

BALANCED BUDGET PROPOSAL for FISCAL YEAR 2020



Office of the Town
Manager 1.29.2019

FY2020: Budget Best Practices



Current revenues support current expenditures.



The budget is not reliant on one-time revenue or unsustainable practices.



The five year Pro Forma was updated in September.



Debt is not used to fund on-going operating expenses or capital <\$250,000.



Free Cash use for operating budget is not more than 2% of the prior year's appropriated operating budget or the actual turn back, whichever is lower.



FY2020: Budget Best Practices



Adequate contingency funds are maintained.



Funding for maintenance and replacement of capital facilities and equipment is recommended.



The budget is resilient – it maintains service levels & has been developed to withstand economic disruptions and a changing political environment.



Operating and Capital Budgets are sustainable.



Budget Planning & Progress

- ❖ Reserves
- ❖ Capital Facilities
- ❖ Service Delivery Improvements



Select Board & Town Manager



Budget in Brief

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%
Total General Fund Expenditures	184,307,309	194,588,397	10,281,088	5.6%



General Fund Revenue Sources

	<u>Actual FY2018</u>	<u>Recap FY2019</u>	<u>Estimate FY2020</u>
Property Tax	\$132,578,018	\$141,893,986	\$152,534,866
State Aid	\$11,788,322	\$12,509,090	\$12,823,153
Local Receipts	\$15,169,422	\$11,335,256	\$12,735,256
Other Sources	\$5,143,807	\$3,259,147	\$3,724,659
Free Cash	\$11,387,990	\$13,298,378	\$10,387,871



State Aid Estimate

Chapter 70 School Aid

FY2015 \$8,239,740 – 4.3%

FY2016 \$8,373,790 – 1.6%

FY2017 \$8,671,395 – 3.5%

FY2018 \$9,166,360 – 5.7%

FY2019 \$9,876,152 – 7.7%

FY2020 \$10,142,808 – 2.7%

Unrestricted General Government Aid

FY2015 \$1,553,368 – 2.8%

FY2016 \$1,609,289 – 3.6%

FY2017 \$1,678,488 – 4.3%

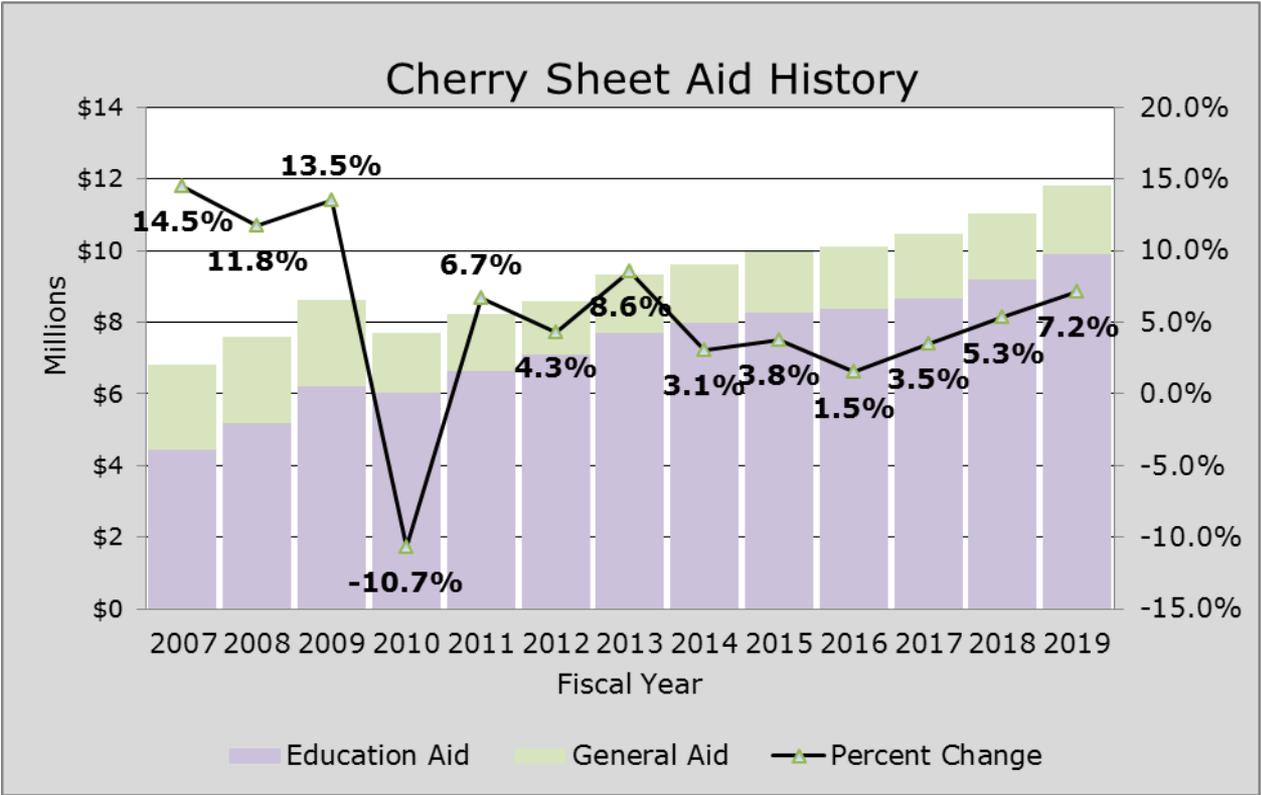
FY2018 \$1,743,949 – 3.9%

FY2019 \$1,804,987 – 3.5%

FY2020 \$1,853,722 – 2.7%



State Aid History



ASFH Tax Bill

Average Single Family Home Tax Bill Area Communities



Municipality	FY2019
Weston	\$20,016
Wellesley	\$15,406
Concord	\$15,115
Lexington	\$14,834
Wayland	\$13,719
Sudbury	\$13,355
Winchester	\$13,083
Belmont	\$12,720
Newton	\$12,393
Needham	\$11,402
Westwood	\$11,299
Bedford	\$9,442
Milton	\$9,409
Arlington	\$8,470
Natick	\$7,793
Walpole	\$7,716
Dedham	\$7,074
Framingham	\$6,408
Norwood	\$4,930

Group Average (excluding Needham)	\$11,288
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State-Wide Average	\$6,082
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Source: DOR



Key Budget Drivers

School Enrollment

Increase of **606** students since 2008/2009 - 11.8%

Average Change in Salary Lines (FY2015 -2019)

General Government	4.3%
Schools	5.6%
Combined	5.1%

Increase in Headcount (FY2015 – 2019)

General Government	15.5
Schools	43



Performance Budget

BUDGET	AMOUNT	NOTE
Employee Benefits	\$713,035	Increased Headcount
OTM/SB	\$80,548	Public Information Officer
Finance	\$21,290	15 PT Hours in Accounting
Finance	\$12,250	Public Health Inspection Software
Police	\$70,142	Police Officer for Patrol
Fire*	\$43,134	Emergency Management
NPS	\$1,491,190	Full-day Kindergarten
NPS	\$3,408,632	Level Service & Performance
DPW	\$51,669	Building Custodian

* Excludes Grant-funded positions



Performance Budget

BUDGET	AMOUNT	NOTE
DPW	\$19,594	PT Monitors for Memorial Building
DPW	\$43,000	Organics Recycling Program
DPW	\$45,000	GPS Vehicle Tracking Equipment
HHS	\$21,481	PT Therapist Hours – Youth
HHS	\$19,718	Shared Administrative Position - RRC
HHS	\$97,078	Aging Services Program Improvements
Library	\$20,000	Overdrive Basic Subscription
Library	\$12,000	Overdrive Advantage Subscription
Library	\$3,000	WorldCat Database
Library	\$10,472	PT Hours for Network Transfer



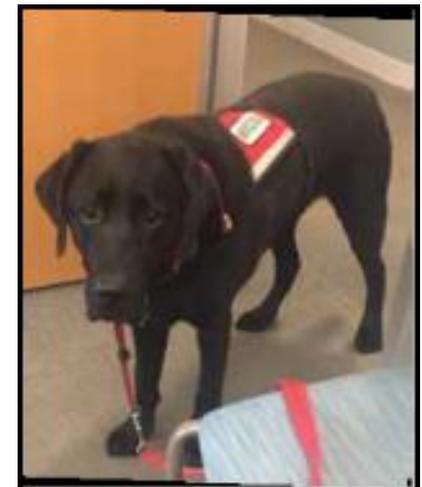
Performance Budget

BUDGET	AMOUNT	NOTE
Park & Recreation	\$29,576	Shared Administrative Position - RRC
Park & Recreation	\$69,419	Rosemary Pools Extended Season & Staffing Plan



Changes to Submitted Budgets

BUDGET	AMOUNT	NOTE
OTM	(\$37,000)	Temporary Staffing to Warrant Article
Finance	(\$75,548)	Applications Administrator
DPW	(\$73,588)	Fleet Services/Parts Manager
HHS	(155,757)	Public Health Staffing
HHS	(\$125,000)	SPAN (2021)
HHS	(\$3,000)	Expenses
Library	(\$53,391)	FT Reference Librarian



Budget Proposal: Needham Schools

- TM recommendation is 6.9% over appropriated FY2019 budget at \$76,005,765 (excluding benefits)
- 44.88 FTEs
- School Committee voted 1.22.2019



Enterprise Fund Budgets

Sewer

- 5.9% Decrease in budget
- General Fund Contribution for Drains Program \$530,467
- MWRA Assessment not yet final
- Evaluation of a Stormwater Enterprise Fund

Water

- 3.5% Decrease in budget
- MWRA Assessment not yet final



Financial Warrant Articles/Other

ITEM	AMOUNT
Compensated Absence Fund	\$125,000
Senior Corps Program	\$15,000
Property Tax Assistance Program	\$37,000
Public Facilities Maintenance Program	\$640,000
Town-Owned Land Surveys	\$100,000
Downtown Snow Removal Pilot Program	\$35,000
Small Repair Grant Program	\$50,000



Financial Warrant Articles/Other

ITEM	AMOUNT
Transportation Improvements/c. 187 Acts of 2016	\$12,478
Temporary Staffing Program	\$76,000
Consulting Assistance/Feasibility Ridge Hill/NIKE	\$100,000
Drains Sewer Contribution	\$530,467



Contribution to Reserves

Athletic Facility Improvement Fund

\$75,000

Capital Improvement Fund

\$166,612



Reserve Balances

ITEM	BALANCE
Athletic Facility Improvement Fund	\$2,651,510
Capital Facility Fund	\$1,862,233
Capital Improvement Fund	\$898,847
Debt Service Stabilization Fund	\$2,087,269



