 | 441,142 | 443,185 | 443,185 |
| Community Services Total | 1,852,131 | 1,873,645 | 1,919,096 | 2,054,106 | 2,162,084 | 2,238,383 | 2,329,580 | 2,418,957 | 2,391,287 | 2,403,792 |
| Town Departments (including enterprise employees) | 19,105,009 | 19,259,494 | 19,872,695 | 20,634,863 | 21,569,496 | 22,307,808 | 23,338,957 | 24,359,587 | 24,795,965 | 25,278,382 |
| School Department | 27,966,072 | 28,796,240 | 29,835,477 | 32,139,137 | 33,251,907 | 34,895,067 | 37,287,966 | 39,247,086 | 40,264,790 | 40,908,300 |
| Total Salary and Wages | \$47,071,081 | \$48,055,734 | \$49,708,172 | \$52,774,000 | \$54,821,403 | \$57,202,875 | \$60,626,923 | \$63,606,673 | \$65,060,755 | \$66,186,682 |

**General Fund
Five Year Pro Forma - Excluding Debt Exclusions
New Facilities Operational Cost Estimate**

| Description | FY 2014 Senior Center | FY 2015 Senior Center | FY 2016 | FY 2017 | FY 2018 |
|---|--------------------------|--------------------------|---------|---------|---------|
| Townwide Expense Group | | | | | |
| Town Wide Expenses | 17,642 | 5,881 | | | |
| Board of Selectmen/Town Manager Salary & Wages Expenses | | | | | |
| Board of Selectmen/Town Manager | | | | | |
| Police Department Salary & Wages Expenses | | | | | |
| Police Department | | | | | |
| Department of Public Works Salary & Wages Expenses | | | | | |
| Department of Public Works | | | | | |
| Department of Public Facilities Salary & Wages Expenses | 36,417 55,380 | 12,139 18,460 | | | |
| Department of Public Facilities | 91,797 | 30,599 | | | |
| Human Services Salary & Wages Expenses | 5,400 | | | | |
| Human Services | 5,400 | | | | |
| Total | \$114,839 | \$36,480 | | | |

**General Fund
Five Year Pro Forma
Energy Prices**

| Year | Regular Unleaded Gasoline Per Gallon - Boston Area | | | Fuel Oil #2 - Northeast | | | Electricity per kWh - Northeast | | |
|------|--|-------------------|-----------------------------|-------------------------|-------------------|-----------------------------|---------------------------------|-------------------|-----------------------------|
| | June Average Price | One Year % Change | Calendar Year Average Price | June Average Price | One Year % Change | Calendar Year Average Price | June Average Price | One Year % Change | Calendar Year Average Price |
| 2008 | \$4.036 | 31.59% | \$3.18 | \$4.608 | 79.58% | \$3.77 | \$0.17 | 0.00% | \$0.16 |
| 2009 | \$2.579 | -36.10% | \$2.31 | \$2.454 | -46.74% | \$2.54 | \$0.17 | 0.00% | \$0.16 |
| 2010 | \$2.725 | 5.66% | \$2.75 | \$2.743 | 11.78% | \$2.92 | \$0.17 | 0.00% | \$0.17 |
| 2011 | \$3.738 | 37.17% | \$3.51 | \$3.805 | 38.72% | \$3.69 | \$0.17 | 0.00% | \$0.16 |
| 2012 | \$3.468 | -7.22% | NA | \$3.473 | -8.73% | NA | \$0.16 | -5.88% | NA |
| | Five Year Average | 6.22% | | Five Year Average | 14.92% | | Five Year Average | -1.18% | |

| Year | Natural Gas Per Therm - Northeast | | | Automotive Diesel Fuel Per Gallon | | |
|------|-----------------------------------|-------------------|-----------------------------|-----------------------------------|-------------------|-----------------------------|
| | June Average Price | One Year % Change | Calendar Year Average Price | June Average Price | One Year % Change | Calendar Year Average Price |
| 2008 | \$1.696 | 18.11% | \$1.65 | \$4.913 | 66.54% | \$4.07 |
| 2009 | \$1.259 | -25.77% | \$1.36 | \$2.672 | -45.61% | \$2.68 |
| 2010 | \$1.231 | -2.22% | \$1.28 | \$3.061 | 14.56% | \$3.10 |
| 2011 | \$1.184 | -3.82% | \$1.23 | \$4.113 | 34.37% | \$4.00 |
| 2012 | \$1.052 | -11.15% | NA | \$3.988 | -3.04% | NA |
| | Five Year Average | -4.97% | | Five Year Average | 13.36% | |