

Town of Needham
General Fund
Revenue and Expense
FY2016 – FY2020 Pro Forma

Released

August 19, 2014

Intentionally Blank

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General Fund Revenue and Expense Pro Forma
FY2016 – FY2020

Overview

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

As in prior years, we forecast revenues and expenditures in a conservative manner, reflective of current and anticipated trends. Although each year the variance between the revenue estimates and expenditure estimates grows, the line of focus should be the incremental gap. Because the Town can not approve a deficit budget, (so the gap between revenue and expenses is closed every year), the deficit is not growing by the amount shown on Line I, but rather the gap to be closed in each year is the incremental amount shown on Line II (see page 17). With any forecast based on past trends and future assumptions, revenues and expenses are better known as we come into the actual year. It is important to note that, even in the best of recent economic climates, the Pro Forma budget reflected a gap between estimated revenues and expenditures.

In this analysis, we present the FY2015 operating budget (with assumed actions to be taken at the October Special Town Meeting) and current revenue estimates, the immediate four prior fiscal year final adjusted budgets (2014,

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2013, 2012, and 2011), and a five year outlook. Unless otherwise stated, the FY2015 operating budget is the base year on which annual changes are calculated. For the purposes of this report, we have removed the debt exclusions and CPA debt service amounts that are part of the actual General Fund operating budget which are budgetarily neutral.

The estimated expenditure requests for FY2016 at \$135,500,227 are \$5,851,984 more than the revised expenditure total for FY2015. The projected revenue figure is \$134,692,459 compared to \$129,648,243 currently estimated for FY2015 - an increase of \$5,044,216. The gap between estimated revenue and estimated expenditures for FY2016 of \$807,768 is greater when compared to the \$617,173 figure shown as the incremental gap for FY2016 in the September 12, 2013 Pro Forma. The incremental gap between estimated revenue and estimated expenditures is greater in each of the out years (FY2017 – FY2019) when compared to the September 12, 2013 report. The incremental gap for FY2020 is \$2,279,853. The major influence on the trend is the projection of higher educational related expenses, and resumption in the rate of increase in health insurance costs and other post-employment expenses.

Revenues

As in prior reports, we have assumed no operating overrides for any of the future fiscal years. As stated earlier, because we have removed the excluded debt and CPA debt service from the expenditure side, we have also removed the debt-excluded revenue and MSBA payments, if any, and Community Preservation Act funds from the revenue projections, as they are offsetting. We have adjusted the FY2015 revenue budget to reflect the adoption of the 2015 State Budget. The current estimate for property tax New Growth revenue has been increased from that assumed for the May 2014 Annual Town Meeting. Total available revenue is estimated to increase between

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3.9% and 3.2% (higher percentages in the earlier years) each year. However, core revenue (property taxes, state aid, and local receipts), most of which is considered recurring revenue, runs higher between 4.1% and 3.2% over the FY2016 – FY2020 timeframe, again higher in the earlier years. General Fund recurring revenue is estimated at 4.1% for FY2016, then 3.9% for FY2017, lowering to 3.5% for FY2018, and then 3.2% more per year for FY2019 and FY2020.

Property Taxes

As anticipated with the development of several commercial facilities in Needham Crossing, we expect New Growth tax revenue to be higher in FY2015 and FY2016, and now FY2017, than it would have been without the new developments. Needham's residential market remains strong, but as the number of smaller homes on large lots declines, the opportunities for greater New Growth property tax revenue, also lessens. The value of the remaining small homes will likely continue to increase in value at a greater percentage due to market forces (but change in value due to market price does not generate tax revenue, it only determines the distribution of the tax levy). We allow for the annual 2.5% increase in the tax levy each year, and have increased the New Growth revenue assumption for FY2016 to 2.0%, FY2017 to 1.75%, and FY2018 at 1.25%. However, we continued the New Growth assumption for FY2019 and beyond at the same 0.9% in prior years. As noted previously, we have made no allowance for operating overrides, and we have removed the debt exclusion revenue as we have removed the debt exclusion payments from this report.

State Aid

We still have concerns whether the Commonwealth will be able to sustain a growing aid allocation to the communities, given the reductions that will be seen as Washington D.C. moves to narrow the deficit. We continue

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to forecast a 1.0% annual reduction in all state aid accounts for each of the five years except for two of the major state aid programs. Chapter 70, which is the greatest percent of the overall aid from the Commonwealth for Needham, is assumed to be level dollar in FY2016, and will increase by 0.50% for FY2017. Over the three remaining years we assume FY2018 and FY2020 will be level funded, but FY2019 will increase by 1.0%. With the continued growth in state lottery proceeds and the expectation that one or more casinos may be open in Massachusetts within the next four years, we assume UGGA will increase by 1.0% for FY2016, then increase by 1.5% for FY2017, then 2.0% for FY2018, then 2.5% for FY2019 and FY2020. The growth factor in the out years is based on the assumption that the State will not divert lottery funds from the municipalities, when the lottery is growing and it would not want the cities and towns to see less revenue if lottery revenue declines due to casinos opening in the Commonwealth. However, a pending ballot question to repeal casinos, if approved, will likely change funding assumptions.

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

Local Receipts

The Town plans on a certain level of recurring Free Cash, so our practice is to estimate receipts, principally local receipts, in such a manner as to generate surplus to provide for the following year's Free Cash estimate. For FY2016 we estimate that most local receipts will increase by 4.2%, then increase at 3.9% for FY2017, then at 3.5% for FY2018, and the out years we estimate local receipts to be increased by a flat 3% per year, except as noted below for motor vehicle excise and investment (interest) income.

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The Pro Forma in the prior two years assumed that pent up demand for new vehicles would generate more excise tax revenue for the Town. Vehicle sales were much improved and current sales, albeit lower, are good. Therefore we have assumed a higher percentage increase estimate for FY2016 at the same 4.2% as other local receipts. We anticipate a slowdown in the number of new vehicle purchased when the cycle enters its down-trough. Therefore we have a lower percentage increase for excise revenue than we do for other local receipts in FY2017 and FY2018, with a 3.0% assumption for each year through FY2020. Given that motor vehicle excise is usually the largest local receipt category, a shortfall in this revenue stream could materially impact the Town's Free Cash position in the succeeding year, and therefore our estimates continue to be conservative and are held below actual collections.

Interest income has improved in the last few years when compared to successive declines in revenue year after year for several years. The FY2013 actual revenue was \$84,803 compared to a budget estimate of \$80,000, a positive result. But in each of the three years prior, even after a downward estimate from the amount assumed at the time of the Annual Town Meeting, investment income came in under the budget estimate. FY2012 actual revenue was \$103,130 compared to a budget estimate of \$150,000; FY2011 actual revenue was \$222,981 compared to a budget estimate of \$325,000; and the FY2010 actual was \$497,129 compared to a budget estimate of \$545,000. We are cautiously optimistic that income will increase, but at a lower growth rate than local revenue overall, we still assume a 3% increase for FY2016 and for the out years.

Other Revenues

We continue to assume that abatement and exemption activity will remain predictable, and have made allowances that \$500,000 in overlay surplus should be available for appropriation each year. We are still in the process of

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tabulating FY2014 financial activities and preparing for the financial audit. We will not have a firm estimate of Free Cash until the fall. Early indications for 2015 Free Cash are between \$4.0 and \$5.0 million. We are assuming Free Cash for the upcoming year will be \$4,000,000 which is approximately 85% of the 2010 – 2015 average. The Free Cash amount is then assumed to increase annually by the rate of growth in core revenues (property tax, state aid, and local receipts); the annual change in this revenue category is between 4.1% and 3.2%. Free Cash is also affected by extraordinary turn backs, one-time revenue, allowances made for uncollectable receivables, and deficits in other funds. The Pro Forma continues to assume that any Free Cash amount in excess of the operating budget allocation will be used for increased capital investment or reserved in the capital funds for ongoing future needs. This strategy reduces the Town's dependence on reserves to fund recurring operating expenses, and/or to fund other non-operating costs. In recognition that most every year there are some additional resources which become available for appropriation, we have included \$100,000 in the FY2016 revenue assumption and grow the amount by 3.0% per year. The estimates are the same as used in the prior year's Pro Forma based on a five year average, after excluding operating budget reallocation towards capital and reserves that have been appropriated for capital and special warrant articles. Parking meter revenue is projected to increase to provide \$48,000 in FY2016 and increase annually at two percent per year thereafter.

Expenditures

The FY2015 budget is the base year on which the out year estimates are calculated. With respect to department expenditures, we assume a 4.3% increase in total wage and salary expenses for FY2016, an increase of 4.1% in FY2017, and then 3.9% thereafter, except where otherwise noted. Furthermore, other than as outlined below, all other budget items are assumed at a 1.67% annual increase, consistent with the average change in the consumer price index (Northeast Index of all urban consumers) of the past five full calendar years (2009 – 2013). This index

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is used in consideration of the fact that the marketplace in which the Town purchases goods and services extends beyond the local Boston Metropolitan area, and this index is therefore more reflective of the mix of vendors from which the Town purchases. The calculated average with the same index in the prior four years was: 2.20%, 2.32%, 2.43%, and 2.77%, respectively. We note that the three year average (2011 – 2013) for the index is 2.12%. Therefore although we keep with the methodology of the five year average, it is unlikely that inflation will be that low for five years, or that the rate of change in the Pro Forma update next year will be as low. Five expenditure categories which are part of multiple department budgets and have been growing at a much greater rate and/or are more volatile than expenses in general include energy; repairs and maintenance services; materials and supplies for buildings, vehicles, and equipment; software and technology; and groundskeeping supplies.

Energy and Fuel Costs

The change in gasoline prices in the Boston area over the last five years has been significant in some years and flat in others. The June over June average increased by more than 5% in FY2010 over FY2009, and by more than 37% in FY2011. June 2012 saw the average price drop by more than 7% from the previous fiscal year, but increased by .66% for FY2013. FY2014 saw the June average price increased by more than 4.1% over the prior year. When looking at the average price by calendar year, other than 2013 (most current data), every year shows a higher price. The 2009 average price per gallon was \$2.31, which increased to \$2.75 per gallon in 2010, up to \$3.51 for 2011, and then to \$3.63 for 2012. The price in 2013 dropped to \$3.50. Diesel fuel pricing also reflects wide swings, yet the three year annual percentage change average shows as a negative .17%. A similar picture for heating oil plays out, with the three year average showing a decline of more than 0.3%. For the purpose of the Pro Forma, we continue with the assumption from last year that the budget will increase by 3.5% for FY2016, and then by 2.5% for FY2017. The out years are based on the lower CPI. The same holds with the diesel fuel budgets,

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where the assumed increase for FY2016 is 6.0%, 4.0% for FY2017, and then the CPI rate thereafter. The heating oil budget increase is assumed at 4.0% per year.

The news with electricity and natural gas are still positive, with pricing much more stable over the last five years. However, there have recently been some upward pressures on natural gas pricing, which if not abated, may offset some of the energy efficiency efforts performed during the past few years. We have modified our assumption that natural gas expenses would track with the five year CPI rate for FY2016 forward to an assumed rate of 2.5% a year. We continue to assume electricity will grow at the CPI rate in the out years.

Building and Equipment Maintenance

The Town has invested much into its facilities over the past 15 years, enlarged several buildings, reopened a school, and added two new buildings. An increased level of repair and maintenance of the buildings is to be expected. The Town and School departments have also prioritized efforts to maintain and repair equipment and vehicles. The Town's overall average change in actual expenses based on the 10 year period (FY2004 – FY2013) for repairs and maintenance services, supplies and materials, we assume these expenses will grow at 6.2% per year. The actual expenditures for building and equipment repair services have increased on average, over that ten year period at approximately 6.9%; over the five year period at 6.2%, and the three year period at 18.5%. Building supplies and materials corresponding averages have been 19.5%, 33.5%, and a negative 2.7%. The budgets impacted by this assumption include, Board of Selectmen/Town Manager, (FY15 budgeted amount for these expenses is \$12,389); Town Clerk (\$3,070); Finance Department (\$13,200); Police Department (\$50,400); Fire Department (\$69,477); School Department (\$195,678); Public Works (\$209,027); Municipal Lighting (\$62,404); Public Facilities (\$869,707); Health Department (\$513); Human Services (\$4,000); Library (\$2,096);

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Park and Recreation (\$50,000), and Memorial Park (\$350). Therefore these costs do have a significant impact on the Town's operations and flexibility.

Town Wide Expenses

Health insurance and related costs are again creeping upward at a higher percent than expenses in general. After a few years of moderate increases in the Town's health insurance budget due to changes in plans and offerings, medical inflation, participation, and selection are increasing the costs. For the purpose of this update, we have used the Town's ten-year (FY05 – FY14) actual expense change of 6.2% for the growth rate in FY2016 forward. With respect to retiree health insurance and other post employment benefit costs (OPEB), we have relied upon the July 2013 actuarial schedule for FY2015. However, we have made assumptions starting in FY2016 that the actuarial rate of return will be decreased from 8.0% to 7.75% and the funding schedule will be amended accordingly. The 2013 report showed considerable improvement in the funded ratio of the OPEB liability. The 2011 report reflected assets of \$6.4 million with a funded ratio of 10.9% compared to the 2013 report which has \$15.5 million in assets and a 24.9% funded ratio. Although the funded portion of the liability has grown, so has the overall liability. Total liabilities in 2011 were \$59.2 million, 2013 stands at \$62.3 million.

The retirement assessment is based on a preliminary actuarial funding schedule update for FY2016 for which the rate of return is lowered from 8.0% to 7.75%. It must be noted, however that the Retirement Board and PERAC have not yet acted on the proposed schedule and therefore the estimate may be changed. The retirement assessment budget for FY2015 is \$5,621,400 and based on the preliminary schedule FY2016 will be \$6,149,812, which is an increase of approximately 9.4%. FY2017 and FY2018 both are estimated at 9.4% then declining to approximately a 4.3% increase thereafter. The system is still projected to be fully funded in 2030. The

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noncontributory retirement growth is pegged at 4% per year.

The general insurance budget increase is based on the average change of 4.9% during the ten year period of FY2005 – FY2014 in actual payments and transfers. The unemployment budget is assumed to increase at 4.0% per year. The workers compensation budget line and the updated classification performance and settlements reserve are based on the same 4.0% average. Debt service within the levy limit is maintained at approximately 3% of general revenue.

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

Public Schools

We have assumed a 5.0% increase in the personnel expenditure line, the school department continues to grow at a higher rate than the Town overall. As assumed in the previous Pro Forma, SPED tuition costs have moderated, which is reflected in the budgeted reduction for SPED from \$3,522,184 in FY2014 to \$2,665,396 in FY2015 by the School Department. However, the uncertainties and great fluctuation in tuitions are still a concern, and therefore SPED is assumed to increase at 15% for FY2016, 12% in FY2017, 9% in FY2018, 6% in FY2019 and then at 3% in FY2020. The Needham Public Schools has allocated \$1,073,278 for SPED transportation in FY2015. The School Department has identified this as a cost which is growing faster than many other expenses. We have assumed a

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5.0% growth rate in this expense. As mentioned previously, repairs and maintenance is assumed at 6.2% per year. All other expenses are projected at a 1.67% increase annually.

The Minuteman School assessment fluctuates significantly year to year, because the assessment is a factor of the Department of Education's net school spending calculation, the number of students attending from Needham, and the percentage that the Needham student enrollment bears to the total enrollment. For the purposes of this Pro Forma, we have relied on the average change in the assessment over the ten-year period of FY2005 through FY2014 which is 11.6%. The FY2015 budget figure of \$893,211 (FY2014 was \$733,961) is increased by 11.6% for FY2016 and thereafter.

Municipal Departments

Other considerations to the various municipal budgets in addition to those assumptions previously explained are as follows: The Town Clerk's budget, in addition to the assumed growth rate in salary and wage expenses, also provides for the annual increase/decrease for budget years that a State or Presidential election is held (FY2016 will be \$26,000 less, FY2017 will be \$27,040 more, FY2018 will be \$27,040 less, and FY2019 will be \$28,122 more, the higher amount will be backed out in the subsequent year respectively.) As mentioned previously, repairs and maintenance is assumed at 6.2% per year. All other expenses are projected at a 1.67% increase annually.

We have assumed that the legal expense budget will increase at a rate comparable to the ten year average of actual legal expenses (FY2005 – FY2014) at 3.3% per year, but the salary line will grow at a lower rate of 2.5% per year.

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The Finance Department, which includes the Information Technology Center, is charged with providing and supporting data processing services for all Town departments, which insofar as practical or otherwise necessitated, are centralized under that department. A major cost item is software licensing, and the Town continues to see this cost growing faster than CPI, and it is estimated to grow at 4.5% per year. We have assumed that the legal costs contained in the budget of \$7,800 will grow at the same rate as the legal budget which is 3.3%. These expenses relate directly to property assessment and collection defense. As mentioned previously, repairs and maintenance is assumed at 6.2% per year. Operating capital is assumed at 3.5%. All other expenses are projected at the 1.67% CPI.

The Town has taken deliberate steps over the past several years toward increasing staff and resources in the land use departments of the Town (Planning and Community Development). As the Community Development Department weans off use of wetland funds over several years, the growth in the salary and wage line is expected to be higher than the Town overall. The increase in salary and wages for FY2016 through FY2018 is factored at 5.3%, and then decreasing to rate as the Town overall at 3.9%. All other expenses are projected at the 1.67% CPI rate for each of the five years.

Salary and wage expenses for the Police Department are assumed to increase by approximately 4.8% for FY2016 and FY2017, and then at 4% per year thereafter. The gasoline budget for the Police Department is estimated at the same rates as noted above under energy and fuel cost. As mentioned previously, repairs and maintenance is assumed at 6.2% per year. Operating capital for cruiser replacement is assumed at 3.5%. All other expenses are projected at the 1.67% CPI rate for each of the five years.

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Salary and wage expenses for the Fire Department are assumed to increase by approximately 4.0% for FY2016, then by 4.8% for FY2017 and FY2018, and then at 4% per year thereafter. The Fire Department fuel line will also be impacted by the overall trend in the cost of fuel, but with a greater reliance on diesel fuel than gasoline, this budget expense is assumed at increases noted above. Similar to the Finance Department, the Fire Department's software related costs (\$12,897) are expected to grow at 4.5% per year. Repairs and maintenance is assumed at 6.2% per year and the operating capital line is assumed at 3.5%. All other expenses are projected at the 1.67% CPI rate for each of the five years.

DPW salary and wages are pegged at the same rates as all other departments, except in FY2018 and FY2019 when the rate is assumed at 4.1%. Similar to public safety and public facilities, DPW incurs expense for diesel and gasoline. The DPW vehicle supplies line, which includes fuel, is assumed to grow at the rates noted above. The price of energy does impact the cost of materials and contractors used in roadwork. The cost of these expenses is assumed to grow at 3% per year, rather than the 1.67% assumed for other costs. The budget allocation for related expenses is \$506,900. Another increasing cost is groundskeeping supplies, the actual expense by all General Fund budgets in FY2004 was \$14,062, and in FY2013 that amount was \$117,522. We have assumed the increase in this expense will continue to remain high but at a declining rate of increase; for FY2016 we assume 20%, FY2017 15%, FY2018 10%, FY2019 5%, and FY2020 3%. The FY2015 DPW budget allocation is \$58,332. Repairs and maintenance is assumed at 6.2% per year and the operating capital line is assumed at 3.5%. All other expenses are projected at the 1.67% CPI rate for each of the five years. Another specific adjustment we continue to recommend is an annual increase in the snow and ice budget at 1.0% per year. This is the only operating budget line in which deficit spending is allowed. However, any such deficit must be extinguished by the next fiscal year.

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The municipal parking program budget is estimated at 1.67% per year, but additional funding will be needed and is estimated to add another \$12,000 in FY2016 for additional parking spaces in town and parking at the library, and the \$2,500 allocation for groundskeeping supplies is expected to grow at the same rate explained under DPW (FY2016 20%, FY2017 15%, FY2018 10%, FY2019 5%, and FY2020 3%).

Public Facilities salary and wage lines are assumed at 4.2% for FY2016 and FY2017, and at 4% thereafter. As previously mentioned, natural gas expense (FY2015 budget allocation is \$464,623) is assumed at 2.5% growth rate per year and heating oil (\$150,327) at 4% per year. Repairs and maintenance is a significant expense for this budget and is assumed at 6.2% growth per year. All other expenses are projected at the 1.67% CPI rate for each of the five years.

The Human Services Department increase in salary and wages is expected to track with General Government overall. The Department also pays costs associated with veterans' services. We continue to see greater utilization of services provided by the Veterans District. We continue to assume an annual growth rate of 4% per year. The repairs and maintenance expense is assumed at 6.2% per year. All other expenses are projected at the 1.67% CPI rate for each of the five years.

The Library salary and wage budget is assumed to grow at 3.9% each year, except FY2017 when that increase is assumed at 4.1%. The expense budget is assumed to grow at a 2.5% rate for each of the five years, except software related expense (\$64,030 for FY2015) which are assumed at 4.5% year, and repairs and maintenance which is at 6.2% per year. The 2.5% annual change is to maintain certification.

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For Park and Recreation we assume a 3.9% increase in salary and wages for each year. The FY2015 groundskeeping supplies (\$11,000) budget is estimated to grow at the same rates mentioned for DPW (FY2016 20%, FY2017 15%, FY2018 10%, FY2019 5%, and FY2020 3%). Repairs and maintenance is assumed at 6.2% and natural gas (\$600) is at 2.5% per year. All other expenses are assumed at the same levels as the Town overall.

Memorial Park has two budgeted amounts, repairs and maintenance (\$350) and groundskeeping supplies (\$400); both are increased by the same rates as previously discussed.

Other Appropriations and Expenditures

Lastly, for the purpose of this forecast, we have maintained the recommended approach towards increasing the General Fund cash capital investment with Free Cash. The amount of Free Cash that is used to offset the operating budget is an amount not more than 2.0% of the prior year's appropriated departmental budgets or the actual turn back, whichever is lower. However, reducing reliance on Free Cash (even on the portion that we have a high degree of confidence will be available from year to year) is considered a credit enhancement, and provides an added source of security against an unexpected drop in revenue. The balance of Free Cash is directed to cash capital investment or reserved for future capital investment. The annual cash capital investment is assumed at the recommended Tier One amounts found in the FY2015-FY2019 Capital Improvement Plan with the FY2020 amount based on the estimated percent change in core revenue. Further, we have assumed starting with FY2017 that cash capital will be funded at a dollar amount equal to that which is shown to be funded in the prior year increased by 3% after factoring out the Tier One capital recommended.

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The RTS payment of \$1,420,000 for FY2015 is assumed to increase by 3.25% per year, as is the drains program (\$463,430) in the Sewer Enterprise budget. The total for other financial warrant articles is assumed to increase at an annual rate of 2.5% per year which is based on the \$272,184 five-year average for such appropriations (FY2010 – FY2014). The provision for abatements and exemptions is estimated to be set at an adjusted amount of approximately \$1.6 million for FY2016 and then increases annually at average rate of 3.4%. We have assumed an approximate 3% increase for assessments from the State and County governments (based on the actual ten year average, and 2.5% for tax recap requirements.

End.

**General Fund
Five Year Pro Forma - Excluding Debt Exclusions
FY2016 - FY2020**

Description	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
General Fund										
Property Tax Revenue*	85,815,852	89,620,217	93,736,831	98,898,128	104,996,706	109,721,558	114,384,724	118,674,151	122,709,072	126,881,181
State Aid*	8,227,013	8,578,273	9,314,364	9,601,356	9,966,189	9,980,335	10,043,694	10,074,183	10,196,254	10,236,543
Local Receipts*	7,107,929	7,580,290	7,654,632	8,037,000	8,343,000	8,692,566	8,994,119	9,287,479	9,566,103	9,853,086
Other Revenues and Sources	1,404,029	703,192	1,703,018	1,138,070	540,000	648,000	651,960	656,029	660,211	664,508
Free Cash & Reserves	3,568,037	3,380,269	5,366,720	8,135,372	4,152,348	4,000,000	4,165,071	4,328,180	4,477,833	4,621,723
Reimbursements	1,659,715	1,615,715	1,608,539	1,668,967	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Revenues	\$107,782,575	\$111,477,956	\$119,384,104	\$127,478,893	\$129,648,243	\$134,692,459	\$139,889,568	\$144,670,023	\$149,259,473	\$153,907,041
* CORE Revenue Change	3.6%	4.6%	4.7%	5.3%	11.4%	4.1%	3.9%	3.5%	3.2%	3.2%
Appropriations and Other Commitments										
Operating Budget	101,645,519	103,977,812	110,041,274	115,374,173	121,487,851	127,770,397	134,349,026	141,023,726	147,598,013	154,262,490
Special Financial Articles	66,446	574,587	372,699	263,095	58,805	272,184	278,989	285,963	293,112	300,440
Capital Funded by Cash	2,271,749	1,817,051	3,786,633	6,066,941	2,667,260	2,471,430	2,479,122	2,485,855	2,499,650	2,578,591
Appropriated to Other Funds	975,434	1,050,283	1,993,428	2,276,877	1,924,125	1,985,336	2,049,758	2,116,271	2,184,941	2,255,841
Other Obligations & Adjustments	2,823,427	4,058,223	3,190,070	3,497,807	3,510,202	3,000,880	3,097,059	3,196,335	3,298,809	3,404,584
Total	\$107,782,575	\$111,477,956	\$119,384,104	\$127,478,893	\$129,648,243	\$135,500,227	\$142,253,954	\$149,108,150	\$155,874,525	\$162,801,946
I Surplus/(Deficit)	0	0	0	0	0	(807,768)	(2,364,386)	(4,438,127)	(6,615,052)	(8,894,905)
II Incremental Gap							(1,556,618)	(2,073,742)	(2,176,925)	(2,279,853)

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

Description	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
Real & Personal Property Tax										
Real & Personal Property Tax w/o Exclusions	85,815,852	89,620,217	93,736,831	98,898,128	103,448,296 1,548,410	109,721,558	114,384,724	118,674,151	122,709,072	126,881,181
General Override										
SUBTOTAL	85,815,852	89,620,217	93,736,831	98,898,128	104,996,706	109,721,558	114,384,724	118,674,151	122,709,072	126,881,181
State Aid										
State Aid for Education	6,622,455	7,084,895	7,708,707	7,968,430	8,276,905	8,276,533	8,317,364	8,317,000	8,399,449	8,399,092
State Aid For General Government	1,604,558	1,493,378	1,605,657	1,632,926	1,689,284	1,703,802	1,726,330	1,757,183	1,796,805	1,837,452
SBA/MSBA Programs										
SUBTOTAL	8,227,013	8,578,273	9,314,364	9,601,356	9,966,189	9,980,335	10,043,694	10,074,183	10,196,254	10,236,543
Local Receipts										
Motor Vehicle Excise	3,250,000	3,500,000	3,670,000	3,850,000	3,925,000	4,089,850	4,212,546	4,338,922	4,469,090	4,603,162
Licenses & Permits	800,000	800,000	1,115,000	1,300,000	1,400,000	1,458,800	1,515,693	1,568,742	1,615,805	1,664,279
Investment Income	325,000	150,000	80,000	67,500	70,000	72,100	74,263	76,491	78,786	81,149
Other Local Receipts	2,732,929	3,130,290	2,789,632	2,819,500	2,948,000	3,071,816	3,191,617	3,303,323	3,402,423	3,504,496
SUBTOTAL	7,107,929	7,580,290	7,654,632	8,037,000	8,343,000	8,692,566	8,994,119	9,287,479	9,566,103	9,853,086
CORE Revenue	\$101,150,794	\$105,778,780	\$110,705,827	\$116,536,484	\$123,305,895	\$128,394,459	\$133,422,537	\$138,035,813	\$142,471,429	\$146,970,810
Other Revenues and Sources										
Overlay Surplus	500,199	500,000	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Parking Meter Receipts	25,000	40,000	40,000	40,000	40,000	48,000	48,960	49,939	50,938	51,957
Restricted Proceeds			28,018							
Unexpended Articles and Other Sources	87,645	73,192	485,000	98,070		100,000	103,000	106,090	109,273	112,551
Reuse of Operating Budget	791,185	90,000	650,000							
SUBTOTAL	1,404,029	703,192	1,703,018	1,138,070	540,000	648,000	651,960	656,029	660,211	664,508
Free Cash & Reserves										
Athletic Facility Improvement Fund										
Capital Improvement Fund										
Capital Facility Fund										
Stabilization Funds										
Free Cash	3,568,037	3,380,269	5,366,720	8,135,372	4,152,348	4,000,000	4,165,071	4,328,180	4,477,833	4,621,723
SUBTOTAL	3,568,037	3,380,269	5,366,720	8,135,372	4,152,348	4,000,000	4,165,071	4,328,180	4,477,833	4,621,723
Total General Fund Revenue	\$106,122,860	\$109,862,241	\$117,775,565	\$125,809,926	\$127,998,243	\$133,042,459	\$138,239,568	\$143,020,023	\$147,609,473	\$152,257,041
Reimbursements										
Reimbursements due from Other Funds	1,659,715	1,615,715	1,608,539	1,668,967	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Available for Expenditure	\$107,782,575	\$111,477,956	\$119,384,104	\$127,478,893	\$129,648,243	\$134,692,459	\$139,889,568	\$144,670,023	\$149,259,473	\$153,907,041

General Fund
Five Year Pro Form
General Fund Recurring Revenue Detail

Line Description Real & Personal Property Tax	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
Real & Personal Property w/o Exclusions	\$82,052,951.08	\$85,840,585.86	\$89,636,531.00	\$93,756,886.00	\$98,925,881.00	\$104,996,706.03	\$109,721,557.80	\$114,384,724.00	\$118,674,151.15	\$122,709,072.29
Annual Allowance	\$2,051,323.78	\$2,146,014.65	\$2,240,913.00	\$2,343,970.00	\$2,473,147.03	\$2,624,917.65	\$2,743,038.94	\$2,859,618.10	\$2,966,853.78	\$3,067,726.81
New Growth	\$1,731,827.00	\$1,649,930.00	\$1,879,442.00	\$2,825,025.00	\$2,049,268.00	\$2,099,934.12	\$1,920,127.26	\$1,429,809.05	\$1,068,067.36	\$1,104,381.65
General Override					\$1,548,410.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total General Levy	\$85,840,585.86	\$89,636,530.50	\$93,756,886.00	\$98,925,881.00	\$104,996,706.03	\$109,721,557.80	\$114,384,724.00	\$118,674,151.15	\$122,709,072.29	\$126,881,180.75

Line Description STATE AID	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
Chapter 70	\$6,590,957	\$6,991,720	\$7,633,990	\$7,901,802	\$8,239,740	\$8,239,740	\$8,280,939	\$8,280,939	\$8,363,748	\$8,363,748
School Transportation										
Charter School Tuition Reimbursement	\$4,479	\$61,276	\$42,269	\$36,217	\$5,358	\$5,304	\$5,251	\$5,199	\$5,147	\$5,095
School Lunch	\$27,019	\$31,899	\$32,448	\$30,411	\$31,807	\$31,489	\$31,174	\$30,862	\$30,554	\$30,248
Unrestricted General Government Aid	\$1,476,550	\$1,369,789	\$1,476,550	\$1,511,453	\$1,553,368	\$1,568,902	\$1,592,435	\$1,624,284	\$1,664,891	\$1,706,513
Police Career Incentive	\$12,624									
Veterans Benefits	\$9,724	\$16,077	\$17,735	\$22,877	\$34,352	\$34,352	\$34,352	\$34,352	\$34,352	\$34,352
Chapter 59 Elderly Exemptions	\$76,620	\$77,398	\$81,584	\$68,897	\$64,136	\$63,495	\$62,860	\$62,231	\$61,609	\$60,993
Public Library Aid	\$29,040	\$30,114	\$29,788	\$29,699	\$37,428	\$37,054	\$36,683	\$36,316	\$35,953	\$35,594
Total Line	\$8,227,013	\$8,578,273	\$9,314,364	\$9,601,356	\$9,966,189	\$9,980,335	\$10,043,694	\$10,074,183	\$10,196,254	\$10,236,543

General Fund
Five Year Pro Form
General Fund Recurring Revenue Detail

Line Description	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
LOCAL RECEIPTS										
Motor Vehicle Excise	\$3,250,000	\$3,500,000	\$3,670,000	\$3,850,000	\$3,925,000	\$4,089,850	\$4,212,546	\$4,338,922	\$4,469,090	\$4,603,162
Other Excise	\$385,000	\$645,000	\$690,000	\$795,000	\$835,000	\$870,070	\$904,003	\$935,643	\$963,712	\$992,623
Penalties & Interest	\$265,000	\$265,000	\$265,000	\$230,000	\$230,000	\$239,660	\$249,007	\$257,722	\$265,454	\$273,417
Payment in Lieu of Tax	\$70,000	\$45,000	\$45,000	\$45,000	\$45,000	\$46,890	\$48,719	\$50,424	\$51,937	\$53,495
Charges for Services	\$900,000	\$720,000	\$555,000	\$555,000	\$555,000	\$578,310	\$600,864	\$621,894	\$640,551	\$659,768
Fees	\$75,000	\$75,000	\$90,000	\$90,000	\$90,000	\$93,780	\$97,437	\$100,848	\$103,873	\$106,989
Rents	\$140,000	\$140,000	\$150,000	\$165,000	\$173,000	\$180,266	\$187,296	\$193,852	\$199,667	\$205,657
Library Department Income	\$55,000	\$55,000	\$50,000	\$50,000	\$50,000	\$52,100	\$54,132	\$56,027	\$57,707	\$59,439
Recreation Department Income	\$250,000	\$250,000	\$250,000	\$225,000	\$200,000	\$208,400	\$216,528	\$224,106	\$230,829	\$237,754
Other Department Income	\$320,000	\$320,000	\$334,000	\$400,000	\$475,000	\$494,950	\$514,253	\$532,252	\$548,219	\$564,666
Licenses & Permits	\$800,000	\$800,000	\$1,115,000	\$1,300,000	\$1,400,000	\$1,458,800	\$1,515,693	\$1,568,742	\$1,615,805	\$1,664,279
Fines	\$165,000	\$165,000	\$156,000	\$129,500	\$140,000	\$145,880	\$151,569	\$156,874	\$161,580	\$166,428
Investment Income	\$325,000	\$150,000	\$80,000	\$67,500	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786	\$81,149
Miscellaneous Income	\$72,500	\$106,000	\$135,000	\$134,000	\$155,000	\$161,510	\$167,809	\$173,682	\$178,893	\$184,259
Miscellaneous Income - Nonrecu	\$53,164	\$349,147	\$69,632	\$5,633						
Adjustment Funds Used for Excl	-\$17,735	-\$4,857		-\$4,633						
Total Line	\$7,107,929	\$7,580,290	\$7,654,632	\$8,037,000	\$8,343,000	\$8,692,566	\$8,994,119	\$9,287,479	\$9,566,103	\$9,853,086

**General Fund
Five Year Pro Forma
Operating Budget**

Description	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
General Government	3,544,486	3,644,860	3,943,093	3,947,078	4,070,006	4,179,157	4,381,777	4,489,758	4,700,450	4,818,440
Land Use and Development	348,934	375,645	391,793	418,043	424,404	445,869	468,455	492,221	510,754	529,999
Public Safety	11,812,664	12,041,847	12,511,942	13,027,952	13,727,122	14,316,695	14,985,036	15,632,654	16,249,497	16,891,041
Education	46,910,339	49,094,360	51,892,719	54,729,548	58,854,499	62,029,559	65,316,785	68,697,292	72,153,954	75,674,700
Public Works	5,443,079	5,089,984	5,308,896	5,309,956	5,472,040	5,678,634	5,879,129	6,091,380	6,307,920	6,523,455
Public Facilities	7,387,362	7,754,286	7,772,462	8,003,190	8,070,926	8,337,805	8,615,320	8,900,144	9,196,279	9,504,235
Community Services	2,919,344	2,960,198	3,023,195	3,182,254	3,337,356	3,467,892	3,603,584	3,739,413	3,879,725	4,025,115
Department Budgets	78,366,208	80,961,180	84,844,100	88,618,021	93,956,353	98,455,613	103,250,086	108,042,861	112,998,579	117,966,986
Change from Prior Year	1.6%	3.3%	4.8%	4.4%	10.7%	4.8%	4.9%	4.6%	4.6%	4.4%
Townwide Expense Group	23,279,311	23,016,632	25,197,174	26,756,152	27,531,498	29,314,784	31,098,940	32,980,865	34,599,434	36,295,503
Change from Prior Year	9.4%	-1.1%	9.5%	6.2%	9.3%	6.5%	6.1%	6.1%	4.9%	4.9%
General Fund Operating Budget	\$101,645,519	\$103,977,812	\$110,041,274	\$115,374,173	\$121,487,851	\$127,770,397	\$134,349,026	\$141,023,726	\$147,598,013	\$154,262,490
Change from Prior Year	3.3%	2.3%	5.8%	4.8%	10.4%	5.2%	5.1%	5.0%	4.7%	4.5%

**General Fund
Five Year Pro Forma
Operating Budget**

Description	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
Non-Contributory Retirement Payments	59,400	32,700	33,400	34,100	34,800	36,192	37,640	39,145	40,711	42,340
Contributory Retirement System	4,552,978	4,722,775	4,997,421	5,420,454	5,621,400	6,149,812	6,727,894	7,360,316	7,673,303	7,999,147
Group Health Insurance & Other Benefits	9,549,125	9,019,724	9,508,775	9,591,409	10,398,872	11,043,602	11,728,305	12,455,460	13,227,699	14,047,816
Retiree Insurance & Insurance Liability Fund	3,626,375	4,406,275	4,923,887	5,535,139	4,940,198	5,336,302	5,568,923	5,811,693	6,065,054	6,329,469
Unemployment Compensation	140,000	140,000	250,000	250,000	100,000	104,000	108,160	112,486	116,986	121,665
Debt Service (CPA and Excluded Debt removed)	2,967,712	3,121,297	3,231,127	3,470,211	3,757,947	3,851,834	4,002,676	4,141,074	4,274,143	4,409,124
Workers Compensation	400,000	450,000	450,000	467,550	586,252	609,702	634,090	659,454	685,832	713,265
Casualty Liability & Self Insurance Program	525,000	525,000	525,000	525,000	542,000	568,558	596,417	625,642	656,298	688,457
Classification Performance & Settlements #	14,358	112,689	19,133	14,046	60,058	62,460	64,959	67,557	70,259	73,070
Reserve Fund ##	1,444,363	486,172	1,258,431	1,448,243	1,489,971	1,552,322	1,629,875	1,708,036	1,789,149	1,871,150
Townwide Expense Group	23,279,311	23,016,632	25,197,174	26,756,152	27,531,498	29,314,784	31,098,940	32,980,865	34,599,434	36,295,503
Board of Selectmen/Town Manager	806,094	806,425	826,252	798,415	822,962	856,024	888,993	921,741	955,748	991,065
Town Clerk/Board of Registrars	321,578	319,953	341,853	321,912	360,376	328,429	389,291	355,246	418,555	383,596
Town Counsel	262,164	298,664	300,039	305,790	327,584	337,732	348,199	358,995	370,131	381,617
Personnel Board	11,600	11,600	11,600	15,600	15,000	15,251	15,505	15,764	16,027	16,295
Finance Department	2,114,432	2,178,619	2,431,985	2,472,468	2,510,397	2,606,618	2,703,277	2,800,104	2,900,631	3,005,004
Finance Committee	28,618	29,599	31,364	32,893	33,687	35,103	36,512	37,908	39,358	40,864
Planning Board	234,488	251,482	261,309	276,286	278,490	292,652	307,556	323,238	335,459	348,150
Community Development	114,446	124,163	130,484	141,757	145,914	153,217	160,900	168,983	175,295	181,849
Police Department	5,279,417	5,229,665	5,506,940	5,624,023	6,062,776	6,346,357	6,642,165	6,901,913	7,174,316	7,457,655
Fire Department	6,071,646	6,340,806	6,515,443	6,844,275	7,080,019	7,361,702	7,710,047	8,073,952	8,393,505	8,725,865
Building Department	461,601	471,376	489,559	559,654	584,327	608,637	632,824	656,789	681,676	707,522
Needham Public Schools	46,541,078	48,501,371	51,112,681	53,995,587	57,961,288	61,032,736	64,204,330	67,455,792	70,768,440	74,128,467
Minuteman Assessment	369,261	592,989	780,038	733,961	893,211	996,823	1,112,455	1,241,500	1,385,514	1,546,233

**General Fund
Five Year Pro Forma
Operating Budget**

Description	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
Public Works Department	4,906,879	4,778,984	5,020,896	5,021,902	5,179,442	5,365,865	5,557,734	5,761,143	5,968,655	6,174,875
Municipal Parking Program	282,900	55,000	55,000	70,250	71,445	85,096	86,917	88,656	90,263	91,824
Municipal Lighting Program	253,300	256,000	233,000	217,804	221,153	227,673	234,477	241,582	249,002	256,756
Public Facilities Department	7,387,362	7,754,286	7,772,462	8,003,190	8,070,926	8,337,805	8,615,320	8,900,144	9,196,279	9,504,235
Health Department	459,841	465,494	488,712	515,549	532,171	552,425	572,606	592,637	613,412	634,959
Human Services	566,156	569,087	588,016	670,348	730,002	760,680	791,413	822,101	853,990	887,128
Commission on Disabilities	550	550	550	550	550	559	569	578	588	597
Historical Commission	1,050	1,050	1,050	1,050	1,050	1,068	1,085	1,103	1,122	1,141
Library	1,336,937	1,369,274	1,382,743	1,419,551	1,475,200	1,529,624	1,588,505	1,647,211	1,708,135	1,771,364
Park & Recreation Commission	554,060	553,993	561,374	574,456	597,633	622,685	648,459	674,756	701,395	728,797
Memorial Park	750	750	750	750	750	852	947	1,026	1,083	1,130
Department Budgets	78,366,208	80,961,180	84,844,100	88,618,021	93,956,353	98,455,613	103,250,086	108,042,861	112,998,579	117,966,986
	-	-	-	-	-	-	-	-	-	-
Total Operating Budget	101,645,519	103,977,812	110,041,274	115,374,173	121,487,851	127,770,397	134,349,026	141,023,726	147,598,013	154,262,490

**General Fund
Five Year Pro Forma
Capital and Other Appropriations**

Description	Final Budget 2011 June 30, 2011	Final Budget 2012 June 30, 2012	Final Budget 2013 June 30, 2013	Final Budget 2014 June 30, 2014	Revised 2015	Pro Forma 2016 August 19, 2014	Pro Forma 2017 August 19, 2014	Pro Forma 2018 August 19, 2014	Pro Forma 2019 August 19, 2014	Pro Forma 2020 August 19, 2014
Other Financial Warrant Articles										
Compensated Absences				\$150,000						
Facility Master Plan Study										
New England Business Center	\$25,000									
Warner Field				\$25,000						
Solar Facility Feasibility			\$15,000	\$15,000						
Energy Challenge	\$10,000									
LED Conversion				\$28,070						
Tree Inventory Matching Funds				\$30,000						
Engineering Study for Energy Upgrades		\$50,000								
Unpaid Bills of Prior Years	\$731	\$248	\$4,346							
Senior Corps	\$15,000	\$15,000	\$15,000							
Property Tax Assistance Program	\$15,715	\$15,051	\$13,353	\$15,025	\$13,805					
Other Financial Warrant Articles					\$10,000					
Workers Compensation		\$494,288	\$325,000							
Blue Tree Replacement					\$35,000					
Special Purpose Articles	\$66,446	\$574,587	\$372,699	\$263,095	\$58,805	\$272,184	\$278,989	\$285,963	\$293,112	\$300,440
General Fund Cash Capital	\$1,500,564	\$1,703,859	\$2,631,633	\$1,034,584	\$2,467,260	\$2,471,430	\$2,215,016	\$2,254,687	\$2,026,054	\$2,578,591
General Fund Cash Capital Supplemental	\$691,185	\$80,000		\$1,543,081			\$264,106	\$231,168	\$473,596	
Other Cash Capital	\$80,000	\$33,192	\$1,155,000	\$3,489,276	\$200,000					
Capital Funded by Cash	\$2,271,749	\$1,817,051	\$3,786,633	\$6,066,941	\$2,667,260	\$2,471,430	\$2,479,122	\$2,485,855	\$2,499,650	\$2,578,591
RTS Enterprise Fund	\$792,673	\$580,673	\$576,938	\$801,458	\$1,420,000	\$1,466,150	\$1,513,800	\$1,562,998	\$1,613,796	\$1,666,244
Sewer Enterprise Fund (Drains Program)		\$469,610	\$493,392	\$858,439	\$463,430	\$478,491	\$494,042	\$510,099	\$526,677	\$543,794
Stabilization Funds										
Capital Improvement Funds	\$182,761		\$923,098	\$616,980	\$40,695	\$40,695	\$41,916	\$43,173	\$44,469	\$45,803
Appropriated to Other Funds	\$975,434	\$1,050,283	\$1,993,428	\$2,276,877	\$1,924,125	\$1,985,336	\$2,049,758	\$2,116,271	\$2,184,941	\$2,255,841
Total Other Appropriations	\$3,313,629	\$3,441,921	\$6,152,760	\$8,606,913	\$4,650,190	\$4,728,950	\$4,807,869	\$4,888,089	\$4,977,703	\$5,134,872
Tax Recap Requirements	\$68,559	\$74,513	\$74,736	\$72,610	\$81,735	\$83,778	\$85,873	\$88,020	\$90,220	\$92,476
State and County Assessments	\$1,080,311	\$1,198,244	\$1,238,429	\$1,273,564	\$1,268,908	\$1,307,102	\$1,346,446	\$1,386,974	\$1,428,722	\$1,471,726
Provisions for Abatement and Exemptions	\$1,584,557	\$2,135,466	\$1,876,905	\$2,151,633	\$2,159,559	\$1,610,000	\$1,664,740	\$1,721,341	\$1,779,867	\$1,840,382
Other Amounts to be Provided	\$2,733,427	\$3,408,223	\$3,190,070	\$3,497,807	\$3,510,202	\$3,000,880	\$3,097,059	\$3,196,335	\$3,298,809	\$3,404,584

General Fund
Change in Salary and Wage Accounts
FY10 - FY15

	FY10	%	FY11	%	FY12	%	FY13	%	FY14	%	FY15 Estimate	%
Board of Selectmen	630,398	7.6%	644,644	2.3%	649,992	0.8%	669,819	3.1%	691,474	3.2%	713,221	3.1%
Town Clerk	263,081	-4.8%	282,308	7.3%	281,663	-0.2%	296,301	5.2%	282,647	-4.6%	312,926	10.7%
Town Counsel	68,664	2.5%	68,664	0.0%	68,664	0.0%	70,039	2.0%	71,790	2.5%	73,584	2.5%
Personnel Board	1,128	-31.3%	600	-46.8%	600	0.0%	600	0.0%	600	0.0%	0	-100.0%
Finance Department	1,326,597	2.3%	1,342,043	1.2%	1,399,514	4.3%	1,600,620	14.4%	1,637,963	2.3%	1,689,418	3.1%
Finance Committee	29,993	0.4%	27,493	-8.3%	28,524	3.8%	30,289	6.2%	31,668	4.6%	32,462	2.5%
Municipal Administration	2,319,861	2.8%	2,365,752	2.0%	2,428,957	2.7%	2,667,668	9.8%	2,716,142	1.8%	2,821,611	3.9%
Planning	207,833	5.6%	218,028	4.9%	235,022	7.8%	244,849	4.2%	259,826	6.1%	262,030	0.8%
Community Development	97,829	5.9%	102,588	4.9%	112,305	9.5%	118,626	5.6%	129,899	9.5%	134,056	3.2%
Land Use & Development	305,662	5.7%	320,616	4.9%	347,327	8.3%	363,475	4.6%	389,725	7.2%	396,086	1.6%
Police Department	4,771,895	5.4%	4,884,190	2.4%	4,863,916	-0.4%	4,959,157	2.0%	5,175,845	4.4%	5,581,122	7.8%
Fire Department	5,722,539	1.9%	5,812,408	1.6%	6,100,123	5.0%	6,249,767	2.5%	6,581,793	5.3%	6,758,281	2.7%
Building Department	444,020	5.1%	445,919	0.4%	443,280	-0.6%	460,619	3.9%	528,614	14.8%	553,287	4.7%
Public Safety	10,938,454	3.5%	11,142,517	1.9%	11,407,319	2.4%	11,669,543	2.3%	12,286,252	5.3%	12,892,690	4.9%
Public Works - General Fund Only	3,258,049	3.8%	3,393,323	4.2%	3,049,989	-10.1%	3,109,481	2.0%	3,207,178	3.1%	3,292,737	2.7%
Public Facilities	2,875,501	10.2%	2,870,212	-0.2%	3,087,351	7.6%	3,227,402	4.5%	3,407,208	5.6%	3,511,858	3.1%
Health Department	377,408	3.7%	383,012	1.5%	388,665	1.5%	401,658	3.3%	418,295	4.1%	431,297	3.1%
Human Services	525,393	4.7%	488,996	-6.9%	498,717	2.0%	510,811	2.4%	555,478	8.7%	598,161	7.7%
Public Library	1,075,014	4.0%	1,076,094	0.1%	1,077,213	0.1%	1,071,967	-0.5%	1,103,803	3.0%	1,156,157	4.7%
Park & Recreation Department	441,142	2.6%	443,185	0.5%	443,118	0.0%	453,499	2.3%	468,456	3.3%	483,633	3.2%
Community Services	2,418,957	3.8%	2,391,287	-1.1%	2,407,713	0.7%	2,437,935	1.3%	2,546,032	4.4%	2,669,248	4.8%
1) Town Departments (including enterprise employees)	24,359,587	4.4%	24,796,215	1.8%	25,282,302	2.0%	26,059,820	3.1%	27,199,186	4.4%	28,355,394	4.3%
2) School Department	39,247,086	5.3%	40,264,790	2.6%	40,908,300	1.6%	43,903,789	7.3%	46,737,632	6.5%	51,156,319	9.5%
3) Total Salary and Wage (1+2)	63,606,673	4.9%	65,061,005	2.3%	66,190,602	1.7%	69,963,609	5.7%	73,936,818	5.7%	79,511,713	7.5%
Department of Public Works (including enterprise employees)	5,501,152	4.1%	5,705,831	3.7%	5,603,635	-1.8%	5,693,797	1.6%	5,853,827	2.8%	6,063,901	3.6%

Consumer Price Index - All Urban Consumers (Northeast)	
CY	Annual
2009	229.34
2010	233.87
2011	241.00
2012	245.70
2013	249.04
2009	0.02%
2010	1.97%
2011	3.05%
2012	1.95%
2013	1.36%
Five Year Average	1.67%
Three Year Average	2.12%

**Town of Needham
General Fund
Five Year Pro Forma
Energy Prices**

Year	Regular Unleaded Gasoline Per Gallon - Boston Area			Fuel Oil #2 - Northeast			Electricity per kWh - Northeast		
	June Average Price	One Year % Change	Calendar Year Average Price	June Average Price	One Year % Change	Calendar Year Average Price	June Average Price	One Year % Change	Calendar Year Average Price
2009	\$2.579	-36.10%	\$2.31	\$2.454	-46.74%	\$2.54	\$0.17	0.00%	\$0.16
2010	\$2.725	5.66%	\$2.75	\$2.743	11.78%	\$2.92	\$0.17	0.00%	\$0.17
2011	\$3.738	37.17%	\$3.51	\$3.805	38.72%	\$3.69	\$0.17	0.00%	\$0.16
2012	\$3.468	-7.22%	\$3.63	\$3.473	-8.73%	\$3.72	\$0.16	-5.88%	\$0.16
2013	\$3.491	0.66%	\$3.50	\$3.529	1.61%	\$3.69	\$0.16	0.00%	\$0.17
2014	\$3.637	4.18%	NA	\$3.746	6.15%	NA	\$0.17	6.25%	NA
	Average of the Annual % Change (Five Years)	8.09%		Average of the Annual % Change (Five Years)	9.91%		Average of the Annual % Change (Five Years)	0.07%	
	Average of the Annual % Change (Three Years)	-0.79%		Average of the Annual % Change (Three Years)	-0.32%		Average of the Annual % Change (Three Years)	0.12%	
	June 2014 Average Price % Change from June 2010 Average Price	33.47%		June 2014 Average Price % Change from June 2010 Average Price	36.57%		June 2014 Average Price % Change from June 2010 Average Price	0.00%	
	June 2014 Average Price % Change from June 2012 Average Price	4.87%		June 2014 Average Price % Change from June 2012 Average Price	7.86%		June 2014 Average Price % Change from June 2012 Average Price	6.25%	

Year	Natural Gas Per Therm - Northeast			Automotive Diesel Fuel Per Gallon		
	June Average Price	One Year % Change	Calendar Year Average Price	June Average Price	One Year % Change	Calendar Year Average Price
2009	\$1.259	-25.77%	\$1.36	\$2.672	-45.61%	\$2.68
2010	\$1.231	-2.22%	\$1.28	\$3.061	14.56%	\$3.10
2011	\$1.184	-3.82%	\$1.23	\$4.113	34.37%	\$4.00
2012	\$1.052	-11.15%	\$1.11	\$3.988	-3.04%	\$4.13
2013	\$1.153	9.60%	\$1.15	\$3.912	-1.91%	\$4.02
2014	\$1.159	0.52%	NA	\$4.085	4.42%	NA
	Average of the Annual % Change (Five Years)	-1.41%		Average of the Annual % Change (Five Years)	9.68%	
	Average of the Annual % Change (Three Years)	-0.34%		Average of the Annual % Change (Three Years)	-0.17%	
	June 2014 Average Price % Change from June 2010 Average Price	-5.85%		June 2014 Average Price % Change from June 2010 Average Price	33.45%	
	June 2014 Average Price % Change from June 2012 Average Price	10.17%		June 2014 Average Price % Change from June 2012 Average Price	2.43%	