

Sustainability

Through Stewardship

Stewardship: the conducting, supervising, or managing of something; especially the careful and responsible management of something entrusted to one's care.¹

Sustainability is commonly defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability represents both a responsibility and an opportunity, and serves as the basis for decision making for the near and long term. As local government officials, we are stewards of sustainability, and are charged with balancing natural, human, and financial resources while also improving livability.²

We are faced with insufficient revenue to achieve all of our objectives – improving and enhancing programs and services, renovating and reconstructing our road, water, and sewer infrastructure, maintaining our equipment in an acceptable operating condition, and maintaining and rehabilitating our capital facilities, parks, playgrounds, and other amenities. Yet, we must be responsible and careful stewards of the Town of Needham, which has been entrusted to our care. As such, difficult choices must be made in the allocation of resources. In this balanced budget proposal, we present our strategy for the careful and responsible stewardship of our Town in fiscal year 2009 and beyond.

Over the past six years, the Town has been challenged to balance the operating budget, and has done so

without recourse to operating overrides whenever possible. We have succeeded in this effort in large part by reducing discretionary programs. The budget was balanced in FY03 by eliminating virtually the entire capital budget, thereby allocating a significant amount of non-recurring revenue for operations, which is not sustainable for the long-term. In FY04, while the voters approved approximately \$2.4 million in increased funding for education, public safety, and roads, other municipal department budgets were cut by just under \$500,000, or 3.5% (including more than 10 full time equivalent employees). In FY05, Town Meeting was presented with only a modest capital budget, and department budgets were again reduced to meet a budget gap of more than \$2 million.

Based in part on the conversion of our health insurance program to the West Suburban Health Group, we were able to work together to achieve a balanced budget without a Proposition 2½ property tax increase in fiscal year 2006. In FY07, voters approved a modest operating override for municipal operations in the amount of \$597,370, although a companion override for the Public Schools, in the amount of \$1,476,017 did not pass, requiring difficult choices on the part of the School Superintendent and School Committee. In FY08, voters

approved an operating override for the Needham Public Schools in the amount of \$1,128,670.

Since the advent of Proposition 2½, communities like Needham have experienced pendulum swings in budgetary cycles. In “good” years, revenue may be sufficient to allow for modest funding of reserves and some increase in service delivery. In lean years, reserves are drawn down as the community awaits the next up-turn. Given the increases in operating costs over the last few years, there is no hint that an up-turn significant enough to meet the growing demand for services is anywhere on the horizon. Abiding by the principals of sustainability must therefore be our way of life.

Sustainable Needham

The Sustainable Needham Initiative encompasses a broad range of activities ranging from analysis of energy consumption to performance measurement. Needham has a long tradition of following best practices for sustainable government. Needham was one of the first local retirement systems to begin addressing the unfunded pension liability in the late 1980’s. The Town has worked aggressively to secure the maximum amount of State reimbursement for its capital facility renovations, including over \$3 million for the Public Library, and more than \$51 million for school construction during this decade. The Town has generally been successful in

reducing its reliance on appropriating non-recurring funds for operating expenses. The Town established and continues to fund a capital improvement fund, and last year established and began funding a capital facility fund. Moreover, the Town has refrained from appropriating any portion of the Stabilization Fund toward operating expenses, even in years of fiscal distress.

The Town has embarked on several new sustainability initiatives over the past year. Most of our efforts have focused on energy-related issues (discussed below). Highlights of other sustainable initiatives include first year funding of our post employment benefit liability from the actuarial schedule. This funding program has been identified by Standard and Poor’s as contributing to S & P’s “good” financial management assessment and the continuation of the Town’s AAA bond rating. The AAA rating is shared with only 17 other municipalities in Massachusetts, and only 3% of local jurisdictions nation-wide. The FY08 budget included funding for “Performance Needham” – performance measurement efforts including customer satisfaction surveys, benchmarking, and evaluation. Performance measurement has been incorporated into all facets of our operation, including special projects, budgeting, resource allocation, and professional development.



Budget in Brief

Practices, Priorities, Process

"A budget is a plan expressed in monetary terms covering a specific period of time...The language of budgets is dollars and cents, but a town's budget should communicate more than the relationship of revenues and expenses for a fiscal year." ³ The budget should be a policy document, financial plan, operations guide, and communications device.

The FY09 General Fund budget totals \$104,836,060, or \$5,833,490 more than FY08, representing growth of 5.9%. However, this amount includes non-recurring revenue of approximately \$2.3 million.

Included in this document, along with the balanced budget, is a performance improvement budget. This budget consists of those items that we recommend that the Board of Selectmen and Finance Committee consider for FY09 if funding is made available, including the restoration of cuts made to base budget requests. These needs which do not fit within the balanced budget framework in FY09 are likely to be discussed again in the context of FY10.

Budgeting Best Practices

In developing the FY09 budget, we have employed the following best practices in order to produce a budget that preserves the Town's fiscal sustainability:

1. Current revenues must be sufficient to support current expenditures.
2. Debt must not be used to fund on-going operating expenses.
3. The use of Free Cash to fund operations should be minimized.

4. Adequate contingency funds should be maintained.
5. Sufficient maintenance and replacement funds should be allocated to ensure that capital facilities and equipment are properly maintained.

Core Budget Priorities

In consultation with the Board of Selectmen, we have adopted the following core budget priorities for general government operations. These priorities served as a key guideline in our evaluation of departmental spending requests.

- ✓ Invest in maintenance and renovation of capital assets including buildings, fields, and recreation facilities.
- ✓ Ensure continued investment in the Town's infrastructure.
- ✓ Provide resources to improve operating efficiency and effectiveness at the Department of Public Works.
- ✓ Provide resources to adequately address the general administration of the Town, particularly in the areas of records management, human resource administration, energy management, and budgetary control.

- ✓ Support the acquisition and maintenance of rolling stock and equipment to maintain efficient operations in the Police, Fire, Public Works and Public Facilities Departments.
- ✓ Support new or expanded initiatives that contribute to sustainability, such as improving energy efficiency and source reduction.
- ✓ Support new or expanded initiatives that contribute to the beautification of the Town.
- ✓ Support new or expanded initiatives that improve the economic vitality of the Town's business centers.
- ✓ Maintain the current, modest level of investment in community services.
- ✓ Support new or expanded initiatives that directly improve the Town's ability to address and respond to emergency situations and hazards (*maintenance of the current funding level for public safety functions is assumed and is a top priority*).
- ✓ Support initiatives aimed at achieving greater coordination and efficiency between and among departments.

Budget Process

The Town Manager, the Finance Committee, the Board of Selectmen, and the School Committee all play different and important roles in the budget process. The General By-laws of the Town of Needham provide for the following process:

2.2.1 Operating Budget *The Town Manager shall issue budget guidelines and instructions for all Town departments to submit their spending requests for the ensuing fiscal year. The Town Manager shall consult with the Finance Committee prior to the issuance of said guidelines and instructions. The Town Manager and School Superintendent will provide the*

Finance Committee with copies of their respective departmental spending requests on or before the 2nd Wednesday of December. Following receipt of these spending requests, the Finance Committee may begin its consideration of same, including the commencement of budget hearings. The Town Manager, after consultation with the Board of Selectmen and School Committee, shall not later than the 31st day of January, present to the Finance Committee a balanced budget recommendation in the form of an executive budget, which shall include the spending priorities of all Town departments for the ensuing fiscal year, including in addition thereto, the voted School Committee budget request if different than that contained in the proposed balanced budget. The Town Manager's executive budget recommendation shall not be binding on the Finance Committee. Said executive budget recommendation shall include the estimates of Town revenues and proposed expenditures of all Town departments, including debt service and other amounts required to be raised for the ensuing fiscal year. The Town Manager may amend or otherwise revise revenue estimates as may be warranted. All such revisions shall be provided in writing to the Board of Selectmen, School Committee and Finance Committee.



Table 1.1

KEY DATES FOR THE FY 2009 BUDGET PROCESS

Date			Activity
August	14	2007	5 Year Pro Forma Update Released.
August	16	2007	Town Manager issues capital request guidelines to department managers.
September	05	2007	Town Manager budget consultation with the Finance Committee.
September	11	2007	Town Manager budget consultation with Board of Selectmen.
September	14	2007	Preliminary capital requests are due.
September	20	2007	Town Manager issues budget guidelines to department managers.
September	28	2007	Department spending requests to other departments are due, e.g., building maintenance needs, technology needs, etc.
October	19	2007	Preliminary department spending requests are due.
November	27	2007	Town Manager budget and capital consultation with the Board of Selectmen.
December	04	2007	Board of Selectmen votes FY 2009 budget priorities. Town Manager's preliminary Five Year Capital Improvement Plan consultation with Board of Selectmen
December	12	2007	Department spending requests are due to Finance Committee from the Town Manager and School Superintendent.
December	18	2007	Board of Selectmen votes CIP Recommendations
January	08	2008	FY 2009 – FY 2013 Capital Improvement Plan is distributed.
January	29	2008	Town Manager's FY 2009 Budget Presentation. Board of Selectmen opens the 2008 Annual Town Meeting Warrant
January	31	2008	Town Manager's Budget is due to the Finance Committee.
February	04	2008	Warrant articles for 2008 Annual Town Meeting are due to Board of Selectmen.
February	12	2008	Board of Selectmen closes the May 5, 2008 Annual Town Meeting Warrant.
February	22	2008	Finance Committee's FY 2009 draft budget is due to the Town Manager.

KEY DATES FOR THE FY 2009 BUDGET PROCESS

Date	Activity
March 14 2008	Finance Committee's recommendations are due for inclusion in the Annual Town Meeting Warrant.
April 08 2008	Town Election
May 05 2008	Annual Town Meeting Begins
July 01 2008	Start of Fiscal Year 2009

Budget guidelines were distributed to departments, boards, and committees on September 20, 2007, with spending requests due on October 19, 2007. The senior management team held budget review meetings with all departments during the month of November. Finance Committee and Community Preservation Committee liaisons were invited to attend these meetings in order to prepare for their own deliberations. Discussions with the Board of Selectmen, Finance Committee, and School Committee continued during the fall, and the School Committee held a public hearing on the budget for the Needham Public Schools on January 15th. As the School Committee had not completed its deliberations by the release of this document, the voted budget of the School Committee will be included as an addendum.

Departments were asked to use the following guidelines in preparing their requests:

Base Budget Request

The initial budget request reflects the amounts necessary to provide the same level of service in FY09 as in FY08. Spending requests include increases for contractual or mandated items, items subject to significant

inflationary pressure, and/or any other item deemed appropriate by the Town Manager.

Performance Budget

Departments wishing to request additional funding did so under the Performance Improvement Budget. These requests are identified on Form DSR4. Priority is given to Performance Improvement requests that are directly related to the identified goals and objectives of the department, the need for which can be demonstrated by performance measures and data, and those that demonstrate forward movement toward sustainability. Departments that were approved for performance budget increases in FY08 have reported on the status of those efforts in the performance measurement section of the budget submission contained in Section 5.

When seeking Performance Improvement requests for additional headcount, department managers were required to include a detailed analysis of the evaluation of other options for providing the proposed service, such as increased hours for other staff members, use of overtime, or use of contracted service providers. This was a critical component of the budget review process.

Fiscal Year 2009 Proposed Budget

Budget Format

We believe that the time has come to consolidate the purchase of service and expense line items in the budget that is presented to Town Meeting for its consideration. Combining these line items will significantly impact the operating efficiency of the General Government departments, as they will no longer need to wait for a Town Meeting to move funds from one line to another. For example, a

department that has an expense line for vehicle supplies cannot currently pay for a vehicle to be repaired at a private facility, which would be considered a service. In FY08, we presented the Town Meeting with a consolidated article for all cash capital items, representing a significant change from tradition. Town Meeting was supportive of this change.

Table 1.2

Local Aid FY03 - FY08

	Additional Assistance	Chapter 70	School Transportation	Lottery	Total	Annual CPI
FY03	\$242,345	\$4,504,997	\$149,373	\$1,669,029	\$6,565,744	191.5
FY04	\$205,993	\$3,603,998	\$0	\$1,418,675	\$5,228,666	196.5
FY05	\$205,993	\$3,603,998	\$0	\$1,418,675	\$5,228,666	203.9
FY06	\$205,993	\$3,838,948	\$0	\$1,619,031	\$5,663,972	209.5
FY07	\$205,993	\$4,366,273	\$0	\$1,935,797	\$6,508,063	216.4
FY08	\$205,993	\$5,124,207	\$0	\$1,966,680	\$7,296,880	223.1
Total Change	-15.0%	13.7%	-100.0%	17.8%	11.1%	16.5%



The State of Local Aid

Partnership with the Commonwealth

"...Massachusetts cities and towns are likely to face even greater fiscal challenges over the next several years. Without a more dependable revenue stream and decisive action to address health care costs, there will be an acceleration of the cuts in programs and services that have already impacted a large number of communities."⁴

The Town's aid from the Commonwealth declined significantly in FY04, and has grown slowly since that time. While overall local aid has increased by 11% since FY03, a corresponding increase in the CPI of more than 16% during that period (Table 1.2) reveals that the Town is receiving less aid than it was five years ago, after adjusting for inflation. The Massachusetts Taxpayers Foundation recommends that the commonwealth dedicate 40 percent of income, sales, and corporate taxes to the State's major local aid accounts to provide a more dependable revenue stream.

Coupled with modest revenue growth, the Town is grappling with growing service demands in all sectors -- calls for emergency services, an increasing elderly population (one in four residents will be over the age of 60 by 2010), and most visibly a growing school-age population. The number of students attending Needham Public Schools grew by almost 22% since the 1996/1997 school year, and 10% since 2003, although the annual increase in enrollment has declined in each of the last three years, which may or may not be an indication of a new trend. (Table 1.3)

Table 1.3

**Needham Public Schools Enrollment
1996/1997 - 2007/2008**

	Enrollment	Percentage Change
1996/1997	4,110	
1997/1998	4,281	4.2%
1998/1999	4,303	0.5%
1999/2000	4,334	0.7%
2000/2001	4,374	0.9%
2001/2002	4,439	1.5%
2002/2003	4,565	2.8%
2003/2004	4,667	2.2%
2004/2005	4,838	3.7%
2005/2006	4,915	1.6%
2006/2007	4,979	1.3%
2006/2007	5,003	0.5%

1996/1997 - 2007/2008 Increase: 21.7%

Source: Future School Needs Committee Annual Reports



Needham Provides Services So Personnel Costs Drive the Budget

More than 70% of the operating budget of the Town is allocated to personnel-related costs, including direct salaries, payroll taxes, group insurance for active and retired employees, workers compensation, unemployment, and retirement benefits. This is not surprising, given that the work of local government is providing services through human resources.

FY09 represents a welcome slow down in the rate of growth in the Town's allocated insurance costs. Townwide expenses, which include debt service and property/casualty insurance as well as employee benefits and assessments, are growing at only 2.9%. While encouraging, such a level of growth is unlikely to continue in FY10. The Town's positive experience in its participation in the West

Suburban Health Group, the selection of lower cost plans by many employees, and an actual decline in the number of insurance participants all contribute to this growth rate. While the increase in insurance subscribers from 1995 to 2007 increased by 23%, the FY03 to FY08 increase is only 8% - a positive trend (Table 1.4).

Table 1.4

**Health Insurance Enrollment
FY2003 - 2008**

Fiscal Year	Town	School	Total Actives	Retirees	Total Active & Retired
FY03	292	439	731	704	1,435
FY04	285	474	759	716	1,475
FY05	305	491	796	750	1,546
FY06	298	507	805	759	1,564
FY07	304	492	796	771	1,567
FY08	267	509	776	775	1,551
Total Change FY03-FY08	-9%	16%	6%	10%	8%

Fiscal Year 2009 Proposed Budget

Controlling the growth in municipal health costs has been the subject of many research projects and task force reports over the past few years. Municipal health insurance programs are strictly regulated by State law, and are subject to collective bargaining. As a result, the Town is limited in its

ability to control costs. At an average of 66% (on a weighted average basis, the Town contributes 71% of the health insurance premium for active employees, 61% for retirees, and 66% overall), the Town's contribution to employee health care costs is among the lowest in the Commonwealth.

Table 1.5
Changes in Appropriated Salary Line Items FY2003-FY2008

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2003 - FY2008 Average Change
Board of Selectmen/Town Manager	387,669	384,993	397,189	430,590	488,912	498,336	5%
Town Clerk/Board of Registrars	177,733	194,361	188,387	205,048	251,009	258,026	8%
Legal	58,192	59,750	61,244	63,081	64,637	65,355	2%
Personnel Board	1,985	1,523	1,562	3,109	1,641	1,601	6%
Finance Department	1,143,333	1,084,833	1,116,037	1,133,619	1,262,829	1,291,273	3%
Finance Committee	27,915	25,250	25,625	26,394	27,209	28,547	1%
Total Municipal Administration	1,796,827	1,750,710	1,790,044	1,861,841	2,096,237	2,143,138	4%
Police	3,832,858	3,836,266	3,950,138	4,096,350	4,256,517	4,307,656	2%
Fire	4,857,431	4,957,565	4,970,245	5,159,042	5,152,611	5,256,573	2%
Building	262,870	276,080	279,215	360,797	385,753	407,324	10%
Total Public Safety	8,953,159	9,069,911	9,199,598	9,616,189	9,794,881	9,971,553	2%
Education	27,951,274	28,629,775	29,546,849	31,913,492	33,589,270	35,554,411	5%
Public Works	2,549,737	2,446,938	2,615,781	2,708,592	2,962,632	2,988,094	3%
Public Facilities	2,290,779	2,221,182	2,330,197	2,327,509	2,432,903	2,537,211	2%
Planning Department	123,418	121,741	124,160	131,664	137,811	195,469	11%
Conservation Commission	27,805	29,317	29,613	31,646	40,870	62,438	19%
Board of Appeals	13,894	14,963	15,337	15,786	23,385	24,239	13%
Total Development	165,117	166,021	169,110	179,096	202,066	282,146	12%
Board of Health	274,472	281,167	289,816	304,968	318,046	344,624	5%
Div. Comm. Social Services	430,709	438,386	449,286	478,503	468,797	466,486	2%
Library	772,654	774,050	791,118	867,514	963,323	1,000,410	5%
Park and Recreation	374,296	380,042	388,876	403,121	411,918	423,651	3%
Total Community Services	1,852,131	1,873,645	1,919,096	2,054,106	2,162,084	2,235,171	4%
CPS				25,036	39,271	70,109	
Total	45,559,024	46,158,182	47,570,675	50,685,861	53,279,344	55,781,833	4%
Total General Government	17,607,750	17,528,407	18,023,826	18,772,369	19,690,074	20,227,422	3%

Annual increases in salary line items over the past six years have generally mirrored the overall increase in revenue (4% overall, 5% for the Needham Public Schools, and 3% for General Government departments). However, increasing fixed costs over that same period have absorbed the majority of new revenue, resulting in budget cuts or override requests. The number of full-time equivalent employees over that same six year period for General Government

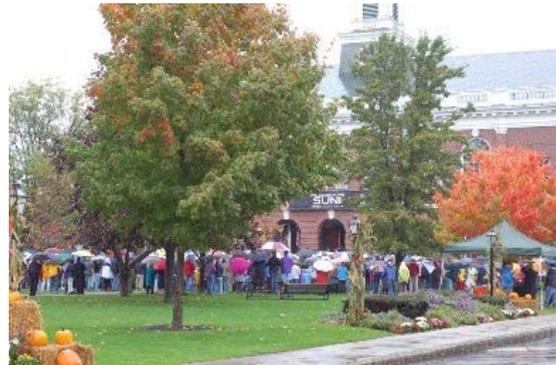
departments has actually declined by 1%. The number of School Department FTE's has grown by 17% since FY03 (see Table 1.6).

Fiscal Year 2009 Proposed Budget

Table 1.6
Full-time Equivalent Employees
FY03 to FY07

	Funded FY03	Funded FY04	Funded FY05	Funded FY06	Funded FY07	Funded FY08	FY03-08 % Change
BOS/TM	6.8	6.8	6.8	6.8	6.7	6.8	0.0%
Town Clerk	4.4	4.4	4.4	4.4	4.4	4.4	0.0%
Finance	22.8	20.7	20.7	20.7	21.7	21.7	-4.8%
Finance Committee	0.5	0.5	0.5	0.5	0.5	0.5	0.0%
Police	58.0	58.0	58.0	58.0	58.0	58.0	0.0%
Fire	75.0	75.0	75.0	74.0	74.0	74.0	-1.3%
Building	5.9	5.9	5.9	7.2	7.2	7.2	23.1%
DPW	88.0	84.0	85.0	85.0	87.0	87.3	-0.8%
Public Facilities	56.1	52.1	53.7	50.5	50.5	51.0	-9.1%
Health	5.5	5.5	5.5	5.5	5.5	5.7	4.4%
Div. Comm. Social Serv.	9.5	9.4	9.4	9.4	8.9	8.9	-6.3%
Planning	2.0	2.0	2.0	2.0	2.4	3.0	50.0%
Board of Appeals	0.3	0.3	0.6	0.6	0.6	0.6	100.0%
Conservation	0.7	0.7	0.7	0.7	0.7	1.3	85.7%
Library	18.6	18.0	18.0	20.0	20.0	20.0	7.3%
Park and Recreation	4.0	4.0	4.0	4.0	4.0	4.0	0.0%
Total	358.1	347.2	350.1	349.3	352.1	354.4	-1%
Needham Public Schools	509.0	519.4	531.7	548.1	580.8	593.4	17%

Source: Annual Town Meeting Warrants, Superintendent's FY09 Budget



NeedEnergy

A Sustainable Needham Initiative

Needham's expenditure on energy has increased 177% since 2002. It will cost almost as much to provide energy to Needham High School in FY09 as the Town spent on all public facilities in 2002.

With electricity, heating oil, and natural gas expenditures growing almost 23% per year, and fuel costs growing at 21% per year, stewardship of our energy and natural resources

will be a critical priority for the Town over the next several years. (Tables 1.7 and 1.8)

Table 1.7

**Energy Expenditures
Major Facilities
Total by Fiscal Year**

Type	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Average % Change
Electricity	\$521,879	\$596,039	\$851,386	\$1,008,542	\$1,092,663	\$1,499,917	
Heating Oil	\$330,832	\$389,155	\$377,671	\$582,981	\$740,575	\$693,970	
Natural Gas	\$21,958	\$68,710	\$144,130	\$130,470	\$262,462	\$232,320	
Total	\$874,669	\$1,053,904	\$1,373,187	\$1,721,993	\$2,095,701	\$2,426,207	22.7%
Percent Change		20.5%	30.3%	25.4%	21.7%	15.8%	

Source reduction and energy management are critical components of sustainability. This year, we created NeedEnergy, part of our Sustainable Needham Initiative.

Reducing energy consumption is a four-step process. Step one attempts to reduce energy use through low or no cost changes such as reprogramming sleep modes on computers, setting policies for employees to turn off computers and lights, and changing settings on heating and cooling systems.

The second step includes "low hanging fruit" that can usually be performed in-house. These include changing from incandescent to high efficiency light bulbs, installing sensors to activate lighting, and upgrading windows to double-panel energy efficient models.

Step three of the process includes a significant investment of financial resources, such as replacing HVAC equipment and incorporating green design elements. The first three steps are aimed primarily at saving money and reducing energy demand.

Fiscal Year 2009 Proposed Budget

Progressing to a fourth step would have the added benefit of reducing green-house gas emissions by meeting some energy needs through renewable energy.⁵ As Needham's stewards we actively consider both the financial and environmental facets of energy use.

We are in the process of identifying resources to dedicate an employee to be our "Energy Quarterback," analyzing and evaluating energy use and identifying, implementing, and monitoring energy-related initiatives.

Table 1.8

Gasoline Fuel Expenses
Vehicles and Equipment
Total by Fiscal Year

Type	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Average % Change
Public Safety	\$38,136	\$49,533	\$58,902	\$59,365	\$91,357	\$95,531	
Public Works	\$67,881	\$88,694	\$91,877	\$142,867	\$166,243	\$173,020	
Other	\$4,686	\$6,780	\$7,566	\$5,757	\$12,556	\$15,200	
Total	\$110,703	\$145,007	\$158,345	\$207,989	\$270,156	\$283,751	21.3%
Percent Change		31.0%	9.2%	31.4%	29.9%	5.0%	

NeedEnergy Highlights

The Town of Needham has joined the EPA's Community Energy Challenge which commits the Town to reduce its energy consumption by 10%. In exchange the Town became an "Energy Star Partner." Energy Star is helping the Town reduce its energy consumption and has provided benchmarking software that will help us calculate the current energy consumption of our buildings, charting progress as more energy efficient changes are made.

On-going planning for the High Rock School includes many green features such as occupancy and light sensors, an 88% efficient boiler, a high efficiency chiller, and a lighting technique that manages daylight reflection to reduce glare and the need for artificial light.

The newly reconstructed Public Library is L.E.E.D. certified with many energy saving and environmentally friendly features. The new landscaping needs fifty percent less water, and a 12,000 gallon underground rainwater recovery system is utilized for watering the grounds. The Library contains

waterless urinals and dual flushing toilets. A storm water management system/infiltration bed was installed at Rosemary Lake. Trees are planted throughout the landscaping plan to provide shade and protection to the building. Windows play a role in heating and cooling. They open to reduce reliance on air-conditioning, there are fewer windows on the east and north sides of the building to prevent heat loss, and large windows are installed on the south and west sides of the building to take advantage of passive solar heat.

Due to programs like Pay-Per-Throw and educational efforts, the Town is a leader in the region for recycling. This helps to increase the availability of recycled products, and decreases the expense associated with solid waste. The RTS provides two sheds for the disposal of products containing mercury. Energy efficient CFL (Compact Fluorescent Light bulbs) contain a small amount of mercury and should be recycled. This program makes disposing of CFLs safe, and may help encourage their use in private homes and businesses.

The Town has taken steps to evaluate each vehicle replaced, and to purchase more efficient vehicles when possible.

The DPW has been working to replace streetlights in Town by converting them from Mercury Vapor to High Pressure Sodium Vapor. This effort is between 30–35 % complete. All of the new traffic signals that have been installed utilize L.E.D. fixtures instead of incandescent bulbs. L.E.D. fixtures use less energy and last much longer than incandescent bulbs. A recommendation for funding the balance of these projects is included in the FY09 Capital Budget.

Lighting of Town buildings is achieved primarily with florescent bulbs, which use less energy and last longer than incandescent bulbs. A majority of the

fire alarms and exit signs in municipal buildings have been converted to L.E.D. from incandescent bulbs.

Xeriscape gardens have been planted alongside the parking lot behind Town Hall and at the Newman School. These demonstration gardens are able to survive without additional watering once the garden is well established. These gardens are intended to be the first of many projects utilizing this planting technique to preserve the color and greenery that is expected of public areas, while reducing use of water and maintenance that traditional gardens would require. The Newman School xeriscape garden has been incorporated into the elementary school curriculum, an excellent example of progress toward sustainability.



General & Enterprise Funds

Capital Budget and Warrant Articles

In addition to Townwide expenses and departmental operating budgets, the General Fund also includes the Capital Budget and any warrant articles with a financial implication. The Solid Waste and Recycling (RTS), Sewer, and Water operations are financed through individual Enterprise Funds. The Community Preservation Fund is a separate fund dedicated to open space, recreation, historic, and housing projects.

Capital Budget Summary

The focus of this document is the FY09 General Fund, Enterprise Fund, and Community Preservation Fund budgets. The FY09 – 13 Capital Improvement Plan (CIP) is published as a separate document. Section 4 of this document contains the executive summary of the FY09 – 13 CIP. An integral part of the balanced budget proposal contained herein, however, is the funding of capital and other non-recurring items (financial warrant articles) with non-recurring revenue. We continue to recommend that not more than \$2 million of the Town's Free Cash be appropriated for operating expenses. The proposed financing plan for the recommended FY09 capital budget reflects an increase in the use of cash to fund capital projects over the amount used in FY08. This increase is based on the extraordinary level of Free Cash available for appropriation in FY09. This increase in Free Cash has been identified as non-recurring, and therefore will not be available in subsequent years to sustain the proposed level of cash-financed capital after FY09. For this reason, the plan proposes the use of \$1.5 million of the

non-recurring Free Cash for the relocation of the track and construction of a grass playing field at DeFazio Park – a non-recurring capital request. The balance of the non-recurring revenue is proposed to be allocated to one of the Town's capital reserve funds. An additional \$1,457,049 is proposed for recurring cash capital.

Enterprise Fund Summary

Summaries of enterprise fund and community preservation fund budget requests are included with the operating budget requests. No changes are proposed to the Water and Sewer Enterprise Funds. Modifications from the submitted budget for the RTS Enterprise Fund are included in the balanced budget proposal.

Other Financial Warrant Articles

We intend to recommend the following warrant articles and other appropriations:

Compensated Absences Fund- \$75,000
Senior Corps Program- \$10,000
GF/RTS Contribution \$510,270
Capital Reserve Funds - \$800,000

The Challenges Ahead

Energy, Facilities and Infrastructure

"...We are a town of progress...we believe in new ideas and improvements."⁶

Challenges

The Town has a critical need for investment in public infrastructure, including buildings, roads, fields, water mains, etc. which will require creative approaches. Implementation of the next group of projects on the Facility Master Plan without ignoring other capital needs will be a challenge for the years to come. Public/private partnerships such as the project to renovate DeFazio and Memorial Park fit nicely in the sustainability model, and should be encouraged.

Resisting the temptation to allocate a greater share of non-recurring revenue in the face of a growing demand for services will not be easy. The Town's willingness to do so over the past decade, however, is a hopeful sign. As stewards, the staff, board and committee members, and Town Meeting Members are all responsible for the care of something that doesn't belong to us – the Town itself. If we continue to view that role in the spirit of sustainability, the Town will not only survive, but thrive.



Acknowledgements

I would like to acknowledge the invaluable contributions of Sandy Cincotta, Christopher Coleman, David Davison, and Dan Gutekanst, the staff in the Town Manager's Office (Dawn Stiller, Leona Simonelli and Amy Holland), and all of the department managers whose participation and support make Needham truly an ideal place to Live, Work, and Play: Tom Leary, Paul Buckley, Rick Merson, Tedi Eaton, Tony Del Gaizo, Bob Lewis, Rhain Hoyland, Lance Remsen, Chip Laffey, Steve Hawes, Jamie Brenner Gutner, Jon Mattleman, Janice Berns, Lee Newman, Melissa Melnick, Evelyn Poness, Roger MacDonald, John Logan, Patty Carey, Ann MacFate, Kristen Phelps, Steve Popper, Mark LaFleur, Dan Walsh, and Chip Davis.

Balanced Budget Highlights

Proposed Spending Request Changes

The recommended budget for most departments mirrors the base budget request, with proposed increases including only known salary increases, mandated costs, and items identified as being under significant inflationary pressure. As noted below, some performance budget requests have been recommended, and some reductions from the base budget are required in order to present a balanced budget and also comply with the revenue sharing formula.

Table 1.9

**Town of Needham
FY 2009
General Fund Revenue Sharing Proposal**

	FY 2008	FY 2009	Change from FY 2008
General Fund Revenue Available	99,002,571	104,836,061	5,833,490
General Fund Financial Warrant Articles	(237,991)	(885,000)	(647,009)
Cash Capital	(1,613,764)	(2,957,049)	(1,343,285)
Townwide Expense Group	(27,571,060)	(28,364,132)	
Less CPS	<u>70,109</u>	<u>265,000</u>	
Change in Townwide Expenses	(27,500,951)	(28,099,132)	(598,181)
Department of Public Facilities Budget	(6,440,712)	(6,940,074)	(499,362)
General Fund Revenue Available after Shared Costs			2,745,653
Needham Pubic School Budget	40,799,858	43,771,920	(2,972,062)
All Other General Fund Budgets Including CPS*	22,409,295	24,265,014	(1,855,719)
Total			(4,827,781)
Delta Between Budget and Revenue After Shared Costs			(2,082,128)
Amount Recommended for Needham Pubic School Budget		60%	1,647,392
Amount Recommended for All Other General Fund Budgets		40%	1,098,261
			2,745,653

Balanced Budget Proposal

Revenue available for appropriation in FY09 totals \$5,833,490. Consistent with the revenue sharing formula, the remaining balance – less required funding for town wide expenses, capital, financial warrant articles, and Public Facilities – has been allocated to the Public Schools and General Government Departments on a 60/40 ratio (Table 1.9). The category of financial warrant articles includes a proposed \$800,000 appropriation to one of the capital reserve funds, given that this extraordinary Free Cash amount is non-recurring.

All told, the balanced budget is \$2,218,128 less than submitted requests (exclusive of the roads program). Some items are recommended if additional funding becomes available. These are outlined below under the “Performance Budget” category.

The balanced budget includes the following features:

General Government

\$50,000 allocation for partial year funding of a Human Resources Director, funded by transferring the salary of the Benefits Coordinator to the Townwide Expense line item (Board of Selectmen/Town Manager Budget).

\$18,500 one-time operating capital expenditure for Town Hall photocopier has been transferred from the operating budget to the Capital Budget (Board of Selectmen/Town Manager Budget).

\$50,000 one-year increase over the base budget for personal property verification and compliance (Finance Department Budget).

\$5,000 reduction to the base budget for equipment (Finance Department Budget).

Land Use and Development

\$1,750 increase over the base budget for professional development (Planning Department Budget).

\$5,500 one-year increase over the base budget for trail markers and kiosks proposed for funding through CPA (Conservation Commission budget).

\$25,000 one-year increase over the base budget for Conservation Trust Fund proposed for funding through CPA (Conservation Commission budget).

Public Safety

\$38,000 reduction from the base budget for salaries and professional and technical services (Fire Department Budget).

\$21,000 reduction from the base budget for salaries (Police Department Budget).

Public Works

\$40,000 reduction to the base budget for professional services in the Drains and Highway Divisions (Department of Public Works Budget).

Municipal Streetlight Program

\$9,347 reduction to the base budget for municipal streetlight pole relocation and repair (Municipal Streetlight Budget).

Education

\$25,000 reduction to the base budget for Minuteman Regional Vocational Technical High School program to fund Riverside Community Care services through the Health Department (Minuteman School budget).

Education

The School Committee had not completed its review of the budget as of the release of this document. The Superintendent's budget submission and the subsequent discussions of the School Committee indicate that the allocation for the Needham Public Schools using the Town's traditional revenue sharing model may not be sufficient to meet the needs of the Department in FY09. The voted request of the School Committee will be attached to this document when it becomes available.

Community Services

\$25,000 increase over the base budget for multi-generational services to be provided by Riverside Community Care, funded by a reduction in the Minuteman Regional Vocational Technical High School line item (Health Department Budget).

\$10,000 for partial funding for Community Prevention Specialist to be funded through transfer of existing salary line and augmented by grant funds (Health Department Budget).

\$796 increase over the base budget for Traveling Meals Program summer hours (Health Department Budget).

\$500 increase over the base budget for support of historic home inventory program (Historic Commission Budget).

\$27,866 increase over the base budget to fund a full-time Children's Librarian, to be funded in FY09 through dedicated aid from the Commonwealth (Public Library Budget).

\$15,174 increase over the base budget to fund additional circulation desk hours, to be funded in FY09 through dedicated aid from the Commonwealth (Public Library Budget).

\$12,928 increase over the base budget to support 9:00 a.m. opening of the Library, to be funded in FY09 through dedicated aid from the Commonwealth (Public Library Budget).

\$8,270 increase over the base budget to support network transfer page hours to be funded in FY09 through dedicated aid from the Commonwealth (Public Library Budget).

RTS Enterprise Fund

\$26,000 reduction from the base budget for trommel screener screens and accessories which are recommended for funding in the Capital Improvement Plan (RTS Enterprise Fund Budget.).

\$112,126 increase over the base budget for consolidation of municipal solid waste and recycling efforts (RTS Enterprise Fund Budget).

Performance Budget

The Performance budget includes those deferred items that are recommended if funding becomes available.

Capital Improvement Plan

\$814,280 for secondary cash capital category (Capital Improvement Budget).

General Government

\$5,000 to restore reductions from the base budget for the Finance Department (Finance Department Budget).

Public Safety

\$38,000 to restore reductions from the base budget for the Fire Department (Fire Department Budget).

\$21,000 to restore reductions from the base budget for the Police Department (Police Department Budget).

Fiscal Year 2009 Proposed Budget

Department of Public Facilities

\$20,000 one-time increase over the base budget for storage sheds for Newman and Hillside Schools (Public Facilities Department Budget).

\$100,000 increase over the base budget for groundskeeping services at public facilities (Public Facilities Department Budget).

Education

The School Committee had not completed its review of the budget as of the release of this document. The Superintendent's budget submission and the subsequent discussions of the School Committee indicate that the allocation for the Needham Public Schools using the Town's traditional revenue sharing model may not be sufficient to meet the needs of the Department in FY09. The voted request of the School Committee will be attached to this document when it becomes available.

Department of Public Works

\$40,000 to restore funding for Highway and Drains Divisions in the Department of Public Works (Department of Public Works Budget).

\$93,600 increase over the base budget for Assistant Director or Operations Director (Department of Public Works Budget).

\$29,600 increase over the base budget for new athletic field maintenance (Department of Public Works Budget).

\$10,500 increase over the base budget for landscaping beautification (Department of Public Works Budget).

Not Recommended at This Time

The following items are not recommended for funding at this time:

General Government

\$20,000 increase to the base budget for full year funding of Human Resources Director (Board of Selectmen/Town Manager Budget).

\$12,000 increase to the base budget for Finance Department records storage (Finance Department).

\$10,000 increase to the base budget for legal service fees (Legal Budget).

Public Safety

\$5,000 increase to the base budget for accreditation program (Building Department Budget).

\$29,163 increase to the base budget for part time Local Building Inspector (Building Department Budget).

Land Use and Development

\$3,497 increase to the base budget for Recording Secretary for Conservation Commission (Conservation Commission Budget).

\$660 increase to the base budget for trails maintenance equipment (Conservation Commission Budget).

\$35,000 increase to the base budget for Administrative Assistant in Planning Department (Planning Department Budget).

Department of Public Facilities

\$16,000 one-time increase over the base budget for scissors lifts to support maintenance program (Public Facilities Department Budget).

Department of Public Works

\$75,771 increase to the base budget for school grounds staffing (Department of Public Works Budget).

\$2,368,530 increase over the base budget for consolidated road maintenance program (Department of Public Works Budget).

\$62,000 increase over the base budget for Construction Inspector (Department of Public Works Budget).

Community Services

\$9,937 increase over the base budget to increase administrative support in Youth Services (DCSS Budget).

\$25,000 increase over the base budget to support Library materials, as recommended funding is included in Capital Plan (Public Library Budget).

\$1,200 increase over the base budget to support book letters software (Public Library Budget).

\$695 increase over the base budget to support museum pass software (Public Library Budget).

\$500 increase over the base budget to support the Historic Commission's Heritage project (\$500 of the \$1,000 request was recommended under the balanced budget).



Operational Considerations

Executive Summary for FY09

Operational considerations include the factors that will affect the department in the coming year, including financial and service demands. The following is a summary of the key operational considerations for each General Government department. The full discussion of each department is included in the submitted departmental spending requests contained in Section 5.

Townwide Expenses

The Townwide expense group has increased 2.9% over FY08. This lower than normal increase is primarily due to changes in the group insurance trends previously discussed.

The **Casualty, Liability and Self-Insurance** program has been increased by \$25,000, or just over 5%, to account for expected increases in value associated with the Town's on-going facility reconstruction projects.

General Fund Debt Service reflects the amounts to be paid on current and authorized but not issued debt. This line has increased by 1.5% over FY08.

Employee Benefits and Employer Assessments includes group insurance, payroll taxes, unemployment, workers compensation, and related benefit costs for Town and School employees. The balanced budget includes a proposed 2.7% increase in this program, the lowest increase in years.

Retirement Assessments includes funding for Town's share of pension costs for non-contributory and contributory retirees. The funded status of the system was 79.5% on

January 1, 2007, up from 75% on January 1, 2005. The proposed FY09 amount is 3.5% higher than FY08.

The **Retiree Insurance and Insurance Liability Fund** line provides both the "pay-as-you-go" benefits for current retirees, and funding of the Town's post-employment benefit liability (commonly known as "OPEB"). FY08 is the first year that the Town combined retiree insurance and OPEB liability into one line in accordance with an actuarial funding schedule. This line has increased 5.7% over FY08.

The **Classification, Performance and Settlements** line provides a reserve for funding General Government personnel-related items as they occur during the year. The Town has one collective bargaining unit that has not settled for FY09, and any cost of living increases to be provided to non-union employees are also accounted for in this line.

The Finance Committee has recommended a formula (1.25% of the operating budget) as the basis for establishing a recommendation for the **Reserve Fund**. This formula was derived from the average of the past

five fiscal years. The recommended FY09 amount is \$1,312,422.

General Government

Board of Selectmen/Town Manager This budget includes an increase in administrative support hours representing a .2 FTE increase, to be funded primarily through a reallocation of other salary items. The position, which was already benefit-eligible, will now be full-time, making the position more attractive from a recruitment standpoint.

We have also recommended the establishment of a Human Resources Director, to be funded for a partial year, reflecting the fact that the position would not be filled until the fall. We proposed to transfer the salary of the Benefits Coordinator in the Personnel and Benefits Office to the Employee Benefits and Assessments program. This frees up approximately \$50,000 for first year funding of the HR Director. The HR Director will provide assistance to the Senior Management Team and all departments. This will allow for critical, full-time devotion to the increasingly complex field of human resources and labor relations. Moreover, the funding of this position will free up the Assistant Town Manager/Personnel (who will still oversee the HR function) to supervise departmental activities, particularly in the areas of Health and Human Services, Community Development and Land Use, and Public Facilities. The Board of Selectmen/Town Manager's budget request included \$18,500 for a Town Hall copier, which was eliminated in the balanced budget. We propose to fund the copier in the Capital Budget, as we have determined that some equipment related to field construction will not be needed in FY09. The proposed FY09 BOS/Town Manager budget is 2% higher than FY08.

Town Clerk/Board of Registrars

The recommended budget for the Town Clerk/Registrar's Office is 7% higher than the current year. The Department will hold three elections in FY09, and the Presidential election is the busiest of all elections.

Town Counsel The balanced budget proposal includes no increase for the Legal budget. However, experience indicates that this budget may need to be increased in the next few years. Based on the number and type of claims filed against the Town, a reserve fund transfer request may be needed in FY09.

Personnel Board The balanced budget proposal includes no increase for the Personnel Board budget in FY09.

Finance Department The Finance Department budget is recommended to increase by 6% in FY09, driven primarily by technology costs. Increased use of technology in all departments provides greater efficiency and customer satisfaction, but comes with a price. The IT Center funds software licenses and upgrades which continue to increase in cost. In order to balance the FY09 budget, we recommend a reduction of \$5,000 in computer-equipment. A one-time increase of \$50,000 is recommended for personal (business) property verification and compliance. This will consist of data gathering and analysis, and is expected to generate \$100,000 in additional tax revenue in FY09. This additional revenue has been incorporated into the revenue forecast. Because the \$50,000 will not be required in FY10, it will be available to be used to restore the \$5,000 reduction in equipment as well as offset reductions in Fire, Police and DPW which we expect to restore in FY10.

Finance Committee This budget includes a 1% increase over FY08. The \$250 increase will cover the increased cost of dues for the Association of Town Finance Committees, and will allow two members to attend the Annual ATFC conference.

Land Use and Development

Recommended budgets for **Board of Appeals, Conservation, and Planning and Economic Development** represent an increase of between three and four percent. No increases above the base budget (funded from the operating budget) are recommended for the Board of Appeals or Conservation. Funding for trail markers and kiosks (\$5,500) is recommended through the Community Preservation Fund to support the ongoing trails master planning process. In addition, a \$25,000 deposit to the Conservation Trust Fund is proposed for funding through the Community Preservation Fund. This trust fund is more readily accessible than CPA funds, and would allow the Commission to act more quickly when open space acquisition opportunities arise.

An increase over the base budget for professional development is recommended for the Planning Department. This funding of \$1,750 will allow one staff member to attend a major conference. Department managers and professional staff benefit tremendously by staying current with professional trends, yet managers in very small departments have not been able to take advantage of the same opportunities as those in larger departments. We are considering a recommendation for FY10 to create a fund for professional development that can be shared among departments.

We are also in the process of exploring ways to consolidate Land Use and

Development budgets, perhaps including the Building Department, in order to achieve greater efficiencies and allow for more sharing of administrative support services. In the three Land Use and Development departments, there are only three full-time employees, and insufficient administrative support. Co-location of the departments at the DPW complex, contemplated in the construction of the DPW Administration Building, will improve the situation somewhat, although additional administrative support hours will be required in future years.

Police Department

The recommended budget for the Police Department is 3% higher than FY08. Increases in petroleum-related products (gasoline) account for the largest increase in expenditures. The budget reflects increases related to collective bargaining agreements that have been settled through FY10. Under the proposed balanced budget, the Police Department salary line will be reduced by \$21,000 which, while not ideal, will be absorbed by projected staff turnover. We will recommend that this funding be restored in FY10 through planned reductions in other departments. Over the past several years, the Police Department has managed to maintain a fairly level overtime appropriation by using savings associated with employee turnover to fund the needed shift filling. During periods when staff turnover is low or non-existent, this shifting of salary funds is not possible. With the contemplated FY09 reduction, it is possible that a Reserve Fund Transfer request will be required to fully fund Police Department overtime in FY09.

Fire Department

The recommended Fire Department budget is 6% higher than FY08. This out of the ordinary increase is based on several factors, including a new

workforce, most of whom are receiving step increases, and funding for the Compensation Adjustment Option provision in the Fire Union contract. We fully expect that FY09 will be the last year of significant funding of this program. As a result, the general salary line of the Fire Department budget is recommended to be reduced by \$19,000 to be absorbed by projected staff turnover. We will recommend that this funding be restored in FY10. As with the Police Department, the Fire Department has managed to operate with an overtime appropriation that is significantly lower than that which is required for emergencies and to comply with the collective bargaining agreement, by using savings associated with employee turnover to fund the needed shift filling. During periods when staff turnover is low or non-existent, this shifting of salary funds is not possible.

The base budget was also reduced by an additional \$16,000 in salary and \$3,000 in professional and technical services which may be required in the review of plans for the major housing complex planned for Charles River Landing. With the contemplated FY09 reductions, it is possible that a Reserve Fund Transfer will be required to support Fire overtime and/or technical review needs.

This budget reflects the collective bargaining agreement with the Fire Union through FY09. Increases in vehicle maintenance represent the largest increase in expenses in the FY09 budget. The Fire Department has embarked on a program to increase the number of trained paramedics (without increasing the number of personnel) which we project will improve emergency response and increase revenue.

Building Department

In the Building Department, the exceptionally high volume of building

permit activity has not abated. In FY07, the Department handled more than 4,000 permits, each of which requires 3 or 4 inspections. With the recent increase in permit fees, the Department collected just under \$1.2 million in permit fees in FY07. Future investment in additional inspection hours will likely be needed. The recommended budget for the Building Department is 2% higher than FY08.

Minuteman School

The balanced budget proposal includes a \$25,000 reduction in the Minuteman School budget. The Town has not yet received its assessment from Minuteman. However, the number of students enrolled at Minuteman (the factor on which the assessment is based) dropped from 29 full time students in 2006/2007 to 18 in 2007/2008. We propose to allocate the \$25,000 reduction to the Health Department to support additional services from Riverside Community Care. These mental health services are urgently needed by Needham families in crisis. The allocation will support services for both children and adults. This represents a 4% reduction in the Minuteman line item.

Department of Public Works

The DPW General Fund budget recommendation is 3% higher than FY08. Significant increases in the budget are driven by costs affected by oil and natural gas. Oil-based products, such as gasoline, diesel fuel, asphalt, plastic, and oil-dependent services such as the generation of electricity have an impact on all DPW budgets, both General and Enterprise Funds. The on-going DPW Operations Study will be completed in FY08, and is expected to identify areas of required investment, particularly in staffing. Many items contained in the Performance Budget or not recommended for FY09 will be reconsidered once the Operations Study is complete. The creation of an

Assistant Director of Public Works, or Operations Director, is needed to improve coordination of efforts in this high-volume department. We are exploring alternatives for the establishment of this position without increasing the number of employees in the Department. The balanced budget recommendation includes a reduction of \$40,000 in the base budget for the Highway and Drains Divisions. We expect to recommend the restoration of these funds in FY10 with known reductions pending in other departments. This reduction will limit the amount of road and drain work that the Department is able to perform in FY09.

Municipal Parking

No changes are contemplated for the Municipal Parking Program budget at this time. The Town's lease with the MBTA for the commuter lots has expired, and we are in the process of negotiating a new lease. As a result, this budget is still preliminary.

Municipal Street Lighting

The Municipal Street Lighting Budget request was increased by \$21,000 to support the Town's need for resolving the backlog of streetlight pole transfers. In addition to on-going service work, there are more than 600 "double poles" remaining in Town. About 20% of the double pole situations will require a streetlight transfer. The Town's contract for streetlight maintenance cannot handle this volume. The increase in this budget would also accommodate requests for new streetlights. The other component of the increase in this budget is a projected increase in the cost of energy. Included in the Capital Improvement Plan is a recommendation for funding that will review the streetlights to determine whether there are any which are considered redundant and can be eliminated. The Capital Budget funding would also accelerate the

Town's program to convert the old mercury vapor bulbs to high pressure sodium, which are more efficient.

Public Facilities

Increases in energy and custodial supplies represent 99% of the increase in expenses and operating capital in the Public Facilities Budget. The recommended increase for this Department in FY09 is 8%. Two items have been included in the Performance Budget. The first would provide storage sheds at Newman School and Hillside School, to house groundskeeping equipment. The second would fund a consolidated, outsourced groundskeeping initiative to improve the very modest level of groundskeeping the Town is able to provide at our very visible public schools. Outsourcing this service has the added benefit of allowing the work to be performed outside of school hours, when possible.

Health Department

The Health Department recommended budget is up 11% over FY08. This results from a reallocation of \$25,000 from the Minuteman line item to the Health Department. This funding will provide additional intensive, short-term, home-based services for at-risk teens and their families, and new services for adults and seniors. The budget also includes an additional \$796 to provide an additional 6.5 hours per week during the 10 weeks that temporary staff augment volunteer drivers in the summer. These hours are required to ensure that meals are delivered within a safe timeframe. The budget also contemplates the reallocation of \$10,000 in part-time administrative support hours to fund a part-time Community Prevention Specialist. For FY09, we expect that the \$10,000 will be augmented through grant funding. The prevention specialist will coordinate Townwide efforts in violence prevention, mental health

support, substance abuse treatment, and suicide prevention. The Suicide Coalition has developed an action plan that has been widely endorsed Townwide. This modest funding of a Community Prevention Specialist is one step toward building capacity to implement that action plan.

Diversified Community Social Services

The DCSS budget is recommended to be increased by 3% over FY08. The three divisions that comprise the DCSS – Council on Aging, Youth Services and Veterans Services – are embarked on efforts to expand and reconfigure their program offerings to meet the needs of today’s residents. Seniors and school-age children are the fastest growing population groups in Needham. The Town’s evaluation of the options for location of a new senior center will be a major focus of this department in FY09.

Commission on Disabilities

No change to the FY08 budget is recommended for the Commission on Disabilities.

Historical Commission

The Historic Commission budget has been increased by \$500 to allow that Commission to continue the work of identifying and registering of historic homes.

Needham Public Library

The recommended Public Library budget is 2% higher in FY09. The Library is in need of additional staffing to support its expanded facility and increased patronage. Circulation increased by 20% from FY06 to FY07, making FY07 the busiest year in Library history. The Town continues to request materials from other Libraries though the Minuteman Library Network, resulting an increase in this service of 43% in FY07. We recommend that a full-time children’s librarian, increased circulation desk hours, additional hours to allow for

9:00 a.m. opening, and network transfer hours be phased into the operating budget as resources become available. These functions are critical to the daily operation of the facility. However, the balanced budget does not allow for phasing any of these expenses in FY09, so we continue to recommend that the Library fund them through discretionary aid from the Commonwealth.

Park and Recreation

The Park and Recreation recommended budget is the only General Government, General Fund budget that has actually declined from FY08. This decline is attributable to staff turnover.

Memorial Park No change to the FY08 budget is proposed for Memorial Park.

RTS Enterprise Fund

The RTS budget also declined from FY08. This decline (3%) is primarily due to the Town’s disposal contract, which includes a reduction in the Town’s tipping fee in FY09. The decline also includes a reduction of \$26,000 for trommel screener equipment, which was recommended in the Capital Improvement Plan. The recommendation includes an increase of \$112,126 to support consolidation waste collection among schools, municipal buildings, athletic fields, and street receptacles. The program will improve recycling in public schools, and will allow for reallocation of staff for improved service delivery in Parks and Forestry, Highway, and Public Facilities.

Sewer and Water Enterprise Funds

Both the recommended Sewer and Water Enterprise Fund Budgets are 1% higher than FY08. As with DPW General Fund division, both Enterprise Funds are experiencing cost increases in products affected by the price of oil.

¹ Merriam-Webster's Online Dictionary

² ICMA Management Perspective October, 2007.

³ Finance Committee Handbook, Allan Tosti, Editor, November, 2004

⁴ Massachusetts Taxpayers Foundation, Municipal Financial Data, 37th Edition, January 2008

⁵ "Using Energy Efficiency to Create a More Sustainable Bottom Line," Danielle Miller Wagner, Public Management, October, 2007

⁶ Report of Town Hall Study Committee, 1901

**Town of Needham
General Fund Budget Recommendations**

Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	\$ Over FY 2008	% Over FY 2008
Total Townwide Expense Group	27,571,060	28,364,132		28,364,132	28,364,132	793,072	3%
Board of Selectmen & Town Manager	664,786	693,352	70,000	763,352	674,852	10,066	2%
Town Clerk and Board of Registrars	288,556	308,938		308,938	308,938	20,382	7%
Town Counsel	258,855	258,855	10,000	268,855	258,855		
Personnel Board	11,601	11,601		11,601	11,601		
Finance Department	1,966,109	2,039,820	62,000	2,101,820	2,084,820	118,711	6%
Finance Committee	29,197	29,447		29,447	29,447	250	1%
Planning & Economic Development	206,529	213,390	38,500	251,890	215,140	8,611	4%
Conservation Department	70,253	72,835	34,657	107,492	72,835	2,582	4%
Board of Appeals	27,529	28,381		28,381	28,381	852	3%
Police Department	4,730,199	4,913,193		4,913,193	4,892,193	161,994	3%
Fire Department	5,504,960	5,887,814		5,887,814	5,849,814	344,854	6%
Building Inspector	420,957	430,272	34,163	464,435	430,272	9,315	2%
Minuteman	571,356	571,356		571,356	546,356	(25,000)	-4%
Needham Public Schools	40,799,858	43,771,920		43,771,920	42,447,250	1,647,392	4%
Department of Public Works	4,411,433	4,598,049	2,640,001	7,238,050	4,558,049	146,616	3%
Municipal Parking Program	203,900	203,900		203,900	203,900		
Municipal Lighting Program	307,000	339,000		339,000	329,653	22,653	7%
Department of Public Facilities	6,440,712	6,940,074	136,000	7,076,074	6,940,074	499,362	8%
Health Department	388,682	403,736	55,796	459,532	429,532	40,850	11%
Diversified Community Social Services	505,256	521,166	9,937	531,103	521,166	15,910	3%
Commission on Disabilities	550	550		550	550		

**Town of Needham
General Fund Budget Recommendations**

Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	\$ Over FY 2008	% Over FY 2008
Historical Commission	550	550	1,000	1,550	1,050	500	91%
Needham Public Library	1,235,652	1,260,426	91,133	1,351,559	1,260,426	24,774	2%
Parks and Recreation	534,526	533,976		533,976	533,976	(550)	0%
Memorial Park	750	750		750	750		
Total Departmental	69,579,756	74,033,351	3,183,187	77,216,538	72,629,880	3,050,124	4%
Total Townwide	27,571,060	28,364,132		28,364,132	28,364,132	793,072	3%
Total Operating	97,150,816	102,397,483	3,183,187	105,580,670	100,994,012	3,843,196	4%

Town of Needham General Fund Budget Recommendations							
Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	Over FY 2008 Over FY 2008	% Over FY 2008
Town Wide Expense							
Casualty, Liability and Self Insurance Program	475,000	500,000		500,000	500,000	25,000	5.3%
Debt Service - General Fund	9,425,551	9,562,263		9,562,263	9,562,263	136,712	1.5%
Employee Benefits and Employer Assessments	8,548,000	8,781,910		8,781,910	8,781,910	233,910	2.7%
Retirement Assessments	4,096,000	4,240,326		4,240,326	4,240,326	144,326	3.5%
Retiree Insurance Program & Insurance Liability Fund	3,502,950	3,702,211		3,702,211	3,702,211	199,261	5.7%
Classification, Performance and Settlements	70,109	265,000		265,000	265,000	194,891	278.0%
Reserve Fund	1,453,450	1,312,422		1,312,422	1,312,422	(141,028)	-9.7%
Group Total	27,571,060	28,364,132		28,364,132	28,364,132	793,072	2.9%
Board of Selectmen & Town Manager							
Personnel	498,336	508,402	70,000	578,402	508,402	10,066	
Expenses	166,450	166,450		166,450	166,450		
Operating Capital		18,500		18,500			
Total	664,786	693,352	70,000	763,352	674,852	10,066	1.5%
Town Clerk and Board of Registrars							
Personnel	258,026	272,403		272,403	272,403	14,377	
Expenses	30,530	36,535		36,535	36,535	6,005	
Operating Capital							
Total	288,556	308,938		308,938	308,938	20,382	7.1%
Town Counsel							
Personnel	65,355	65,355		65,355	65,355		
Expenses	193,500	193,500	10,000	203,500	193,500		
Operating Capital							
Total	258,855	258,855	10,000	268,855	258,855		
Personnel Board							
Personnel	1,601	1,601		1,601	1,601		
Expenses	10,000	10,000		10,000	10,000		
Operating Capital							
Total	11,601	11,601		11,601	11,601		

Fiscal Year 2009 Proposed Budget

Town of Needham General Fund Budget Recommendations							
Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	Over FY 2008 Over FY 2008	% Over FY 2008
Finance Department							
Personnel	1,291,273	1,304,013		1,304,013	1,304,013	12,740	
Expenses	654,836	710,807	62,000	772,807	760,807	105,971	Includes one-time expense
Operating Capital	20,000	25,000		25,000	20,000		
Total	1,966,109	2,039,820	62,000	2,101,820	2,084,820	118,711	6.0%
Finance Committee							
Personnel	28,547	28,547		28,547	28,547		
Expenses	650	900		900	900	250	
Operating Capital							
Total	29,197	29,447		29,447	29,447	250	0.9%
General Government Group	3,219,104	3,342,013	142,000	3,484,013	3,368,513	149,409	4.6%
Planning & Economic Development							
Personnel	195,469	197,130	35,000	232,130	197,130	1,661	
Expenses	11,060	16,260	3,500	19,760	18,010	6,950	
Operating Capital							
Total	206,529	213,390	38,500	251,890	215,140	8,611	4.2%
Conservation Department							
Personnel	62,438	64,730	3,497	68,227	64,730	2,292	
Expenses	7,815	8,105	31,160	39,265	8,105	290	
Operating Capital							
Total	70,253	72,835	34,657	107,492	72,835	2,582	3.7%
Board of Appeals Department							
Personnel	24,239	25,091		25,091	25,091	852	
Expenses	3,290	3,290		3,290	3,290		
Operating Capital							
Total	27,529	28,381		28,381	28,381	852	3.1%
Land Use & Development Group	304,311	314,606	73,157	387,763	316,356	12,045	4.0%

Town of Needham						
General Fund Budget Recommendations						
Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	Over FY 2008 Over FY 2008 Over FY 2008
						\$ %
Police Department						
Personnel	4,307,656	4,502,553		4,502,553	4,481,553	173,897
Expenses	281,961	272,606		272,606	272,606	(9,355)
Operating Capital	140,582	138,034		138,034	138,034	(2,548)
Total	4,730,199	4,913,193		4,913,193	4,892,193	161,994 3.4%
Fire Department						
Personnel	5,256,573	5,625,826		5,625,826	5,590,826	334,253
Expenses	248,387	261,988		261,988	258,988	10,601
Operating Capital						
Total	5,504,960	5,887,814		5,887,814	5,849,814	344,854 6.3%
Building Inspector						
Personnel	407,324	414,590	26,663	441,253	414,590	7,266
Expenses	13,633	15,682	7,500	23,182	15,682	2,049
Operating Capital						
Total	420,957	430,272	34,163	464,435	430,272	9,315 2.2%
Public Safety Group						
	10,656,116	11,231,279	34,163	11,265,442	11,172,279	516,163 4.8%
Minuteman						
	571,356	571,356		571,356	546,356	(25,000) -4.4%
Needham Public Schools						
	40,799,858	43,771,920		43,771,920	42,447,250	1,647,392 4.0%
Department of Public Works						
Personnel	2,988,094	3,111,145	767,965	3,879,110	3,111,145	123,051
Expenses	1,223,339	1,286,904	1,552,036	2,838,940	1,246,904	23,565
Operating Capital			320,000	320,000		
Snow and Ice Budget	200,000	200,000		200,000	200,000	
Total	4,411,433	4,598,049	2,640,001	7,238,050	4,558,049	146,616 3.3%
Municipal Parking Program						
Program Total	203,900	203,900		203,900	203,900	

Town of Needham General Fund Budget Recommendations							
Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	\$ Over FY 2008 Over FY 2008	% Over FY 2008
Municipal Lighting Program							
Program Total	307,000	339,000		339,000	329,653	22,653	7.4%
Public Works Group	4,922,333	5,140,949	2,640,001	7,780,950	5,091,602	169,269	3.4%
Department of Public Facilities							
Personnel	2,537,211	2,590,614		2,590,614	2,590,614	53,403	
Expenses	3,903,501	4,342,460	120,000	4,462,460	4,342,460	438,959	
Operating Capital		7,000	16,000	23,000	7,000	7,000	
Total	6,440,712	6,940,074	136,000	7,076,074	6,940,074	499,362	7.8%
Health Department							
Personnel	344,624	359,273	30,796	390,069	360,069	15,445	
Expenses	44,058	44,463	25,000	69,463	69,463	25,405	
Operating Capital							
Total	388,682	403,736	55,796	459,532	429,532	40,850	10.5%
Diversified Community Social Services							
Personnel	466,486	481,805	9,937	491,742	481,805	15,319	
Expenses	38,770	39,361		39,361	39,361	591	
Operating Capital							
Total	505,256	521,166	9,937	531,103	521,166	15,910	3.1%
Commission on Disabilities							
Personnel							
Expenses	550	550		550	550		
Operating Capital							
Total	550	550		550	550		
Historical Commission							
Personnel							
Expenses	550	550	1,000	1,550	1,050	500	
Operating Capital							
Total	550	550	1,000	1,550	1,050	500	90.9%

Town of Needham						
General Fund Budget Recommendations						
Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	Over FY 2008 Over FY 2008
						\$
						%
Needham Public Library						
Personnel	1,000,410	1,009,467	64,238	1,073,705	1,009,467	9,057
Expenses	235,242	250,959	26,895	277,854	250,959	15,717
Operating Capital						
Total	1,235,652	1,260,426	91,133	1,351,559	1,260,426	24,774
Parks and Recreation Department						
Personnel	423,651	423,101		423,101	423,101	(550)
Expenses	110,875	110,875		110,875	110,875	
Operating Capital						
Total	534,526	533,976		533,976	533,976	(550)
Memorial Park						
Personnel						
Expenses	750	750		750	750	
Operating Capital						
Total	750	750		750	750	
Community Services Group						
	2,665,966	2,721,154	157,866	2,879,020	2,747,450	81,484
Department Budgets	69,579,756	74,033,351	3,183,187	77,216,538	72,629,880	3,050,124
Town Wide Expense Group	27,571,060	28,364,132		28,364,132	28,364,132	793,072
Total General Fund Operating Budget	97,150,816	102,397,483	3,183,187	105,580,670	100,994,012	3,843,196
						4.0%

Town of Needham CPA Fund Budget Recommendations						
Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	% Change
						\$
Community Preservation Committee						
Personnel	31,000	31,000		31,000	28,500	(2,500)
Expenses	89,000	89,000		89,000	86,000	(3,000)
Operating Capital						
Program Total	120,000	120,000		120,000	114,500	(5,500)
						-5%

**Town of Needham
Enterprise Fund Budget Recommendations**

Description	FY 2008 Budget as of 12/2007	FY 2009 Budget Submission	FY 2009 DSR4 Submission	FY 2009 Total Submission	Town Manager's FY 2009 Balanced Budget	\$ Change	% Change
RTS Department Budget							
Personnel	571,180	579,679	43,076	622,755	622,755	51,575	
Expenses	1,228,375	1,037,995	95,050	1,133,045	1,107,045	(121,330)	
Operating Capital	58,000	58,000		58,000	58,000		
Debt Service	150,000	150,000		150,000	150,000		
Reserve Fund	45,000	45,000		45,000	45,000		
Total	2,052,555	1,870,674	138,126	2,008,800	1,982,800	(69,755)	-3%
Sewer Department Budget							
Personnel	575,289	591,719		591,719	591,719	16,430	
Expenses	254,010	261,234		261,234	261,234	7,224	
Operating Capital	25,000	25,000		25,000	25,000		
MWRA	5,205,317	5,205,317		5,205,317	5,205,317		
Debt Service	1,150,000	1,175,000		1,175,000	1,175,000	25,000	
Reserve Fund	35,000	35,000		35,000	35,000		
Total	7,244,616	7,293,270		7,293,270	7,293,270	48,654	1%
Water Department Budget							
Personnel	940,917	934,578		934,578	934,578	(6,339)	
Expenses	964,300	970,767		970,767	970,767	6,467	
Operating Capital	20,000	20,000		20,000	20,000		
MWRA	977,545	977,545		977,545	977,545		
Debt Service	1,300,000	1,350,000		1,350,000	1,350,000	50,000	
Reserve Fund	75,000	75,000		75,000	75,000		
Total	4,277,762	4,327,890		4,327,890	4,327,890	50,128	1%