

The Plan for FY2019: Follow Through

“To map out a course of action and follow it to an end requires courage.” - Ralph Waldo Emerson

In the FY2018 “Opportunity” budget, we recommended that the Town harness the strong but likely temporary new growth associated with commercial development, and mindfully allocate significantly higher than normal one-time revenue. This opportunity was available because of the Town’s tradition of careful long-range planning for both capital and operating needs. For FY2019, our overall recommendation is that the Town “stay the course” and follow through on the framework that has been put in place over the past five years. These include funding and use of the Athletic Facility Improvement Fund for capital improvement needs, funding and use of the Debt Service Stabilization Fund for both capital improvement needs and as a mechanism to reserve funding capacity for future operational needs, replenishment of the Capital Facility Fund, renovation and reconstruction of eight major municipal facilities, and funding of public safety, full day kindergarten, and service improvement staffing without recourse to an operating override.

One of the Board of Selectmen’s key budget priorities is the renovation, reconstruction and/or preservation of the Town’s capital assets in the most prudent, realistic, and efficient manner over the next five to ten year period. At least eight facilities (Rosemary Recreation Complex, Fire Station #2, Public Safety Complex, Public Works, Memorial Park Building, Sunita Williams School, Emery Grover and the High School) will require significant investment over the coming decade. The Rosemary Recreation Complex, the Sunita Williams School, and the High School expansion are already or will soon be under construction. Design funds have been appropriated for the Memorial Park Building, Fire Station #2, and the Public Safety Complex, and feasibility studies have been conducted for the Public Works Complex and the Emery Grover Building. The next phase of the DPW Complex – the construction of a storage facility on Central Avenue, will be presented to Town Meeting in May, 2018. Planning for these capital facilities has been multi-faceted – relying on a combination of tax-levy supported debt, enterprise fund debt, reserves, Community Preservation Funds, and thoughtful and judicious use of debt exclusion overrides. In order to make these plans a reality, it is critical that investment in reserves remains a high priority.

On the horizon, the Town has identified several areas of necessary program improvements. These include additional staffing in our public safety departments, the staffing of a second full-time ambulance, implementation of full-day kindergarten in the School District, opening of the new Minuteman School, and others. Allocating recurring revenue – temporarily – to the Debt Service Stabilization Fund will make it much more likely that the Town will be able to fund these identified future expenses without recourse to tax increases through property tax overrides.

The redevelopment of the Needham Crossing business district is having a significant impact on service delivery. In the past decade, development has included 350 units of residential housing at Charles River Landing, the TripAdvisor World Headquarters, the SharkNinja Headquarters, the Marriott Residence Inn with 128 rooms, 390 units of residential housing at Second Avenue, the new Homewood Suites Hotel with 134 rooms, and the pending NBCUniversal Studios. Future growth at “Founders Park” that is already permitted includes three office buildings totaling 452,000 square feet, another 128 room hotel, and 10,000

square feet of retail space. The Mixed Use 128 district has also been rezoned to allow for housing. This commercial development, coupled with growth in the number of households and school enrollment puts pressure on all Town departments – most notably in the area of public safety but also in public works, public facilities, human services, culture and leisure, planning and community development, and support departments. We have developed a multi-year plan to meet these needs. The proposed FY2019 budget includes eight General Government FTEs: Police (1), Building Maintenance (3), Library (1), Building Design & Construction (1) Public Works (1) and Finance (1). We forecast the need for additional staffing over the coming several years – most notably in public safety.

Years of preparation coupled with the opportunities presented by the availability of both recurring and one-time revenue in FY2019 will contribute to the community’s future success in meeting growing service demands and continued investment in capital facilities.

Budget in Brief

The recommended FY2019 General Fund operating budget totals \$179,488,933 representing a change of \$12,605,154 or 7.6%. A comparison of the FY2018 budget to the FY2019 recommended budget is shown in Table 1.1:

Table 1.1
General Fund Spending Plan

Description	FY2018 Current	FY2019 Recommended	\$ Change	% Change
Townwide Expenses	47,229,228	52,249,348	5,020,120	10.6%
General Departments	36,798,585	38,563,883	1,765,298	4.8%
Needham Public Schools	68,350,083	71,105,943	2,755,860	4.0%
Minuteman Assessment	806,252	936,055	129,803	16.1%
Total Operating Budget	153,184,148	162,855,229	9,671,081	6.3%
Cash Capital	7,263,467	9,694,289	2,430,822	33.5%
Financial Warrant Articles	1,185,000	911,000	(274,000)	-23.1%
Other Appropriations	5,251,164	6,028,415	777,251	14.8%
Total General Fund Appropriations	166,883,779	179,488,933	12,605,154	7.6%

Goals & Objectives of the FY2019 Budget

Budgeting Best Practices

The Board of Selectmen adopted the following best practices to produce a budget that preserves the Town’s fiscal sustainability:

1. **Current revenues must be sufficient to support current expenditures.** The FY2019 operating budget is supported by current revenues. These are revenues that

are reasonably expected to recur annually, and can be relied on to fund on-going operations during strong and weak economic periods.

2. **The Operating and Capital Budgets must be developed in conformance with the Town's comprehensive financial policies and must not be reliant on one-time revenue or unsustainable practices.** The extraordinary level of one-time revenue available in FY2019 is allocated to one-time costs and reserves and is not used to support the operating budget except as provided under the Town's Free Cash best practice.
3. **The five year Pro Forma budget must be updated on an annual basis to ensure that the underlying assumptions are adjusted based upon changing conditions and data.** The five year Pro Forma budget has been updated annually since 2002. The Pro Forma budget is a planning tool that provides early opportunity for the Town to anticipate and prepare contingency plans for the operation of the government and the continuation of primary services.
4. **Debt must not be used to fund on-going operating expenses, and will only be issued for capital improvements greater than \$250,000 with a useful life of five years or more.** The FY2019 – FY2023 Capital Improvement Plan includes projects funded by debt and is in compliance with this best practice. The FY2019 – FY2023 Capital Plan is promulgated as a separate document.
5. **The use of Free Cash to fund operations will be minimized by limiting such use to no more than 2% of the prior year's appropriated operating budget, or the actual turn back, whichever is lower.** The amount of Free Cash used to support on-going operations for FY2019 is \$2,506,298, which is in compliance with this best practice.
6. **Adequate contingency funds must be maintained.** This budget allocates \$2,021,791 in Free Cash to fund reserves based on the initial estimate of Free Cash at \$12.5 million. In the event that certified Free Cash is higher than \$12.5 million we recommend that the balance of certified Free Cash be allocated to Tier 2 capital priorities and reserves.
7. **Sufficient maintenance and replacement funds will be allocated to ensure that capital facilities and equipment are properly maintained.** The recommended operating budget includes significant investment in facility maintenance, and the Capital Improvement Plan includes approximately \$93 million investment in facilities, equipment and infrastructure.
8. **The Operating and Capital Budgets must be resilient – allowing the Town to maintain existing service levels, withstand typical local and regional economic disruptions, and meet the demands of natural growth, decline, and change.** The proposed allocation of recurring revenue to the Debt Service Stabilization Fund and planned reallocation back to the operating budget in the FY2020 timeframe is a cornerstone of the budget proposal again this year, and is an example of budgetary resiliency.
9. **The Operating and Capital Budgets must be sustainable – meeting the needs of the present without compromising the ability of future generations to meet their own needs.** Proposed increases in service delivery are focused and targeted, and are affordable within historical revenue growth assumptions. The

Town's funding of its post-employment employee benefits liability is an excellent example of sustainability in that currently accruing expenses are being funded with current revenue. The Town has taken steps to reduce the discount rate for both the OPEB and Pension funds, with further reductions planned in coming years.

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 FY2019 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 FY2019:

1. Support for items that contribute to the achievement of the Townwide goals and objectives.
2. Support for a five to ten year plan for the renovation, reconstruction and/or preservation of the Town's capital assets in the most prudent, realistic, and efficient manner.
3. Support for initiatives that contribute to financial sustainability, including the maintenance of a debt service plan that balances capital needs with the Town's ability to pay, identification of alternative funding sources for traditional cash capital needs, evaluation of financing alternatives, and alignment of capital and maintenance needs with appropriate funding sources.
4. Support for initiatives aimed at achieving greater coordination and efficiency among Town departments, and providing adequate resources to address identified service delivery and general administrative needs of the Town in a cost effective manner.
5. Commitment to ensure that not all identified recurring funds are committed for on-going expenses in order to reserve capacity for identified priorities in FY2020 and FY2021 (such as full-day kindergarten and public safety staffing).

Budget Drivers: Personnel-Related Costs & Enrollment

Because the primary product of local government is services, the operating budget is heavily weighted to salaries and other personnel-related costs. As in past years, key budget drivers include the funding schedule for the Retirement System and OPEB, health insurance costs and the pace of medical inflation, salary growth, and increasing School enrollment.

Salary Related Expenses

Personnel-related costs remain the highest proportion of the Town's budget. Table 1.2 details the number of General Fund and Enterprise Fund benefit-eligible employees by department. The number of General Government FTEs increased by 4.5 from FY2017 to FY2018, and by 13.2 since FY2013. The number of School Department FTEs grew by 15.3 from FY2017 to FY2018, and by 77.5 since 2013.

Recommended General Government staffing is up eight benefit eligible positions from FY2018. The change includes the addition of a two custodians and a trades employee associated in part with the opening of the Rosemary Complex and the High School addition, a Building Design & Construction Project Manager, a Police Officer, a Public Works Compliance Coordinator, an Administrative Analyst in the Finance Department, and a Children's Librarian. The recommended budget also includes the transfer of the Emergency Management Program Coordinator to the Operating budget and an increase in hours from part-time to full-time. As discussed previously, additional increases in General Government staffing are proposed for the coming years, most notably in public safety.

Table 1.2
General and Enterprise Fund Full-time Equivalent Benefit-Eligible Positions
FY2013 to FY2018

Department	Funded FY2013	Funded FY2014	Funded FY2015	Funded FY2016	Funded FY2017	Funded FY2018	FY2013 - 2018 # Change
Town Manager/Selectmen	8.00	8.00	8.00	9.00	8.00	9.00	1.0
Town Clerk	4.00	4.00	4.00	4.00	4.00	4.00	0.0
Finance	23.00	23.00	23.20	22.60	22.60	22.60	-0.4
Planning & Community Development	5.79	5.79	5.79	5.79	6.22	6.22	0.4
Police	57.00	57.00	59.00	59.00	59.00	59.00	2.0
Fire	72.00	72.00	71.00	71.00	71.00	71.00	-1.0
Building	7.00	8.60	8.59	8.60	9.80	9.80	2.8
Public Works*	137.00	137.80	139.00	140.00	139.50	140.00	3.0
Public Facilities Design & Construction*	4.00	4.00	4.00	4.00	4.50	5.00	1.0
Health & Human Services	12.40	12.40	13.20	13.93	14.20	15.73	3.3
Library	13.00	13.00	13.00	13.00	13.00	14.00	1.0
Park and Recreation	4.00	4.00	4.00	4.00	4.00	4.00	0.0
Municipal Departments	347.19	349.59	352.78	354.92	355.82	360.35	13.2
School Department	661.96	665.91	706.34	715.50	724.13	739.42	77.5

* Restated to reflect building maintenance positions as part of DPW. DPW total includes enterprise fund positions.

As noted on Table 1.3, average annual increases in salary line items from FY2013 to FY2018 are above the sustainability target due in part to increases in headcount for program improvements (5.3% overall, 6.0% for the Needham Public Schools, and 4.1% for General Government departments).

Table 1.3
Changes in Salary Line Items FY2013 to FY2018

Description	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 - Budget as of December 31	Average % Change
Board of Selectmen	669,819	691,474	715,158	785,523	762,789	856,073	5.2%
Town Clerk	296,301	282,647	312,927	321,314	351,915	333,734	2.6%
Town Counsel	70,039	71,790	73,584	75,422	75,442	75,442	1.5%
Personnel Board	600	600	0	15,000	0	0	
Finance Department	1,600,620	1,637,963	1,690,829	1,709,311	1,759,051	1,833,197	2.8%
Finance Committee	30,289	31,668	32,462	34,000	35,733	36,629	3.9%
Municipal Administration	2,667,668	2,716,142	2,824,960	2,940,570	2,984,930	3,135,075	3.3%
Planning & Community Development	363,475	389,725	407,750	463,636	493,930	517,082	7.4%
Land Use and Development	363,475	389,725	407,750	463,636	493,930	517,082	7.4%
Police Department	4,959,157	5,175,845	5,581,122	5,765,222	5,967,300	6,139,368	4.4%
Fire Department	6,249,767	6,581,793	6,758,282	6,894,466	7,173,457	7,552,956	3.9%
Building Department	460,619	528,614	553,286	579,030	654,730	694,478	8.6%
Public Safety	11,669,543	12,286,252	12,892,690	13,238,718	13,795,487	14,386,802	4.3%
Public Facilities	3,227,402	3,407,208	3,472,871	3,652,434	3,787,885	3,972,394	4.2%
Public Works	5,693,797	5,853,827	6,110,486	6,315,940	6,532,462	6,740,617	3.4%
Public Services (including enterprise employees)	8,921,199	9,261,035	9,583,357	9,968,374	10,320,347	10,713,011	3.7%
Health and Human Services	912,469	973,773	1,073,830	1,152,753	1,301,022	1,401,261	9.0%
Commission on Disabilities			1,500	1,500	1,500	1,500	0.0%
Public Library	1,071,967	1,103,803	1,156,157	1,250,534	1,265,264	1,312,846	4.2%
Park and Recreation Department	453,499	468,456	483,633	496,254	498,000	391,972	-2.4%
Community Services	2,437,935	2,546,032	2,715,120	2,901,041	3,065,786	3,107,579	5.0%
Total	26,059,820	27,199,186	28,423,877	29,512,339	30,660,480	31,859,549	4.1%
Education	43,903,789	46,455,864	49,856,876	52,239,914	55,095,622	58,736,969	6.0%
Combined Total	69,963,609	73,655,050	78,280,753	81,752,253	85,756,102	90,596,518	5.3%

**Table 1.4
Group Health Insurance Enrollment FY2013 to FY2018**

Fiscal Year	Town	% Increase over Prior Year	School	% Increase over Prior Year	Total Actives	% Increase over Prior Year	Retirees	Total Active & Retired
FY2013	284	-1.39%	542	2.26%	826	0.98%	812	1,638
FY2014	284	0.00%	509	-6.09%	793	-4.00%	836	1,629
FY2015	286	0.70%	531	4.32%	817	3.03%	824	1,641
FY2016	294	2.80%	530	-0.19%	824	0.86%	819	1,643
FY2017	286	-2.72%	544	2.64%	830	0.73%	847	1,677
FY2018	291	1.75%	540	-0.74%	831	0.12%	849	1,680
Total Change FY13-FY18	2.46%		-0.37%		0.61%		4.56%	2.56%
Total Change FY17-FY18	1.75%		-0.74%		0.12%		0.24%	0.18%

Note: Retiree enrollment is expressed in number of plans: retiree individual, retiree family, & retiree spouse. In FY2018, 590 individuals who retired from the Town of Needham are receiving health insurance benefits.

School Enrollment

Over the past ten years, School enrollment in Needham has increased by 13%, or 652 additional students. This represents an average annual increase in enrollment of just over 1% per year.

**Table 1.5
Needham Public Schools Enrollment FY2008 to FY2018**

School Year	Enrollment	Percentage Change
2007/2008	5,013	0.4%
2008/2009	5,115	2.0%
2009/2010	5,311	3.8%
2010/2011	5,358	0.9%
2011/2012	5,409	1.0%
2012/2013	5,476	1.2%
2013/2014	5,523	0.9%
2014/2015	5,519	-0.1%
2015/2016	5,581	1.1%
2016/2017	5,588	0.1%
2017/2018	5,665	1.4%
Increase	652	13.0%

Source: DESE, NPS

Balanced Budget Highlights

The following is a summary of key considerations that serve as the basis of the balanced budget recommendations. The full discussion of each department is included in the submitted departmental spending requests contained in Section 3.

Townwide Expenses

Contributory & Non-Contributory Retirement Assessments This appropriation funds both the normal cost (the cost of current employees' future pensions) as well as the System's unfunded pension liability. The funded status of the System on an actuarial basis was 69.4% as of December 31, 2016, as compared to 68.6% on December 31, 2015. The system is expected to be fully-funded by June 30, 2030. The Retirement Board voted to adopt an actuarial schedule that includes a reduction in the assumed rate of return (discount rate) from 7.75% to 7.50% for FY2019. Factors that impacted the unfunded liability (and therefore the funding schedule for fiscal year 2019) included the implementation of a new generational mortality table, conversion of the salary increase assumption to a service-based methodology, and an increase in the administrative expense assumption. FY2019 is the first year that includes no funding for non-contributory retirees, as the sole remaining retiree passed away in January, 2017. The FY2019 budget is 8.2% higher than FY2018 in accordance with the new funding schedule, which includes three years of higher than normal increases, returning to the 4.4% range in FY2022.

Employee Benefits and Employer Assessments The expenses covered under this program include group insurance for active employees, 401(a) Plan deferred compensation payments, employee benefit administration costs, Medicare tax, Social Security tax, unemployment assessments, workers compensation and public safety injured on duty payments, employee assistance services, professional services, and incidental expenses. The recommended employee benefits budget reflects an increase of 6%. The submitted budget has been increased by \$532,501 (General Government \$227,586 and School Department \$304,915) to account for estimated costs associated with the net increase in benefit eligible positions recommended in the General Government (8) and School Department (14) budgets. In FY2019, all employees will be required to transition to the Benchmark health plans, and the premium for those plans is approximately 10% lower than the existing rate saver plans. The Town is offering a Qualified High Deductible Plan with a Health Savings Account to eligible employees along with the Benchmark plans. The premium for these plans is significantly lower than the current Rate Saver plans. The health insurance line is estimated at this time, as actual health insurance rates will not be available until late winter of 2018.

Retiree Insurance and Insurance Liability Fund This budget increased by 12.9% from FY2018 to FY2019, and is based on the most recent actuarial analysis dated June 30, 2016. This budget incorporates both the "pay as you go" funding for the health insurance benefits of current retirees, and the normal cost of benefits for future retirees. Post-employment benefits ("OPEB") are part of the compensation for services rendered by employees, and the Town's obligations accrue during the life of an individual's employment. The funding schedule includes both the "normal cost" (the projected cost of current employees' expected future benefits) and the amortization of unfunded accrued liability. As

of June 30, 2017, the Town's unfunded liability was \$65,232,980. This liability represents the difference between the June 30, 2016 total liability of \$91,793,035 less assets as of June 30, 2017 of \$26,560,055. This represents a funded ratio of 28.9%.

General Fund Debt Service The recommended debt budget has been increased by 18.5% for FY2019, attributable primarily to the passage of the debt exclusion for the new Sunita Williams elementary school to replace the Hillside School. Of the total debt budget of approximately \$14.9 million, 30.8% represents tax-levy supported debt, 3.0% represents CPA-supported debt, and the balance is excluded debt.

Casualty, Liability and Self-Insurance The recommended budget has increased by 3.4% over FY2018 based on the expected premium increase and the additional coverage for the Rosemary Complex and the expanded High School.

Classification, Performance and Settlements (CPS) This line provides a reserve for funding General Government personnel-related items as they occur during the year. This line fluctuates annually depending on the number of collective bargaining agreements that have not been settled for a given year. Those not already settled for FY2019 include the Needham Independent Public Employees Association/DPW, the Independent Town Workers Association, and the Building Custodian and Trades Independent Association. The Classification, Performance and Settlements line includes a reserve for those settlements, as well as for the management compensation program, performance increases, merit pay, reclassification for non-represented personnel, and adjustment for elected officials' pay as approved by Town Meeting.

Reserve Fund The purpose of the Reserve Fund is to provide an annual budgetary reserve for unforeseen or extraordinary expenses. The FY2019 Reserve Fund request presented by the Finance Committee is calculated at 1.4% of the projected operating budget, after removing areas that are known or do not draw on reserves (Retirement Assessment, OPEB, Debt Service, and the Reserve Fund itself) – a decrease of 1.2% over FY2018.

Needham Electric, Light, and Gas Program The Municipal Lighting budget was reconfigured in FY2017 to include the Town's electricity and natural gas budgets and has been renamed the Needham Electric, Light, and Gas Program. Given the nature of the program, it has also been reallocated to the Townwide expense category. The ELG budget increased by 0.8% over FY2018, primarily attributable to a lower average natural gas supply rate assumption. The FY2019 budget also includes funding for the two new facilities scheduled to open in FY2019: the Rosemary Recreation Complex, and the expanded High School.

General Government

Board of Selectmen/Town Manager The recommended Board of Selectmen/Town Manager's budget is proposed to increase by 3.3% in FY2018, attributable primarily to projected compensation adjustments for existing staff.

Town Clerk/Board of Registrars The recommended Town Clerk/Board of Registrars budget is 13.3% higher than FY2018 due to the number of elections scheduled for FY2019. The budget includes projected compensation adjustments for existing staff. Any adjustment to the Town Clerk's salary by Town Meeting action will be transferred from the Classification, Performance and Settlements line.

Town Counsel The recommended legal budget includes no change from FY2018.

Finance Department The recommended Finance Department budget increased by 7% from FY2018 to FY2019, and includes the addition of one FTE in the amount of \$69,345 exclusive of benefits costs which are included in the Townwide Expense budget. The new administrative analyst will provide internal support to all Finance Department divisions, including assisting with the procurement of services and supplies, ordering, verifying deliveries, communicating with vendors about shipments, processing of invoices for goods and services provided, and monitoring the individual program budgets. The analyst will also provide review and reconciliation activities for both the Accounting and Treasury divisions, including RTS credits, ambulance billing, water services, tailings, etc. Having a dedicated employee to perform this administrative work will allow other Finance Department staff to focus on more high value and complex tasks.

Finance Committee This budget increased by 2.3% from FY2018 to FY2019 due to projected compensation adjustments for existing staff.

Planning and Community Development

The recommended Community Development budget has increased by 2.6% attributable to projected compensation adjustments for existing staff, and includes a new allocation of \$6,000 for recording secretary services for Conservation Commission meetings.

Public Safety

Police Department The Police Department budget is proposed to increase by 3.0%, and includes funding for one additional police officer in FY2019 in the amount of \$72,077 (exclusive of benefits costs included under Townwide Expenses). Funding for three additional police officers is proposed for the next several years, as described above

Fire Department The recommended Fire Department budget is 3% higher in FY2019 than FY2018. The recommended budget includes an allocation of \$15,538 in one-time funding for a CPR Assist Device for Rescue 2. These devices provide uninterrupted CPR and a constant rate of compression, which can be difficult for staff to achieve in the back of a moving ambulance. Also recommended is \$20,000 in one-time funding for mobile computer tablet mounting equipment and modem services to connect field mobile devices to the public safety network. Finally, the budget recommendation includes \$10,000 in recurring funding for community outreach initiatives to provide a greater level of visibility and interaction, and emergency medical care instruction for school children and the community.

Consideration of the Department's request to fund an additional eight Firefighter/Paramedics to staff a second full time ambulance in Needham Heights has been deferred to FY2020. Similar to the requested increase in Police personnel, this request is based on current and expected growth in the Needham Heights and Needham Crossing area. At this time, only one full time ambulance covers the entire Town from the Needham Square location. The Town has been planning for this increase in public safety staffing for several years.

Building Department The recommended budget for the Building Department is 1.5% higher than FY2018, primarily attributable to projected compensation increases for existing

staff. The recommended budget also includes a one-time expense of \$4,000 for document scanners.

Education

Minuteman School The estimated assessment from the Minuteman School is 16.1% higher than the FY2018 assessment. The Minuteman assessment is spread among the member towns, and fluctuates based on the total change in the Minuteman budget versus member town enrollments. This budget estimate is based on budget growth assumptions and Needham's share of the total enrollment, as well as assumptions about Needham's share of the capital investment in the new High School. The Towns of Boxborough, Carlisle, Lincoln, Sudbury, Wayland, and Weston withdrew from the district effective July 1, 2017, and Belmont has voted to withdraw effective July 1, 2020.

Needham Public Schools The Town Manager's recommended budget for the School Department is \$71,105,943 representing an increase of 4.0%. This recommendation includes a transfer of \$29,000 from the Department of Public Works to the School Department for telephone maintenance expenses. The School Department requested a replacement of its entire telephone system in the Capital Improvement Plan, and will assume responsibility for the maintenance of the system beginning in FY2019. The Superintendent's proposed budget can be found on the School Department Website at: http://www.needham.k12.ma.us/departments/administrative/business_office/budgets_and_financial_documents.

Public Facilities Construction

The recommended budget for the Public Facilities Department of \$610,156 reflects the transfer of the Operations component – the vast majority of the prior budget – to the Department of Public Works as approved by the Board of Selectmen in 2017. The FY2019 budget includes the addition of a project manager (\$102,300, exclusive of benefits costs that are included in Townwide Expenses) based on the number and complexity of design and construction projects in the planning stages and underway.

Public Works

The Department of Public Works General Fund operating budget is recommended at \$12,466,886 and reflects that transfer of Public Facilities Operations functions into the new Building Maintenance Division. The recommended budget includes an allocation of \$8,455 in overtime to supplement the street sweeping program in the downtown, \$20,000 for the implementation of a Canada Goose Management Plan, \$45,000 to provide contracted inspectional services for street opening projects by utility companies, \$10,000 to address maintenance needs at 90 baseball diamonds, and \$78,424 (exclusive of benefits costs) for the creation of a position to manage the Town's compliance activities in an increasingly complex regulatory environment, and to serve in a communication and liaison role with to State and Federal agencies to ensure that the Town's interests are maintained. The DPW budget recommendation also includes a one-time allocation of \$15,000 to complete the Greene's Field Improvement project.

In addition, the amount of \$267,192 (exclusive of benefits costs) has been recommended in part to meet the maintenance, and custodial needs associated with the opening of the Rosemary Complex and the expanded High School. As noted above, \$29,000 was

transferred from the Department of Public Works to the School Department for telephone system maintenance. This funding includes three FTEs: two custodians and one trades position. The collective bargaining agreement for unionized employees in the Department of Public Works is not yet settled – an allowance for projected wage increases for those employees in FY2018 is included in the Classification, Performance & Settlements budget.

Municipal Parking The recommended Municipal Parking budget is 2.4% higher in FY2018, attributable to the terms of lease agreements.

Human Services

Health & Human Services (HHS) Department The recommended FY2019 budget reflects an increase of 11.2%, attributable to projected compensation increases for existing personnel and program improvements. The recommendation includes funding for recording secretary services in the Aging Services Division (\$2,960) and the Youth & Family Services Division (\$2,960). The recommendation also includes an allocation of \$21,725 in expenses across divisions, as these lines have historically been held artificially low based on a reliance on one-time gifts and donations to support the costs of recurring programs and annual expenses. Finally, \$25,617 is recommended to transition the Emergency Management Program Coordinator position from part-time to full-time, and to fund it through the General Fund – it was previously authorized through a financial warrant article – and \$7,000 in associated expenses. The Department's request for additional staffing in the amount of \$150,199 has been deferred and will be considered in FY2020.

Commission on Disabilities No change is recommended to the Commission on Disabilities budget in FY2019.

Historical Commission No change is recommended to the Historic Commission budget in FY2019.

Public Library The recommended Library budget is 5.7% higher than FY2018, and includes a recommended increase of one FTE – a Children's Librarian (\$52,085, exclusive of benefits costs included under Townwide Expenses), an increase in the Sunday hours program in the amount of \$23,952, and an allocation for Comcast Internet services in the amount of \$1,992. The submitted Library budget request was reduced by a total of \$96,769 as requests for additional staffing and various licenses and subscriptions have been deferred.

Park and Recreation The Park and Recreation budget is proposed to increase by 35% in FY2019 due to the fact that the Rosemary Pool was closed in FY2018 and the current budget includes no funding for summer pool staff. A request for \$19,000 for compensation increases for summer pool and program staff has been deferred pending the Town-wide on-going classification and compensation study; however the need for ensuring that the rates of compensation remain competitive is understood and will be reviewed.

Memorial Park No change is proposed to the Memorial Park budget for FY2019.

Beyond the General Fund Operating Budgets

Capital Budget Summary

The focus of this document is the FY2019 General Fund, Enterprise Fund, and Community Preservation Fund budgets. The FY2019 – FY2023 Capital Improvement Plan (CIP) is published as a separate document. An integral part of the balanced budget proposal contained herein, however, is the funding of capital and other non-operating budget items. The FY2019 proposed annual budget includes \$9,694,289 in General Fund cash capital projects. In addition to the projects contained in the five year CIP, the Town will also fund projects through Chapter 90 funds received from the Commonwealth.

Enterprise Fund Summary

RTS The recommended FY2019 Recycling & Solid Waste Enterprise Fund budget is 5.5%. The collective bargaining agreement for the Division's unionized staff is not yet settled. Requests for program improvements, including an HMEO and Laborer position in the amount of \$103,519 have been deferred at this time pending a proposed operational study. Based on the results of the study, the staffing requests will be considered in FY2020. As set forth below, we recommend that the RTS Enterprise Fund be dissolved and the accounting of the revenues and expenses be returned to the General Fund. This is based primarily on the fact that the General Fund is supporting a significant and increasing share of the RTS Enterprise Fund budget on an annual basis, with no reasonable expectation of a reversal in this trend.

Sewer The recommended Sewer Enterprise Fund budget is 0.1% higher than in fiscal year 2018. The collective bargaining agreement for the Division's unionized staff is not yet settled. The MWRA Sewer Assessment, which represents a significant portion of the Sewer Enterprise Fund Budget, has been level-funded as preliminary assessments are not yet available. During FY2019, we will be undertaking an evaluation of the possibility of creating a stormwater enterprise fund, in recognition of the significant and growing complexity of complying with Federal and State stormwater regulations.

Water The recommended Water Enterprise Fund budget is 1.1% higher than the FY2018 budget. The collective bargaining agreement for the Divisions' unionized staff is not yet settled. The MWRA Water Assessment, which represents a significant portion of the Water Enterprise Fund Budget, has been level-funded as preliminary assessments are not yet available.

Community Preservation The administrative budget of the Community Preservation Fund is unchanged from FY2018.

Other Financial Warrant Articles

Given the amount of Free Cash available for appropriation, and consistent with the Town's policy to minimize the use of Free Cash for recurring operating expenses, the FY2019

proposed budget includes allocation of funds to one time programs and projects, and to reserves. As noted previously, the proposed allocation of Free Cash is based on an initial estimate of \$12.5 million. When Free Cash is certified, any additional amount should be allocated to one-time items or reserves.

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

Senior Corps Program The FY2019 proposed budget includes \$15,000 for the Senior Corps Program.

Property Tax Assistance Program The balanced budget includes \$25,000 in funding for the Property Tax Assistance Program. The 2009 Annual Town Meeting voted to establish a Property Tax Assistance Program. The goal of the Board of Selectmen is to set a target annual appropriation for the fund equal to the amount of private contributions to the Town's statutory voluntary tax relief program during the preceding fiscal year, up to a maximum appropriation of \$25,000 (2008 dollars). The voluntary fund received \$14,044 in fiscal year 2017.

Public Facilities Maintenance Program Beginning in FY2016, funding for the Public Facilities Maintenance Program was transitioned from the Capital Improvement Plan to the operating budget. This warrant article covers annual necessary maintenance of public buildings throughout the Town and School department, including, but not limited to, asbestos abatement, duct cleaning, painting, and other repairs and necessary upgrades. Unless circumstances require otherwise, the FY2019 program will fund duct cleaning at the High Rock and Mitchell Schools, PSAB, and CATH, wood floor refinishing at the Pollard, High School, Mitchell, Hillside, Broadmeadow, Newman, and Eliot Schools and Town Hall, carpet replacement in the media center at the Pollard School, asbestos abatement at the DPW garage, an evaluation of the pipes at the Public Safety Building, and splitting the chimney at the roof at the Eliot and High Rock Schools. At the Broadmeadow School, it will fund a hot water heater replacement and an acoustical treatment in the gym. At the Mitchell School, it will fund electrical upgrades, an office reconfiguration, painting of the ceiling tiles, refinishing of the wood trim and doors, rekeying the building, replacing the base trim, and providing acoustical insulation in the attic. Recommended funding in FY2019 is \$625,000.

Town Owned Land Surveys Over the past 300 plus years, the Town has acquired land that has never been surveyed. In recent years, when the Town has begun the design process for construction on such parcels, survey data has been unavailable or incorrect, resulting in delays and added cost to projects. This funding will allow the Town to conduct land surveys, including title research, field work, analysis, installation of bounds or markers, drafting work, and recording of completed plans. This is a multi-year program in the amount of \$100,000 per year. In FY2018, Avery Field, the Police/Fire Headquarters, the Hillside School, and Memorial Park were surveyed. Key priorities for future funding include: the Nike Site, Claxton Field, Mitchell School, Pollard School, Emery Grover Building, Stephen Palmer Building, Cooks Bridge Sewer Station, the Boat Launch, Cricket Field, Daley Building, Walker Gordon Field, and Mills Field.

Urban Community Challenge Grant - Tree Inventory Program In 2013, the Town was awarded a grant from the Commonwealth of Massachusetts Department of Conservation (DCR) to conduct a Town Tree Inventory. In recent years, the Town has made many changes to its existing inventory both by removals and through the addition of new

tree plantings. This funding would match additional funding from the Commonwealth to update the inventory, and will identify and update the data of those trees that have a historical, cultural, and/or economic value to the community. In addition, a tree health survey will be performed to help outline and prioritize those trees requiring immediate attention. The tree health survey, in combination with the significant tree inventory, will provide the Town of Needham with key components in the development of a municipal vegetation management plan. The management plan will have a tree planting plan as one component in order to assure that the Town plans for and continues to plant shade trees as part of the roadside beautification. The addition of the appraisal data will help the Tree Warden in identifying the value of the Needham shade tree asset base for budgetary and resource management, as well as assist in the evaluation of mechanical, weather related, and natural damage impacts. The matching grant required contribution is \$15,000.

Long Range Plan Long range planning is an organized way to determine community needs and to set a series of goals to meet those needs. This funding will allow the Town to engage a consultant to provide data for boards, committees, and commissions to use in understanding the impact of population growth, demographic changes and economic development on aspects such as traffic and circulation, housing and residential development, historic and cultural resources areas, natural resources and open space, and public facilities and services. This information will be used in goal and priority setting across the Town. Recommended funding in FY2019 is \$50,000.

Water Meter Data Collection The Department of Public Works has developed a plan to convert all water meters in Town to meter interface units (MIU) that can be read remotely with a remote data collection tool. There are 660 domestic and irrigation water meters in Town that have touch pads for reading the meter. In order to collect readings from these types of meters, Water Division staff must record the reading from the water meter and input the data into a hand-held device. Through this process, more time is spent in the field reading water meters and the readings are subject to human error. The MIUs will allow Water Division staff to read meters remotely from a vehicle, reducing reading time in the field and improving accuracy. The data from the MIU is transmitted by radio frequency to the mobile data collector tool. Recommended funding in FY2019 is \$220,000 from Water Enterprise Fund Retained Earnings.

Time Clock System The Department of Public Works proposed to implement a time clock system to track the work hours of DPW staff, with the understanding that this program may be extended to other staff throughout the Town. This system will integrate with the Town's accounts payable software to facilitate the processing of payroll. It will allow staff to "punch-in" at the beginning and the end of their shifts to ensure that payroll records are accurate and resolve discrepancies currently found in the paper system, and will reduce the current double entry system, whereby the division generates a manual time card and then this time card is entered into the payroll system. The recommended funding in FY2019 is \$81,000.

RTS Efficiency Study The Department of Public Works has proposed a review of the day-to-day operations of the RTS to identify efficiencies and develop a master plan based on the findings. The efficiency study will include a review of all aspects of the RTS operation (recycling, MSW, composting, materials processing, and the closed landfill), and as they relate to site operations, a review of site layout, traffic patterns, and any identifiable safety concerns, an evaluation of operating and maintenance, disposal, and transportation costs, a review of current staffing and equipment levels and evaluation of future needs, and a review of Municipal Solid Waste (MSW) and recycling handling practices and their impact on existing infrastructure. The recommendations included in the efficiency study report will

inform the mastering planning process for RTS facility improvements. Recommended funding in FY2019 is \$100,000 from RTS Retained Earnings.

GF/RTS Contribution The balanced budget includes an estimated contribution to the RTS Enterprise Fund of \$1,520,000, an increase of \$57,500 or 3.9% over FY2018. The Assistant Town Manager/Director of Finance, after consultation with a working group of citizens, has recommended that the RTS operations be consolidated into the General Fund in FY2020. There have been growing service demands on the operations of the RTS over the years that do not generate revenue. The mission of encouraging greater recycling remains. The continuation of the pay-per-throw program and the elimination of the sticker fee are important components of that goal. The RTS Enterprise Fund has had a growing dependence on the General Fund in order to cover the cost of operations – a trend unlikely to reverse. It is also apparent that enterprise receipts are insufficient to fully fund even the basic infrastructure improvements that have been identified at the facility. In order to have a smoother transition from enterprise fund to General Fund, we propose that an article be included in the 2018 Annual Town Meeting Warrant dissolving the Enterprise Fund effective in FY2020.

Drains/Sewer Contribution The balanced budget includes a \$504,750 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. As noted previously, we continue to evaluate the benefits and challenges of funding the drains/stormwater program within the General Fund and may recommend changes to the financial structure in FY2020.

Athletic Facility Improvement Fund The 2012 Annual Town Meeting approved the creation of an Athletic Facility Improvement Fund to set aside capital funds for renovation and reconstruction of the Town's athletic facilities and associated structures, particularly at Memorial Park and DeFazio Field Complex. Table 1.6 outlines the appropriations to the fund since it was created. The Town Manager's recommendation for funding the Athletic Facility Stabilization Fund in FY2019 is the traditional match of the Park and Recreation administrative fee receipts (\$63,378 in FY2017). The budget plan also includes use of the fund as has been planned for several years - \$55,000 for the design of the synthetic turf replacement and \$1,800,000 for the Memorial Park Fieldhouse reconstruction.

**Table 1.6
Athletic Facility Improvement Fund**

FY	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2014	\$283,096	\$1,257	\$616,980		\$901,333
2015	\$901,333	\$1,913	\$1,067,107		\$1,970,353
2016	\$1,970,353	\$8,393	\$664,682		\$2,643,428
2017	\$2,643,428	\$24,630	\$1,671,990		\$4,340,048
2018*	\$4,340,048	\$29,066			\$4,369,114

* Balance as of December 31, 2017

Capital Facility Fund The Capital Facility Fund was established at the 2007 Annual Town meeting, intended to be part of the Town's planning strategy for addressing capital facility maintenance needs by providing a reserve to address extraordinary building repairs

and related expenses at times when other resources are unavailable. The purpose of this fund is to allow the Town, from time to time, by appropriation, to reserve funds for design, maintenance, renovation or reconstruction relating to the structural integrity, building envelope or MEP (mechanical, electrical, plumbing) systems of then existing capital facilities. As presented to the October 2, 2017 Special Town Meeting, the amount of \$1,817,000 is proposed for appropriation in FY2019 to restore the funds transferred to complete the financing plan for the expanded High School. Table 1.7 outlines the appropriation history of the fund.

**Table 1.7
Capital Facility Fund**

FY	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2014	\$1,293,383	\$2,308			\$1,295,691
2015	\$1,295,691	\$2,593	\$9,113		\$1,307,397
2016	\$1,307,397	\$4,878			\$1,312,275
2017	\$1,312,275	\$13,400	\$505,000		\$1,830,675
2018*	\$1,830,675	\$10,037		-\$1,817,000	\$23,712

* Balance as of December 31, 2017

Capital Improvement Fund The Capital Improvement fund was created at the 2004 Annual Town Meeting and is intended as a reserve for funding needed equipment in years when funding is not available. Table 1.8 outlines the history of the Capital Improvement Fund. The amount of \$141,413 is proposed for funding in the FY2019 operating budget based on the sale of surplus equipment.

**Table 1.8
Capital Improvement Fund**

FY	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2014	\$648,940	\$1,237			\$650,177
2015	\$650,177	\$1,302	\$17,475		\$668,954
2016	\$668,954	\$2,831	\$29,296		\$701,081
2017	\$701,081	\$6,425	\$28,051		\$735,557
2018*	\$735,557	\$4,927			\$740,484

* Balance as of December 31, 2017

Debt Service Stabilization Fund The November 2, 2015 Special Town Meeting approved the creation of a Debt Service Stabilization Fund (DSSF) to set aside funds to be available to pay certain debt obligations. This fund is intended to be part of the Town's overall planning strategy for addressing capital facility needs. The fund provides added flexibility by smoothing out the impact of debt payments in years when the debt level is

higher than is typically recommended. The fund would also be beneficial at times when interest rates are higher than expected. The plan for the fund is designed to ensure that the monies are not depleted in a single year, and that the amount available for appropriation is known before the budget year begins.

The FY2018 recommended appropriation for the DSSF is \$1,981,874 in recurring revenue, which may be reallocated in future years to meet identified program improvements. The source of the funding is: solar array – \$525,190; room tax – \$255,000 and new growth – \$1,201,684. The amount appropriated into the Fund will stay with the fund and will be used to reduce the Town’s reliance on debt financing. The funding recommendation for the DSSF is based on the initial estimate of Free Cash at \$12.5 million. If additional Free Cash is certified, we recommend that the allocation to the DSSF be increased. Table 1.9 outlines appropriations to the DSSF since inception.

**Table 1.9
Debt Service Stabilization Fund**

FY	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2016	\$0	\$0	\$320,186		\$320,186
2017	\$320,186	\$6,154	\$612,595		\$938,935
2018*	\$938,935	\$13,527	\$1,091,874		\$2,044,336

* Balance as of December 31, 2017

In Conclusion

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

Our entire management team has worked collectively to implement creative ways of meeting the Town’s sustainability goals. Efforts have been made to implement measures that will maximize the productivity of our organization and deliver the highest quality of services within available resources. I would especially like to thank Superintendent of Schools Dan Gutekanst, Assistant Town Manager David Davison, Assistant Town Manager Christopher Coleman, Finance and Procurement Coordinator Tatiana Swanson and Support Services Manager Sandy Cincotta for their work in the development of this budget.

I appreciate the spirit of cooperation that has been demonstrated by the Board of Selectmen, School Committee, and Finance Committee in the development of this budget, and applaud the commitment to sustainability on the part of Town boards and committees, Town Meeting, and ultimately the community. We are fortunate to have a dedicated and loyal staff working every day to maintain the high quality of life our residents expect and deserve. I thank you for the opportunity to serve the residents and businesses in the Town of Needham.

Respectfully submitted,

Kate Fitzpatrick
Town Manager

Fiscal Year 2019 Proposed Budget

Line #	Description	FY2018 Budget*	FY2019 Base	FY2019 DSR4	FY2019 Total Request	\$ Change from FY2018	% Change	Town Manager Recommendation		
								Balanced Budget	\$ Change from FY2018	% Change from FY2018
Townwide Expense Group										
1	Casualty, Liability, Property & Self-Insurance Program	606,200	626,790		626,790	20,590	3.4%	626,790	20,590	3.4%
2	Debt Service	12,573,958	14,904,503		14,904,503	2,330,545	18.5%	14,904,503	2,330,545	18.5%
3	Group Health Insurance, Employee Benefits & Administrative Costs	14,429,197	14,760,600	890,645	15,651,245	1,222,048	8.5%	15,293,101	863,904	6.0%
4	Needham Electric, Light & Gas Program	3,558,040	3,586,259		3,586,259	28,219	0.8%	3,586,259	28,219	0.8%
5	Retiree Insurance & Insurance Liability Fund	6,115,455	6,906,705		6,906,705	791,250	12.9%	6,906,705	791,250	12.9%
6	Retirement Assessments	7,332,277	7,934,482		7,934,482	602,205	8.2%	7,934,482	602,205	8.2%
7	Workers Compensation	656,283	679,253		679,253	22,970	3.5%	679,253	22,970	3.5%
8	Classification Performance & Settlements	145,218	527,090		527,090	381,872	263.0%	527,090	381,872	263.0%
9	Reserve Fund	1,812,600	1,791,165		1,791,165	(21,435)	-1.2%	1,791,165	(21,435)	-1.2%
Townwide Expense Total		47,229,228	51,716,847	890,645	52,607,492	5,378,264	11.4%	52,249,348	5,020,120	10.6%
Board of Selectmen and the Office of the Town Manager										
10A	Salary & Wages	856,073	875,526		875,526	19,453		875,526	19,453	
10B	Expenses	138,079	151,699		151,699	13,620		151,699	13,620	
Total		994,152	1,027,225		1,027,225	33,073	3.3%	1,027,225	33,073	3.3%
Town Clerk and Board of Registrars										
11A	Salary & Wages	333,734	373,098		373,098	39,364		373,098	39,364	
11B	Expenses	48,415	60,035		60,035	11,620		60,035	11,620	
Total		382,149	433,133		433,133	50,984	13.3%	433,133	50,984	13.3%
Town Counsel										
12A	Salary & Wages	75,442	75,442		75,442			75,442		
12B	Expenses	254,000	254,000		254,000			254,000		
Total		329,442	329,442		329,442			329,442		
Personnel Board										
Total										
Finance Department										
14A	Salary & Wages	1,833,197	1,839,852	65,345	1,905,197	72,000		1,905,197	72,000	
14B	Expenses	835,624	945,492	4,000	949,492	113,868		949,492	113,868	
14C	Capital	68,475	75,000		75,000	6,525		75,000	6,525	
Total		2,737,296	2,860,344	69,345	2,929,689	192,393	7.0%	2,929,689	192,393	7.0%
Finance Committee										
15A	Salary & Wages	36,629	37,448		37,448	819		37,448	819	
15B	Expenses	1,250	1,320		1,320	70		1,320	70	
Total		37,879	38,768		38,768	889	2.3%	38,768	889	2.3%
Planning and Community Development										
16A	Salary & Wages	517,082	523,523	6,000	529,523	12,441		529,523	12,441	
16B	Expenses	30,128	31,900		31,900	1,772		31,900	1,772	
Total		547,210	555,423	6,000	561,423	14,213	2.6%	561,423	14,213	2.6%

Fiscal Year 2019 Proposed Budget

Line #	Description	FY2018 Budget*	FY2019 Base	FY2019 DSR4	FY2019 Total Request	\$ Change from FY2018	% Change	Town Manager Recommendation		
								Balanced Budget	\$ Change from FY2018	% Change from FY2018
Police Department										
17A	Salary & Wages	6,139,368	6,280,960	69,577	6,350,537	211,169		6,350,537	211,169	
17B	Expenses	304,090	308,790	2,500	311,290	7,200		311,290	7,200	
17C	Capital	174,118	153,574		153,574	(20,544)		153,574	(20,544)	
	Total	6,617,576	6,743,324	72,077	6,815,401	197,825	3.0%	6,815,401	197,825	3.0%
Fire Department										
18A	Salary & Wages	7,552,956	7,763,983	597,362	8,361,345	808,389		7,773,983	221,027	
18B	Expenses	352,248	341,284	47,266	388,550	36,302		376,822	24,574	
18C	Capital	30,646	23,778	32,916	56,694	26,048		23,778	(6,868)	
	Total	7,935,850	8,129,045	677,544	8,806,589	870,739	11.0%	8,174,583	238,733	3.0%
Building Department										
19A	Salary & Wages	694,478	701,713		701,713	7,235		701,713	7,235	
19B	Expenses	51,040	51,040	4,000	55,040	4,000		55,040	4,000	
	Total	745,518	752,753	4,000	756,753	11,235	1.5%	756,753	11,235	1.5%
Minuteman Regional High School Assessment										
20	Assessment	806,252	936,055		936,055	129,803		936,055	129,803	
	Total	806,252	936,055		936,055	129,803	16.1%	936,055	129,803	16.1%
Needham Public Schools										
21	Budget	68,350,083	71,485,377		71,485,377	3,135,294		71,105,943	2,755,860	
	Total	68,350,083	71,485,377		71,485,377	3,135,294	4.6%	71,105,943	2,755,860	4.0%
Public Facilities Design & Construction										
22A	Salary & Wages	3,974,832	488,361	101,000	589,361	(3,385,471)		589,361	(3,385,471)	
22B	Expenses	2,746,730	19,495	1,300	20,795	(2,725,935)		20,795	(2,725,935)	
	Total	6,721,562	507,856	102,300	610,156	(6,111,406)	-90.9%	610,156	(6,111,406)	-90.9%
Department of Public Works										
23A	Salary & Wages	3,736,572	7,219,689	263,032	7,482,721	3,746,149		7,482,721	3,746,149	
23B	Expenses	1,597,235	4,385,896	181,044	4,566,940	2,969,705		4,537,940	2,940,705	
23C	Capital	42,216	29,993		29,993	(12,223)		29,993	(12,223)	
23D	Snow and Ice	412,120	416,232		416,232	4,112		416,232	4,112	
	Total	5,788,143	12,051,810	444,076	12,495,886	6,707,743	115.9%	12,466,886	6,678,743	115.4%
Municipal Parking Program										
24	Program	103,905	106,382		106,382	2,477		106,382	2,477	
	Total	103,905	106,382		106,382	2,477	2.4%	106,382	2,477	2.4%
Health and Human Services Department										
25A	Salary & Wages	1,401,261	1,513,828	181,736	1,695,564	294,303		1,545,365	144,104	
25B	Expenses	302,843	320,261	28,725	348,986	46,143		348,986	46,143	
	Total	1,704,104	1,834,089	210,461	2,044,550	340,446	20.0%	1,894,351	190,247	11.2%
Commission on Disabilities										
26A	Salary & Wages	1,500	1,500		1,500			1,500		
26B	Expenses	550	550		550			550		
	Total	2,050	2,050		2,050			2,050		
Historical Commission										
27A	Salary & Wages									
27B	Expenses	1,050	1,050		1,050			1,050		
	Total	1,050	1,050		1,050			1,050		
Needham Public Library										
28A	Salary & Wages	1,312,846	1,321,195	138,506	1,459,701	146,855		1,397,232	84,386	
28B	Expenses	348,314	356,685	36,292	392,977	44,663		358,677	10,363	
	Total	1,661,160	1,677,880	174,798	1,852,678	191,518	11.5%	1,755,909	94,749	5.7%
Park and Recreation Department										
29A	Salary & Wages	391,972	575,332	19,000	594,332	202,360		575,332	183,360	
29B	Expenses	96,817	84,600		84,600	(12,217)		84,600	(12,217)	
	Total	488,789	659,932	19,000	678,932	190,143	38.9%	659,932	171,143	35.0%

Fiscal Year 2019 Proposed Budget

Line #	Description	FY2018 Budget*	FY2019 Base	FY2019 DSR4	FY2019 Total Request	\$ Change from FY2018	% Change	Town Manager Recommendation		
								Balanced Budget	\$ Change from FY2018	% Change from FY2018
Memorial Park										
30A	Salary & Wages									
30B	Expenses	750	750		750			750		
	Total	750	750		750			750		
Department Budget Total										
		105,954,920	110,132,688	1,779,601	111,912,289	5,957,369	5.6%	110,605,881	4,650,961	4.4%
Total Operating Budget										
		153,184,148	161,849,535	2,670,246	164,519,781	11,335,633	7.4%	162,855,229	9,671,081	6.3%
*Budget as of December 31, 2017										
Recycling and Transfer Station Enterprise										
101A	Salary & Wages	796,656	801,914	101,519	903,433	106,777	13.4%	801,914	5,258	0.7%
101B	Expenses	1,369,612	1,496,979	2,000	1,498,979	129,367		1,496,979	127,367	9.3%
101C	Capital	91,500	91,500		91,500			91,500		
101D	Debt Service	150,000	150,000		150,000			150,000		
102	Reserve Fund	25,000	25,000		25,000			25,000		
	Total	2,432,768	2,565,393	103,519	2,668,912	236,144	9.7%	2,565,393	132,625	5.5%
Sewer Enterprise										
201A	Salary & Wages	958,976	961,327		961,327	2,351		961,327	2,351	0.2%
201B	Expenses	431,060	439,727		439,727	8,667		439,727	8,667	2.0%
201C	Capital	50,000	50,000		50,000			50,000		
201D	MWRA	5,889,796	5,889,796		5,889,796			5,889,796		
201E	Debt Service	1,500,000	1,500,000		1,500,000			1,500,000		
202	Reserve Fund	35,000	35,000		35,000			35,000		
	Total	8,864,832	8,875,850		8,875,850	11,018	0.1%	8,875,850	11,018	0.1%
Water Enterprise										
301A	Salary & Wages	1,248,413	1,252,990		1,252,990	4,577		1,252,990	4,577	0.4%
301B	Expenses	1,107,888	1,137,563		1,137,563	29,675		1,137,563	29,675	2.7%
301C	Capital		20,000		20,000	20,000		20,000	20,000	
301D	MWRA	1,109,794	1,109,794		1,109,794			1,109,794		
301E	Debt Service	1,550,000	1,550,000		1,550,000			1,550,000		
302	Reserve Fund	75,000	75,000		75,000			75,000		
	Total	5,091,095	5,145,347		5,145,347	54,252	1.1%	5,145,347	54,252	1.1%
*Budget as of December 31, 2017										