

# Needham in FY2020: Time to *Flourish*

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**"We are what we repeatedly do. Excellence, then, is not an act but a habit." – Will Durant**

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The Oxford English Dictionary defines the word "flourish" as "to grow or develop in a healthy or vigorous way, especially as the result of a particularly favorable environment."

In Needham, years of preparation coupled with a particularly favorable economic environment have allowed the Town to grow and even flourish, meeting increasing service demands while continuing to invest in capital facilities and set aside funds for the future.

The Town is thriving, and this is an opportune time to step back and take stock of where we are and where we are headed. The Select Board created the Needham 2025 project through which the Town will gain a better understanding of the impact of commercial and residential growth on its infrastructure, including traffic, transportation, water, sewer, drains, roads and bridges, technology, and school facilities. Over the years, the Town has conducted facility master plans, demographic analyses for future school needs planning, and build-out analyses for special projects and zoning initiatives. The N2025 project will provide a more complete Town-wide overview – identifying the reasonably anticipated range of commercial and residential growth by 2025, and the associated impact/pressure that may be placed on existing, planned, or prospective infrastructure by this growth and other regional trends. The knowledge gained will inform the long-range planning processes of policy-making boards and committees.

The Needham community is flourishing, and we will continue to seek opportunities for growth and improvement – excellence *is* our habit.

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## Budget Planning & Progress

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In the FY2018 "Opportunity" budget, we recommended that the Town harness the strong but likely temporary new growth associated with commercial development, and mindfully reserve higher than normal revenue growth. For FY2019, our overall recommendation was that the Town "stay the course" and follow through on the framework that had been put in place over the past five years – to prioritize funding for reserves, known facility upgrades, and expected service delivery needs.

### Reserves

Maintaining an appropriate level of contingency funds – or reserves – is a best practice that has been adopted by the Select Board. The Town has shown steady progress in funding reserves, and we are currently evaluating the target levels of each fund.

*Athletic Facility Improvement Fund* – The Town has been disciplined in its effort to set aside funds for known future athletic facility expenses including a portion of the Memorial

Park Fieldhouse (appropriated in 2018) and the replacement of synthetic turf fields (proposed for the 2019 Annual Town Meeting).

*Debt Service Stabilization Fund* – The creation of the DSSF and the corresponding opportunity to divert recurring revenue from the operating budget is one of the factors that has allowed the current recommendation to fund full-day kindergarten and other modest performance improvements in FY2020. The balance in the fund, and any future contributions, will be used to smooth out the impact of debt service payments on the operating budget.

*Capital Facility Fund* – The Town appropriated approximately \$1.8 million from the fund to supplement the High School Classroom expansion project, and appropriated that amount back into the fund in 2018.

### Capital Facilities

One of the Select Board'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. 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.

*Rosemary Recreation Complex* – This building opened in the summer of 2018, and is substantially complete. It was funded through a combination of tax levy-supported debt, Community Preservation debt, and Community Preservation cash.

*Fire Station #2* – This facility is part of the Public Safety Project, funded through a debt exclusion override approved by the voters in 2018. Fire Station #2 will be temporarily relocated to the Hillside School in the fall of 2019, and the new station is expected to open in the spring of 2021.

*Public Safety Complex* – The Public Safety Building, consisting of Fire Station #1 and the Police Station, was funded through a debt exclusion override approved by the voters in 2018. Fire Station #1 is expected to open in the summer of 2020, and the entire facility is projected to be complete in early 2022.

*Public Works Complex* – A six bay garage was added to the site in FY2014, the fuel island was replaced and relocated in 2017, and the Central Avenue Storage Building - designed to store equipment that does not fit on the Dedham Avenue site – will begin construction in early 2019, with an expected completion that same year. The Select Board is evaluating options for funding the phased reconstruction of the DPW facility on Dedham Avenue. The Central Avenue Storage Building was funded by a combination of tax-levy supported debt, Free Cash, and Enterprise Fund Retained Earnings.

*Memorial Park Building* – The reconstruction of the Memorial Park Building was approved in 2018 and is well underway. The facility is expected to open in the summer of 2019. The funding for this project included CPA funds, Free Cash, tax levy-supported debt, and a transfer from the Athletic Facility Improvement Fund.

*Sunita Williams School* – The construction of the new elementary school to replace the Hillside School is well underway and is expected to open in the summer of 2019. The

project was funded through a debt exclusion override approved by the voters in 2016, and a financial contribution from the Massachusetts School Building Authority.

*Emery Grover* – The October 10, 2018 Special Town Meeting approved funding for an expanded feasibility study for appropriate workspace for School Administration.

#### Program improvements

*Public Safety* – Over the past several years, the Select Board has recommended an increase in the number of full-time firefighters and police officers. The increase in the Fire Department was proposed for FY2020, and the increase in the Police Department was planned to be phased in over a three year period from FY2019 to FY2021. One police officer position was funded in FY2019 and one is recommended in FY2020. The Town was fortunate to have received Federal funding to support the addition of eight firefighters beginning at the end of FY2019. The Federal government will fund 75% of the cost of the firefighters for two years, and 35% in the third year. The FY2020 budget recommendation includes full funding of the Town's Emergency Management Program Coordinator, which is currently a part-time position. The Select Board's goal is to ensure that the community, its residents and staff are safe and that proper planning and training is current and at the forefront of the Town's daily operations. In the most recent citizen satisfaction survey, 99% of respondents rated their overall feeling of safety in Needham is good or excellent – a level of satisfaction that was one of the highest in the country and one that the Town should strive to maintain.

*Full-day kindergarten* – The School Committee and School Administration have been planning for the implementation of full-day kindergarten for years. The Town of Needham is the only community in the Commonwealth in which children do not have access to full-day kindergarten. Working together, staff, boards and committees adopted a long-term plan and framework. Because the Town refrained from allocating all recurrent revenue to operations in the past several years, we are able to recommend full funding of this program in FY2020.

*Minuteman School* – FY2020 is the first year that the Town will be assessed for the debt service for the new school, which is scheduled to open for the 2019/2020 school year. Many Town staff members and elected and appointed officials participated in years of planning for this project and the Town expected and planned for the increased assessment.

*Other* – The FY2020 General Government and School Department budgets include modest program improvements to enhance existing services.

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## Budget in Brief

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The recommended FY2020 General Fund operating budget totals \$194,588,397 representing a change of \$10,281,088 or 5.6%. A comparison of the FY2019 budget to the FY2020 recommended budget is shown in Table 1.1.

Table 1.1

Description	Current Year	Recommended	\$ Change	% Change
Town Wide Expense Budgets	51,924,460	57,918,498	5,994,038	11.5%
General Departments	38,792,065	43,400,927	4,608,862	11.9%
Needham Public Schools	71,105,943	76,005,765	4,899,822	6.9%
Minuteman Assessment	914,236	1,056,123	141,887	15.5%
Total General Fund Operating Budget	162,736,704	178,381,313	15,644,609	9.6%
Cash Capital	12,635,289	10,037,752	(2,597,537)	-20.6%
Financial Warrant Articles	3,523,945	2,004,651	(1,519,294)	-43.1%
Other Appropriations	2,021,791	241,612	(1,780,179)	-88.0%
Total General Fund Appropriations	180,917,729	190,665,328	9,747,599	5.4%
Other Amounts to be Raised	3,389,580	3,923,069	533,489	15.7%
<b>Total General Fund Expenditures</b>	<b>184,307,309</b>	<b>194,588,397</b>	<b>10,281,088</b>	<b>5.6%</b>

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## Goals & Objectives of the FY2020 Budget

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### Budgeting Best Practices

The Select Board 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 FY2020 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.** Revenue that cannot reasonably be expected to recur annually in FY2020 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 FY2020 – FY2024 Capital Improvement Plan includes projects funded by debt and is in compliance with this best practice. The FY2020 – FY2024 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 FY2020 is \$2,068,301, which is in compliance with this best practice.
6. **Adequate contingency funds must be maintained.** This proposed balanced budget allocates funding to the Athletic Facility Improvement Fund, the Capital Improvement Fund, and the Workers Compensation Fund. Appropriations recommended from the Athletic Facility Improvement Fund have been made in accordance with a carefully-considered and multi-year plan to set aside funds for significant investment in synthetic turf fields.
7. **Sufficient maintenance and replacement funds will be allocated to ensure that capital facilities and equipment are properly maintained.** The recommended operating budget and the Capital Improvement Plan include significant 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 balanced budget proposal includes a planned reallocation back to the operating budget of recurring revenue that was previously allocated to the Debt Service Stabilization fund for the purpose of funding full-day kindergarten. The implementation of full-day kindergarten without the need for an operating override was the cornerstone of the past two budget proposals, 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 the OPEB and Pension funds, both of which have recently been reset at 7.25%, with further reductions planned in coming years.

### **Core Budget Priorities**

The Select Board 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. The primary goal of the Board 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:

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.

## 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 15.5 from FY2015 to FY2019, and is proposed to increase by 6.7 from FY2019 to FY2020. The number of School Department FTEs grew by 43 from FY2015 to FY2019, and is proposed to increase by an additional 44.88 from FY2019 to FY2020.

As discussed previously, additional increases in General Government staffing are proposed for the coming years, most notably in public safety. The Town received a grant to support an increase of eight firefighters that will allow the Town to meet National Fire Protection Association Standards for response, and to staff a full-time ambulance in Needham Heights. The grant will fund 75% of the cost of the firefighters in the first two years, and 35% of the cost in the third year. The projected FTE for the Fire Department included in Table 1.2 includes only the portion of the funding supported by the General Fund.

**Table 1.2**  
**General and Enterprise Fund Full-time Equivalent Benefit-Eligible Positions**  
**FY2014 to FY2019 (excluding grant-funded positions)**

Department	Funded FY2015	Funded FY2016	Funded FY2017	Funded FY2018	Funded FY2019	FY2015 - FY2019 # Change	Projected FY2020
Select Board/ Office of the Town Manager	8.0	9.0	8.0	9.0	9.0	1.0	10.0
Town Clerk	4.0	4.0	4.0	4.0	4.0	0.0	4.0
Finance	23.2	22.6	22.6	22.6	23.6	0.4	24.0
Planning & Community Development	5.8	5.8	6.2	6.2	6.3	0.5	6.3
Police	59.0	59.0	59.0	59.0	59.0	1.0	61.0
Fire*	71.0	71.0	71.0	71.0	71.0	0.0	73.7
Building	8.6	8.6	9.8	9.8	9.8	1.2	9.8
Public Works**	140.0	140.0	139.5	140.0	144.0	4.0	145.0
Building Design & Construction***	4.0	4.0	4.5	5.0	5.0	1.0	5.0
Health & Human Services	13.2	13.9	13.9	15.7	17.6	4.4	17.5
Library	13.0	13.0	13.0	14.0	15.0	2.0	15.0
Park and Recreation	4.0	4.0	4.0	4.0	4.0	0.0	4.6
<b>Municipal Departments</b>	<b>353.8</b>	<b>354.9</b>	<b>355.5</b>	<b>360.3</b>	<b>369.3</b>	15.5	<b>375.9</b>
<b>School Department</b>	<b>706.3</b>	<b>715.5</b>	<b>724.1</b>	<b>739.4</b>	<b>749.3</b>	43.0	<b>794.2</b>

\* Exclusive of 8 fire fighter positions funded by grant that may begin in FY2019.

\*\* Restated to reflect building maintenance positions as part of Public Works. The Public Works total includes enterprise fund positions.

\*\*\* Restated to reflect movement of the building maintenance positions to Public Works.

**Table 1.3**  
**Changes in Salary Line Items FY2015 to FY2019**

Description	FY2015	FY2016	FY2017	FY2018	FY2019 - Budget as of December 31	Average % Change
Board of Selectmen	715,158	785,523	762,789	856,073	892,969	5.4%
Town Clerk	312,927	321,314	351,915	333,734	376,968	6.1%
Town Counsel	73,584	75,422	75,442	75,442	75,442	1.0%
Personnel Board		15,000				-100.0%
Finance Department	1,690,829	1,709,311	1,759,051	1,833,197	1,943,197	3.5%
Finance Committee	32,462	34,000	35,733	36,629	38,385	3.9%
<b>Municipal Administration</b>	<b>2,824,960</b>	<b>2,940,570</b>	<b>2,984,930</b>	<b>3,135,075</b>	<b>3,326,961</b>	<b>4.2%</b>
Planning & Community Development	407,750	463,636	493,930	517,082	538,933	6.8%
Land Use and Development	407,750	463,636	493,930	517,082	538,933	6.8%
Police Department	5,581,122	5,765,222	5,967,300	6,139,368	6,363,295	4.2%
Fire Department	6,758,282	6,894,466	7,173,457	7,552,956	7,774,497	3.4%
Building Department	553,286	579,030	654,730	694,478	718,612	6.4%
<b>Public Safety</b>	<b>12,892,690</b>	<b>13,238,718</b>	<b>13,795,487</b>	<b>14,386,802</b>	<b>14,856,404</b>	<b>3.9%</b>
Building Design & Construction	3,472,871	3,652,434	3,787,885	3,974,832	498,725	-14.3%
Public Works	6,110,486	6,315,940	6,532,462	6,737,178	10,727,702	14.7%
<b>Public Services (including enterprise employees)</b>	<b>9,583,357</b>	<b>9,968,374</b>	<b>10,320,347</b>	<b>10,712,010</b>	<b>11,226,427</b>	<b>3.9%</b>
Health and Human Services	1,073,830	1,152,753	1,301,022	1,401,261	1,545,614	9.7%
Commission on Disabilities	1,500	1,500	1,500	1,500	1,500	
Public Library	1,156,157	1,250,534	1,265,264	1,312,846	1,421,397	5.2%
Park and Recreation Department	483,633	496,254	498,000	439,510	582,618	5.4%
<b>Community Services</b>	<b>2,715,120</b>	<b>2,901,041</b>	<b>3,065,786</b>	<b>3,155,117</b>	<b>3,551,129</b>	<b>6.9%</b>
<b>Total</b>	<b>28,423,877</b>	<b>29,512,339</b>	<b>30,660,480</b>	<b>31,906,086</b>	<b>33,499,854</b>	<b>4.3%</b>
Education	49,856,876	52,239,914	55,095,622	57,959,764	61,116,730	5.6%
<b>Combined Total</b>	<b>78,280,753</b>	<b>81,752,253</b>	<b>85,756,102</b>	<b>89,865,850</b>	<b>94,616,584</b>	<b>5.1%</b>

As noted on Table 1.3, average annual increases in salary line items from FY2015 to FY2019 are above the sustainability target due in part to increases in headcount for program improvements (5.1% overall, 5.6% for the Needham Public Schools, and 4.3% for General Government departments).

#### Health Insurance Expenses

Health insurance costs for employees and retirees have been relatively stable. As evidenced in Table 1.4, health insurance enrollment for active employees has held fairly steady since FY2015, increasing by 1.71% from FY2015 to FY2019 and not at all from FY2018 to FY2019. As will be discussed below, health insurance costs are projected to increase only 1.8% from FY2019 to FY2020 due to plan design changes.

**Table 1.4  
Group Health Insurance Enrollment FY2015 to FY2019**

Fiscal Year	Town	Increase over Prior Year	School	Increase over Prior Year	Total Actives	Increase over Prior Year
FY2015	286	0.70%	531	4.32%	817	3.03%
FY2016	294	2.80%	530	-0.19%	824	0.86%
FY2017	286	-2.72%	544	2.64%	830	0.73%
FY2018	291	1.75%	540	-0.74%	831	0.12%
FY2019	291	0.00%	540	0.00%	831	0.00%
<b>Total Change FY15-FY19</b>		<b>1.75%</b>		<b>1.69%</b>		<b>1.71%</b>
<b>Total Change FY18-FY19</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>

Note: Retiree enrollment is expressed in number of plans: retiree individual, retiree family, & retiree spouse. In FY2019, 589 individuals who retired from the Town of Needham are receiving health benefits.

School Enrollment

School Year	Enrollment	Percentage Change
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%
2018/2019	5,721	1.0%
<b>Increase</b>	<b>606</b>	<b>11.8%</b>

Over the past ten years, School enrollment in Needham has increased by 11.8%, or 606 additional students. This represents an average annual increase in enrollment of just over 1% per year.

**Table 1.5  
Needham Public  
Schools Enrollment  
FY2009 to FY2019**

Source: Department of Elementary & Secondary Education; Needham Public Schools

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## Balanced Budget Highlights

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

## Townwide Expenses

**Contributory Retirement Assessment** This appropriation funds both the normal cost (the cost of current employees' future pensions) as well as the System's unfunded pension liability. The funded status of the System on an actuarial basis was 68.80% as of January 1, 2018, as compared to 69.36% on January 1, 2017. The system is expected to be fully-funded by June 30, 2030. The unfunded liability was expected to decrease from \$65.0 million as of January 1, 2017 to \$64.4 million as of January 1, 2018. The actual unfunded liability of \$71.7 million as of January 1, 2018 is \$7.3 million higher than expected due to the assumption changes outlined below, and was partially offset by a net experience gain. Factors that impact the unfunded liability, and therefore the funding schedule for fiscal year 2020, include investment gains on an actuarial value basis, gains due to salaries increasing less than expected, loss due to fewer deaths than expected, an update of the mortality tables for non-disabled participants, a reduction in the rate of return assumption, and an increase in administrative expenses. The Retirement Board voted to adopt an actuarial schedule that includes a reduction in the assumed rate of return (discount rate) from 7.50% to 7.25% for FY2020. The FY2020 budget is 9.5% higher than FY2019 in accordance with the current funding schedule, which includes five years of higher than normal increases, returning to the 4.3% range in FY2025.

**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 1.8%. The submitted budget includes \$713,035 (General Government \$134,135 and School Department \$578,900 ) to account for estimated costs associated with the net increase in benefit eligible positions recommended in the General Government (6.7) and School Department (44.9) budgets. Effective in FY2019, all employees were required to transition to Benchmark plans. The Town also offered a Qualified High Deductible Plan with a companion Health Savings Account. Actual enrollment in these new plans, which have lower premiums than the prior plans, resulted in a reduction in the health insurance budget for FY2020 before the addition of the estimated costs for increased headcount. The health insurance line is estimated at this time, as actual health insurance rates will not be available until late winter 2019.

**Retiree Insurance and Insurance Liability Fund** This budget is level-funded for FY2020. The Town is anticipating receipt of an actuarial analysis effective June 30, 2018 and is contemplating a reduction of the assumed rate of return from 7.25% to 7%. 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 accrued actuarial liability (UAAL) was \$58,995,780. This liability represents the difference between the total liability of \$85,555,835 and assets of \$26,560,055. This represents a funded ratio of 31.04%.

**General Fund Debt Service** The recommended debt budget has been increased by 27.4% for FY2020, attributable primarily to the passage of the debt exclusion for the new

Sunita Williams elementary school to replace the Hillside School and the Public Safety Building Project, the first year of CPA debt for the newly constructed Rosemary Recreation Complex, and the incorporation of RTS-supported debt as a result of the transfer of that operation to the General Fund. Of the total debt budget of approximately \$19 million, 26% represents tax-levy supported debt, 6% represents CPA-supported debt, and the balance is excluded debt.

**Casualty, Liability and Self-Insurance** The recommended budget is level-funded for FY2020.

**Classification, Performance and Settlements (CPS)** This line provides a reserve for funding General Government personnel-related items as they occur during the year, and fluctuates annually depending on the number of collective bargaining agreements that have not been settled for a given year. Those not settled for FY2020 include the Needham Police Union, the Needham Police Superior Officers Association, and the Needham Fire Union. 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 FY2020 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) – an increase of 1.2% over FY2019.

**Needham Electric, Light, and Gas Program** The ELG budget increased by 4.5% over FY2019, primarily attributable to a higher natural gas rate assumption, and the addition of new facilities including the Memorial Park Fieldhouse, Mitchell Modular Classrooms, and the Sunita Williams School.

## General Government

**Select Board/Town Manager** The recommended Board of Selectmen/Town Manager's budget is proposed to increase by 7.7% in FY2020, attributable primarily to the recommended full-time Public Information Officer position (\$80,548) to oversee a formal and integrated communications strategy and civic engagement program for the Town. This is a high priority goal of the Select Board, and will serve all Town departments. The Town's existing communications strategy is mostly reactive.

**Town Clerk/Board of Registrars** The recommended Town Clerk/Board of Registrars budget is 5.4% lower than FY2019 due to the number of elections scheduled for FY2020. 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 is essentially level-funded with a reduction of 0.1%.

**Finance Department** The recommended Finance Department budget increased by 5.8% from FY2019 to FY2020, primarily attributable to compensation increases for existing staff, technical services in support of property revaluation, and software licensing fees. The

recommended budget also includes an increase of 15 hours per week for one part-time employee in the Accounting Division (\$21,290), and the acquisition of electronic food establishment inspection software to support the Public Health Division (\$12,250). Finally, the amount of \$8,000 in service contracts previously included in the Town Manager/Select Board and Health & Human Services budgets has been transferred to the Finance Department. Benefit costs for increases in staff hours are included in the Employee Benefits Line. The creation of a new Finance Application Administrator position in the amount of \$75,548 has been deferred.

**Finance Committee** This budget increased by 0.5% from FY2019 to FY2020.

## Planning and Community Development

The recommended Community Development budget has increased by 3.0% attributable to projected compensation adjustments for existing staff.

## Public Safety

**Police Department** The Police Department budget is proposed to increase by 3.3%, and includes funding for one additional police officer in FY2020 in the amount of \$70,142 (exclusive of benefits costs included under Townwide Expenses). Funding for two additional police officers is proposed for the next fiscal year, as previously noted. The collective bargaining agreement between the Town and the Needham Police Union and Needham Police Superior Officers Association are not yet settled, and this budget does not yet include funding for salary increases for members of those unions.

**Fire Department** The recommended Fire Department budget is 6.0% higher in FY2020 than FY2019. The recommended budget includes funding for 25% of the eight firefighters authorized by the Federal grant outlined above. The Town has been planning for this increase in public safety staffing for several years, and is fortunate to have the Federal government provide transition funding. The recommended balanced budget proposal reallocates the Emergency Management Program Coordinator from the Health Division to the Fire Department, increases the position to full-time, and supports planning and conducting emergency management exercises (\$43,134). Having access to a full-time emergency management professional is critical to the Town's ability to respond to routine and non-routine emergency situations, and to ensure continuity of governmental services. The collective bargaining agreement between the Town and the Needham Fire Union is not yet settled, and this budget does not yet include funding for salary increases for members of those unions.

**Building Department** The recommended budget for the Building Department is 0.7% higher than FY2019, primarily attributable to projected compensation increases for existing staff.

## Education

**Minuteman School** The estimated assessment from the Minuteman School is 15.5% higher than the FY2019 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 Needham's share of the capital investment in the new High School.

**Needham Public Schools** The Town Manager's recommended budget for the School Department is \$76,005,765 representing an increase of 6.9%. This recommendation includes funding for full-day kindergarten in the amount of \$1,491,190 and other budgetary increases in the amount of \$3,408,632. The benefits cost associated with these improvements is \$578,900 and is included in the Employee Benefits Line. The Superintendent's proposed budget can be found on the School Department Website at: [http://www.needham.k12.ma.us/departments/business\\_operations/business\\_office/budgets\\_and\\_financial\\_documents](http://www.needham.k12.ma.us/departments/business_operations/business_office/budgets_and_financial_documents).

## Building Design & Construction

The recommended budget for the Building Design & Construction Department is 1.7% higher than FY2019 and is primarily attributable to projected compensation increases for existing staff.

## Public Works

The Department of Public Works General Fund operating budget is increasing by 5% from FY2019 to FY2020. The 2018 Annual Town Meeting voted to eliminate the RTS Enterprise Fund, and that operation has been incorporated into the DPW General Fund as the Recycling & Solid Waste (RSW) Division. The recommended budget includes an allocation of \$51,669 for the addition of a custodian position to provide supplemental support to the Center at the Heights, Rosemary Recreation Complex and other facilities as needed, and \$19,594 to provide building monitor services at Memorial Park for public and private meetings, facility access by user groups, and youth sports activities associated with the new facility. Also recommended is the implementation of an organics recycling program at the RTS (\$43,000) through which food waste will be collected from 8 schools and dropped off by the public and GPS vehicle tracking equipment and software (\$45,000). A request for the creation of a Fleet Services & Parts Manager in the amount of \$73,588 has been deferred until FY2021. Benefits costs associated with increased staffing are included in the employee benefits line.

**Municipal Parking** The recommended Municipal Parking budget is 9.5% higher in FY2020, attributable primarily to renegotiated rental payments for the municipal parking lots leased by the Town.

## Human Services

**Health & Human Services (HHS) Department** The recommended FY2020 budget reflects an increase of 8.5%, and includes program improvements in Youth & Family Services, Public Health, and Aging Services. The recommended program improvements in Youth & Family Services (\$21,481) will fund a part-time therapist to reduce the wait list for children in need of services. This request is the priority of the Youth Commission. Funding allocated to the Public Health Division is proposed for the creation of a new, full-time administrative position to be shared with the Park & Recreation Department (\$19,718). This position will help eliminate some of the administrative burden on existing Public Health staff, freeing them up to work on other Board of Health priorities. Public Health requests for additional staffing in the amount of \$155,757 for two positions will be evaluated in the

coming year and may be recommended in FY2021. The request for funding to continue the Substance Abuse Prevention Alliance of Needham program (\$125,000) has been deferred until FY2021 when Federal funding to support this important program will run out. Finally, the recommended budget includes \$97,078 in funding for program improvements in the Aging Services Division consistent with Select Board and Council on Aging priorities. Funding will support program expansion to nights and weekends, additional van drivers, and assorted expenses necessary for the efficient operation of the Center at the Heights. The amount of \$3,000 for additional training and memberships has been deferred. Benefit costs associated with recommended staffing increases is included in the Employee Benefits line.

**Commission on Disabilities** No change is recommended to the Commission on Disabilities budget in FY2020.

**Historical Commission** No change is recommended to the Historic Commission budget in FY2020.

**Public Library** The recommended Library budget is 4.9% higher than FY2019, and includes a recommendation for funding for the Overdrive Basic Subscription (\$20,000), the Overdrive Advantage subscription (\$12,000), the On-line Computer Library Center WorldCat subscription (\$3,000), and an additional part-time Library Page for network transfer packing and unpacking (\$10,472). Employee benefits associated with this part-time position are included in the Employee Benefits line. The submitted Library budget request was reduced by a total of \$53,391 as a request for an additional full-time Reference Librarian/Communications Specialist has been deferred.

**Park and Recreation** The Park and Recreation budget is proposed to increase by 31.7%. Increases are attributable to the addition of a full-time administrative staff member. Because the Park & Recreation Department and Health Division are co-located at the new Rosemary Recreation Complex, the full-time administrative staff position is proposed to be shared by the two departments. The FY2020 proposed budget includes \$29,576 in the Park & Recreation budget for this purpose. The additional position will help the department oversee an increasing number of programs and longer pool season. The recommendation also includes funding for a part-time pool specialist (\$28,000), additional seasonal pool staff (\$31,339) and a lifeguard retention program (\$10,080). Funding for the benefit costs for these positions is included in the Employee Benefits budget. The opportunity to increase the season at the new Pools at Rosemary is a high priority for both the Park & Recreation Commission and the Select Board.

**Memorial Park** No change is proposed to the Memorial Park budget for FY2020.

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## Beyond the General Fund Operating Budgets

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### Capital Budget Summary

The focus of this document is the FY2020 General Fund, Enterprise Fund, and Community Preservation Fund budgets. The FY2020 – FY2024 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 FY2020 proposed annual budget includes \$10,037,752 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 & Community Preservation Fund Summary

**Sewer** The recommended Sewer Enterprise Fund budget is 5.9% lower than in fiscal year 2019, primarily attributable to a reduction in debt service expenses. 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 FY2020, we will be undertaking an evaluation of the possibility of creating a stormwater enterprise fund, to account for increased revenue that will be necessary to accommodate the significant and growing complexity of complying with Federal and State stormwater regulations.

**Water** The recommended Water Enterprise Fund budget is 3.5% lower than the FY2019 budget, primarily attributable to a reduction in debt service expenses. 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. Table 1.6 provides a summary of Enterprise Fund budgets for FY2020.

**Table 1.6**

Description	Current Year	Recommended	\$ Change	% Change
Solid Waste	2,577,940	0	(2,577,940)	-100.0%
Sewer	9,176,115	8,638,833	(537,282)	-5.9%
Water	4,911,491	4,737,170	(174,321)	-3.5%
<b>Total Enterprise Operating Budgets</b>	<b>16,665,546</b>	<b>13,376,003</b>	<b>(3,289,543)</b>	<b>-19.7%</b>
Solid Waste	345,360	0	(345,360)	-100.0%
Sewer	2,301,111	1,631,487	(669,624)	-29.1%
Water	3,311,048	291,500	(3,019,548)	-91.2%
<b>Total Enterprise Cash Capital Budgets</b>	<b>5,957,519</b>	<b>1,922,987</b>	<b>(4,034,532)</b>	<b>-67.7%</b>
Other Enterprise Appropriations	220,000	0	(220,000)	-100.0%
<b>Total Enterprise Fund Expenditures</b>	<b>22,843,065</b>	<b>15,298,990</b>	<b>(7,544,075)</b>	<b>-33.0%</b>

**Community Preservation** The administrative budget of the Community Preservation Fund is unchanged from FY2019.

## 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 FY2020 proposed budget includes allocation of funds to one time programs and projects, and to reserves.

**Compensated Absences Fund** Upon retirement, certain employees are compensated for a portion of their unused sick leave. All employees are entitled to payment of unused vacation leave upon termination of Town service. The recommended budget for the compensated absence fund in FY2020 is \$125,000.

**Senior Corps Program** The FY2020 proposed budget includes \$15,000 for the Senior Corps Program.

**Property Tax Assistance Program** The balanced budget includes \$37,000 in funding for the Property Tax Assistance Program.

**Public Facilities Maintenance Program** This warrant article funds the annual 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 FY2020 program will fund duct cleaning in all buildings at the High School, wood floor refinishing at the High School, Mitchell, Hillside, Newman, and High Rock Schools, and the Town Hall, and carpet replacement at the Pollard, Mitchell, and Eliot Schools. At Mitchell, improvements include upgrades to the electrical system, the fire alarm system, and the cafeteria/auditorium, as well as additional insulation in the attic and replacement of walls in two classrooms. Funding will support the design of an acoustical treatment in the gym at the Newman School and splitting of the chimney at the High Rock School. Recommended funding in FY2020 is \$640,000.

**Town Owned Land Surveys** Over the past 300 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. Unless circumstances require otherwise, the FY2020 funding will support survey of the Bird's Hill Water Tank property, Cricket Field, and Walker Gordon Field. Future priorities include: Claxton Field, Pollard School, Stephen Palmer Building, Cooks Bridge Sewer Station, Boat Launch, Daley Building, and Mills Field.

**Downtown Snow Removal Pilot Program FY2020** This funding will support a pilot program for removal of snow and ice in the Downtown Business District in the amount of \$35,000. Currently, the Town deploys a hand crew with shovels and snow blowers to remove snow from handicapped ramps, pinch points (areas that are too narrow to use sidewalk tractors), and designated alleyways. The piece of equipment to be purchased is smaller in width and more maneuverable than a traditional sidewalk tractor. It is a ride-on piece of equipment that enables the operator to push through and relocate snow as it goes through difficult snow banks, faster than a push-behind snow blower.

**Small Repair Grant Program** The Small Repair Grant Program is being proposed to provide assistance to moderate-income Needham residents to make repairs and alterations to their homes for health and safety reasons. Up to \$5,000 in grant funding would be available per residence, and applications will be evaluated and prioritized based on the extent of health and safety problems and the financial need of applicants. The Small Repair Grant Program responds to the findings and recommendations in the Council on Aging and Needham Public Health Division's Assessment of Housing and Transit Options for Needham Seniors which indicated that one of the major barriers to aging in place involves the costliness of modifying existing homes to increase accessibility. Recommended funding for this program in FY2020 is \$50,000.

**Transportation Improvements** Chapter 187 of the Acts of 2016 established a Commonwealth Transportation Infrastructure Fund. Each Transportation Network Company (such as Uber and Lyft) is assessed \$0.20 per ride to fund transportation improvements.

One-half of the amount received from the Fund is to be distributed proportionately to each city and town based on the number of rides that originated in that city or town. The distributed funds must be used to address the impact of transportation network services on municipal roads, bridges and other transportation infrastructure or any other public purpose substantially related to the operation of transportation network services in the city or town. Funding for Transportation Improvements in FY2020 is recommended at \$12,478 and will be allocated to bicycle safety initiatives, unless circumstances require otherwise.

**Temporary Staffing Program** With the current unemployment rate at 3.8%, all local employers are experiencing a tight job market. Current employees have more employment options, and potential employees are scarce and in short supply. This program will allow the Town to work directly with temporary staffing agencies to address staffing needs as they occur, either due to unexpected resignations or difficult to fill vacancies. Temporary staffing requests will be evaluated based on the operational needs of the department and duration of the assignment. The FY2020 recommended funding is for a two-year pilot program in the amount of \$76,000.

**Consulting Assistance/Feasibility for Ridge Hill/Nike Site** This funding will support the further development of re-use plans for the Ridge Hill Nike Site, including identification of the size and type of potential uses and roadway infrastructure. The work will build on the environmental assessment conducted in FY2018 that identified specific locations on the property that can be developed. The funding will also support the assessment, engineering and planning for the demolition of structures on the site. The recommended funding for this project is \$100,000 in FY2020.

**Drains/Sewer Contribution** The balanced budget includes a \$530,467 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 purpose of the Athletic Facility Improvement Fund is to set aside capital funds for renovation and reconstruction of the Town's athletic facilities and associated structures. Table 1.7 outlines the appropriations to the fund over the past five years. The Town Manager's recommendation for funding the Athletic Facility Stabilization Fund in FY2020 is \$75,000. The balance in the Fund as of December 31, 2018 is \$2,651,510, of which \$2,500,000 is proposed for appropriation at the 2019 Annual Town Meeting for replacement of the synthetic turf at Memorial Park and DeFazio Complex.

**Table 1.7**

Athletic Facility Improvement Fund					
Year	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
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	\$68,853	\$63,378	(\$1,855,000)	\$2,617,279
2019*	\$2,617,279	\$34,231			\$2,651,510
* Balance as of December 31, 2018					

**Capital Facility Fund** The Capital Facility Fund (CFF) is 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. Table 1.8 outlines the appropriation history of the fund for the past five years. No funding is proposed for the CFF for the 2019 Annual Town Meeting; however a funding recommendation may be made at the fall 2019 Special Town Meeting depending on funds available for appropriation at that time. The December 31, 2018 balance in the fund is \$1,862,233.

**Table 1.8**

<b>Capital Facility Fund</b>					
Year	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
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	\$13,249		(\$1,817,000)	\$26,924
2019*	\$26,924	\$18,309	\$1,817,000		\$1,862,233
* Balance as of December 31, 2018					

**Capital Improvement Fund** The Capital Improvement Fund (CIF) is a reserve for funding needed equipment in years when funding is not available. Table 1.9 outlines the history of the Capital Improvement Fund over the past five years. The FY2020 proposed budget includes a recommendation that \$166,612 be transferred to the CIF, which represents the total amount that the Town collected from the sale of surplus equipment in FY2018. The December 31, 2018 balance in the fund is \$898,847.

**Table 1.9**

<b>Capital Improvement Fund</b>					
Year	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
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	\$11,669	\$141,413		\$888,639
2019*	\$888,639	\$10,208			\$898,847
* Balance as of December 31, 2018					

**Debt Service Stabilization Fund** The Debt Service Stabilization Fund (DSSF) 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. Table 1.10 outlines appropriations to the DSSF since inception. The December 31, 2018 balance in the fund is \$2,087,269.

**Table 1.10**

Debt Service Stabilization Fund					
Year	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	\$32,143	\$1,091,874		\$2,062,952
2019*	\$2,062,952	\$24,317			\$2,087,269
* Balance as of December 31, 2018					

**Workers' Compensation Fund** The purpose of this request is to replenish the Workers' Compensation Fund, which is the Town's reserve fund for paying workers' compensation claims of a prior year and for lump sum settlements up to the limit of the Town's reinsurance limit (for both School and General Government employees.) Typically, the source of funds for this account is any remaining balance in the workers compensation line item contained in the employee benefits and assessments budget. Due to increases in salaries and expenses over the past decade, the resolution of several long-standing cases, and statutory changes, the minimum fund balance target has increased. The FY2020 proposed balanced budget includes a recommendation of \$283,706.

**Allowance for Abatements and Exemptions** are funds reserved for property tax abatements and statutory exemptions. The preliminary estimate has been set at \$2,459,350 which is an increase of \$491,240 from the current year. With the passage of the Act to Modernize Municipal Finance and Government in 2016, the State amended the certification cycle for taxable property. FY2020 will be the first time the Town of Needham will be reviewed by the State under the new cycle. Needham is one of 73 municipalities that will undergo this process for FY2020. The five-year certification review is conducted to ensure that the proposed values were derived utilizing a methodology based on generally accepted mass appraisal practices, are supported with current market evidence, and are uniformly and equitably applied to all property. The data quality, all cost and depreciation tables, and land schedules will be reviewed for all real property. In addition, income producing property will be reviewed for income and expense analysis, development of the economic rent schedules, capitalization rates and correlation of the values derived from two appraisal approaches. Personal property accounts will be reviewed for appropriate listing and valuation of assets along with the cost and depreciation schedules. Accordingly, we have increased the amount that will be provided to the overlay reserve for abatements and exemptions. After the actual new growth revenue for FY2020 is known, the amount of overlay may be increased. The final amount of the reserve is determined by the Department of Revenue when it approves the tax rate in December.

## 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 Select Board, 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 2020 Proposed Budget

Line #	Description	FY2019 Budget (As of 11/30/2018)	FY2020 Base	FY2020 DSR4	FY2020 Total Request	\$ Change from FY2019	% Change	Town Manager Recommendation		
								Balanced Budget	\$ Change from FY2019	% Change from FY2019
<b>Townwide Expense Group</b>										
1	Casualty, Liability, Property & Self-Insurance Program	626,790	626,790		626,790			626,790		
2	Debt Service	14,904,503	18,992,998		18,992,998	4,088,495	27.4%	18,992,998	4,088,495	27.4%
3	Group Health Insurance, Employee Benefits & Administrative Costs	15,256,471	14,820,725	1,132,786	15,953,511	697,040	4.6%	15,533,760	277,289	1.8%
4	Needham Electric, Light & Gas Program	3,586,259	3,746,587		3,746,587	160,328	4.5%	3,746,587	160,328	4.5%
5	Retiree Insurance & Insurance Liability Fund	6,906,705	6,906,705		6,906,705			6,906,705		
6	Retirement Assessments	7,934,482	8,688,258		8,688,258	753,776	9.5%	8,688,258	753,776	9.5%
7	Workers Compensation	679,253	706,400		706,400	27,147	4.0%	706,400	27,147	4.0%
8	Classification Performance & Settlements	170,106	835,500		835,500	665,394	391.2%	835,500	665,394	391.2%
9	Reserve Fund	1,859,891	1,881,500		1,881,500	21,609	1.2%	1,881,500	21,609	1.2%
<b>Group Total</b>		<b>51,924,460</b>	<b>57,205,463</b>	<b>1,132,786</b>	<b>58,338,249</b>	<b>6,413,789</b>	<b>12.4%</b>	<b>57,918,498</b>	<b>5,994,038</b>	<b>11.5%</b>
<b>Select Board and the Office of the Town Manager</b>										
10A	Salary & Wages	892,969	902,135	77,948	980,083	87,114		980,083	87,114	
10B	Expenses	151,699	142,869	40,200	183,069	31,370		145,469	(6,230)	
<b>Total</b>		<b>1,044,668</b>	<b>1,045,004</b>	<b>118,148</b>	<b>1,163,152</b>	<b>118,484</b>	<b>11.3%</b>	<b>1,125,552</b>	<b>80,884</b>	<b>7.7%</b>
<b>Town Clerk and Board of Registrars</b>										
11A	Salary & Wages	376,968	359,747		359,747	(17,221)		359,747	(17,221)	
11B	Expenses	60,035	53,850		53,850	(6,185)		53,850	(6,185)	
<b>Total</b>		<b>437,003</b>	<b>413,597</b>		<b>413,597</b>	<b>(23,406)</b>	<b>-5.4%</b>	<b>413,597</b>	<b>(23,406)</b>	<b>-5.4%</b>
<b>Town Counsel</b>										
12A	Salary & Wages	75,442	75,140		75,140	(302)		75,140	(302)	
12B	Expenses	254,000	254,000		254,000			254,000		
<b>Total</b>		<b>329,442</b>	<b>329,140</b>		<b>329,140</b>	<b>(302)</b>	<b>-0.1%</b>	<b>329,140</b>	<b>(302)</b>	<b>-0.1%</b>
<b>Finance Department</b>										
13A	Salary & Wages	1,943,197	1,998,820	91,838	2,090,658	147,461		2,015,110	71,913	
13B	Expenses	949,492	1,026,505	17,250	1,043,755	94,263		1,043,755	94,263	
13C	Capital	75,000	80,000		80,000	5,000		80,000	5,000	
<b>Total</b>		<b>2,967,689</b>	<b>3,105,325</b>	<b>109,088</b>	<b>3,214,413</b>	<b>246,724</b>	<b>8.3%</b>	<b>3,138,865</b>	<b>171,176</b>	<b>5.8%</b>
<b>Finance Committee</b>										
14A	Salary & Wages	38,385	38,532		38,532	147		38,532	147	
14B	Expenses	1,320	1,360		1,360	40		1,360	40	
<b>Total</b>		<b>39,705</b>	<b>39,892</b>		<b>39,892</b>	<b>187</b>	<b>0.5%</b>	<b>39,892</b>	<b>187</b>	<b>0.5%</b>

Fiscal Year 2020 Proposed Budget

Line #	Description	FY2019 Budget (As of 11/30/2018)	FY2020 Base	FY2020 DSR4	FY2020 Total Request	\$ Change from FY2019	% Change	Town Manager Recommendation		
								Balanced Budget	\$ Change from FY2019	% Change from FY2019
<b>Planning and Community Development</b>										
15A	Salary & Wages	538,933	554,745		554,745	15,812		554,745	15,812	
15B	Expenses	31,900	33,050		33,050	1,150		33,050	1,150	
	Total	570,833	587,795		587,795	16,962	3.0%	587,795	16,962	3.0%
<b>Police Department</b>										
16A	Salary & Wages	6,363,295	6,469,163	67,642	6,536,805	173,510		6,536,805	173,510	
16B	Expenses	311,290	378,233	2,500	380,733	69,443		380,733	69,443	
16C	Capital	153,574	132,983		132,983	(20,591)		132,983	(20,591)	
	Total	6,828,159	6,980,379	70,142	7,050,521	222,362	3.3%	7,050,521	222,362	3.3%
<b>Fire Department</b>										
17A	Salary & Wages	7,774,497	8,245,355	681,329	8,926,684	1,152,187		8,275,489	500,992	
17B	Expenses	376,822	377,130	13,000	390,130	13,308		390,130	13,308	
17C	Capital	23,778				(23,778)			(23,778)	
	Total	8,175,097	8,622,485	694,329	9,316,814	1,141,717	14.0%	8,665,619	490,522	6.0%
<b>Building Department</b>										
18A	Salary & Wages	718,612	728,046		728,046	9,434		728,046	9,434	
18B	Expenses	55,040	51,040		51,040	(4,000)		51,040	(4,000)	
	Total	773,652	779,086		779,086	5,434	0.7%	779,086	5,434	0.7%
<b>Minuteman Regional High School Assessment</b>										
19	Assessment	914,236	1,056,123		1,056,123	141,887		1,056,123	141,887	
	Total	914,236	1,056,123		1,056,123	141,887	15.5%	1,056,123	141,887	15.5%
<b>Needham Public Schools</b>										
20	Needham Public School Budget	71,105,943	74,269,203	1,736,562	76,005,765	4,899,822		76,005,765	4,899,822	
	Total	71,105,943	74,269,203	1,736,562	76,005,765	4,899,822	6.9%	76,005,765	4,899,822	6.9%
<b>Building Design and Construction Department</b>										
21A	Salary & Wages	498,725	507,317		507,317	8,592		507,317	8,592	
21B	Expenses	19,495	19,495		19,495			19,495		
21C										
	Total	518,220	526,812		526,812	8,592	1.7%	526,812	8,592	1.7%
<b>Department of Public Works (The FY2019 amounts have been restated to include related expenses for the RTS)</b>										
22A	Salary & Wages	8,476,654	8,743,917	139,201	8,883,118	406,464		8,809,530	332,876	
22B	Expenses	6,034,919	6,348,172	93,650	6,441,822	406,903		6,441,822	406,903	
22C	Capital	121,493	136,500		136,500	15,007		136,500	15,007	
22D	Snow and Ice	416,232	420,395		420,395	4,163		420,395	4,163	
	Total	15,049,298	15,648,984	232,851	15,881,835	832,537	5.5%	15,808,247	758,949	5.0%

Fiscal Year 2020 Proposed Budget

Line #	Description	FY2019 Budget (As of 11/30/2018)	FY2020 Base	FY2020 DSR4	FY2020 Total Request	\$ Change from FY2019	% Change	Town Manager Recommendation		
								Balanced Budget	\$ Change from FY2019	% Change from FY2019
<b>Municipal Parking Program</b>										
23	Program	106,382	116,464		116,464	10,082		116,464	10,082	
	Total	106,382	116,464		116,464	10,082	9.5%	116,464	10,082	9.5%
<b>Health and Human Services Department</b>										
24A	Salary & Wages	1,545,614	1,568,781	416,566	1,985,347	439,733		1,659,308	113,694	
24B	Expenses	341,986	341,524	50,750	392,274	50,288		389,274	47,288	
	Total	1,887,600	1,910,305	467,316	2,377,621	490,021	26.0%	2,048,582	160,982	8.5%
<b>Commission on Disabilities</b>										
25A	Salary & Wages	1,500	1,500		1,500			1,500		
25B	Expenses	550	550		550			550		
	Total	2,050	2,050		2,050			2,050		
<b>Historical Commission</b>										
26A	Salary & Wages									
26B	Expenses	1,050	1,050		1,050			1,050		
	Total	1,050	1,050		1,050			1,050		
<b>Needham Public Library</b>										
27A	Salary & Wages	1,421,397	1,459,859	63,863	1,523,722	102,325		1,470,331	48,934	
27B	Expenses	358,677	361,685	35,000	396,685	38,008		396,685	38,008	
	Total	1,780,074	1,821,544	98,863	1,920,407	140,333	7.9%	1,867,016	86,942	4.9%
<b>Park and Recreation Department</b>										
28A	Salary & Wages	582,618	664,629	118,713	783,342	200,724		763,624	181,006	
28B	Expenses	100,715	136,265		136,265	35,550		136,265	35,550	
	Total	683,333	800,894	118,713	919,607	236,274	34.6%	899,889	216,556	31.7%
<b>Memorial Park</b>										
29A	Salary & Wages									
29B	Expenses	750	750		750			750		
	Total	750	750		750			750		
<b>Department Budget Total</b>										
		113,215,184	118,056,882	3,646,012	121,702,894	8,487,710	7.5%	120,462,815	7,247,631	6.4%
<b>Total Operating Budget</b>										
		165,139,644	175,262,345	4,778,798	180,041,143	14,901,499	9.0%	178,381,313	13,241,669	8.0%

Fiscal Year 2020 Proposed Budget

Line #	Description	FY2019 Budget (As of 11/30/2018)	FY2020 Base	FY2020 DSR4	FY2020 Total Request	\$ Change from FY2019	% Change	Town Manager Recommendation		
								Balanced Budget	\$ Change from FY2019	% Change from FY2019
<b>Sewer Enterprise</b>										
201A	Salary & Wages	978,169	1,028,667		1,028,667	50,498		1,028,667	50,498	5.2%
201B	Expenses	439,727	451,947		451,947	12,220		451,947	12,220	2.8%
201C	Capital	50,000	50,000		50,000			50,000		
201D	MWRA	6,173,219	6,173,219		6,173,219			6,173,219		
201E	Debt Service	1,500,000	900,000		900,000	(600,000)		900,000	(600,000)	-40.0%
202	Reserve Fund	35,000	35,000		35,000			35,000		
Total		9,176,115	8,638,833		8,638,833	(537,282)	-5.9%	8,638,833	(537,282)	-5.9%
<b>Water Enterprise</b>										
301A	Salary & Wages	1,272,879	1,331,359		1,331,359	58,480		1,331,359	58,480	4.6%
301B	Expenses	1,137,563	1,209,762		1,209,762	72,199		1,209,762	72,199	6.3%
301C	Capital	20,000	15,000		15,000	(5,000)		15,000	(5,000)	
301D	MWRA	856,049	856,049		856,049			856,049		
301E	Debt Service	1,550,000	1,250,000		1,250,000	(300,000)		1,250,000	(300,000)	-19.4%
302	Reserve Fund	75,000	75,000		75,000			75,000		
Total		4,911,491	4,737,170		4,737,170	(174,321)	-3.5%	4,737,170	(174,321)	-3.5%