

BALANCED BUDGET PROPOSAL 2013



Office of the
Town Manager
1.29.2013

FY14 Balanced Budget Framework

- BOS Goals
- Maintenance/Optimization of Existing Town Services
- Preservation of Town Assets
- Sustainability
- Economic Vitality



Citizen Satisfaction

- Overall quality of life in Needham as good or excellent – 97%
- Needham as a place to live as good or excellent - 97%
- Overall increase satisfaction levels 2008 – 2010 - 2012
- Stable property values indicative of Needham's high level of desirability



Fiscal Discipline

- Work within recurring revenue to fund operations
- Control legacy costs
- Refrain from drawing down reserves
- Increase reserves
- Maintain strong credit rating
- Refrain from over-committing in “good years”



Free Cash

- FY2011 \$3,380,269
- FY2012 \$5,366,720
- FY2013 \$2,153,808
- Transparency
 - How
 - Why



Financial Forecast

- Actual local receipts in FY2011 were higher than FY2010, reversing a two-year trend of declining receipts over the prior year; FY2012 shows further improvement
- State aid continues to show annual increases
- Townwide expenses continue to moderate
- General Government department budgets (including PFD) are increasing at 3.1%
- Strong tax levy growth based on significant level of building activity

Revenue Projection Changes

- Tax Levy: 4%
- State Aid: 4.4%
- Local Receipts: 7%



State Aid: Governor's Proposal

- **Chapter 70 School Aid**

- FY2012 \$6,991,720 – 6.1%
- FY2013 \$7,633,990 – 9.2%
- FY2014 \$8,798,677 – 15.3%

- **Unrestricted General Government Aid/Annual Formula Aid**

- FY2012 \$1,369,789 – (7.2%)
- FY2013 \$1,476,550 – 7.8%
- FY2014 \$1,476,550 - 0%
 - Annual Formula Aid



State Aid Projected in Budget

- **Chapter 70 School Aid**

- FY2012 \$6,991,720 – 6.1%
- FY2013 \$7,633,990 – 9.2%
- FY2014 \$8,275,245 – 8.4%

- **Unrestricted General Government Aid**

- FY2012 \$1,369,789 – (7.2)%
- FY2013 \$1,476,550 – 7.8%
- FY2014 \$1,328,895 – (10%)

General Fund Revenue Sources

	Actual	Budget	Estimate
	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Property Taxes	79.9%	80.2%	82.6%
State Aid	7.7%	8.0%	8.3%
Local Receipts	8.9%	6.5%	6.5%
Other Sources	0.7%	1.4%	1.0%
Free Cash	2.8%	4.3%	1.7%

*Due to rounding may not total 100%

FY2014 Budget Recap (change from FY2013)

Townwide Expenses	\$34,983,069	5.1%
General Departments	\$25,880,192	2.9%
Public Facilities	\$8,053,190	3.6%
School Department	\$53,995,587	5.6%
Minuteman	\$739,556	(5.2%)
Warrant Articles	\$218,095	(41.5%)
Capital Budget	\$1,034,584	(72.2%)
Other	\$3,940,168	(24.0%)
Total GF Expenses	\$128,804,441	1.1%

Budget Drivers

- **School Enrollment**

- 411 students since 2006/2007 - 8.3%

- **Average Change in Salary Lines Past 5 Years**

- General Government 2.6%
- Schools 4.5%

- **Increase in Headcount over Past 5 Years**

- General Government (.5%)
- Schools 6.7%



Budget Proposal: Needham Public Schools

- TM recommendation is 5.6% over appropriated FY13 budget
- School Committee to vote 1/29/2013



Changes from Budget Requests

• Unemployment	(\$100,000)
• Health Insurance	\$92,887
• CPS	(\$28,000)
• Personnel Board	(\$3,000)
• Legal	(\$10,000)
• Housing Staff	(\$35,000)
• Police Vehicle	(\$25,618)
• Fire Overtime	(89,804)
• Building Staffing	(66,063)
• Minuteman	(40,482)
• Public Schools	(\$468,380)
• DPW Staffing	(\$17,238)

Changes from Budget Requests

- Field Maintenance (\$46,000)
- DPW LED Conversion* (\$28,070)
- DPW Pilot Tablet (\$3,960)
- Warner Field* (\$25,000)
- Health Services+ (\$11,400)
- Health Staffing (\$3,218)
- Health Training (\$1,500)
- Children's Librarian+ (\$20,207)
- Library Staffing (\$23,776)
- Library Software (\$725)
- Playground Maint. (\$10,000)



Financial Warrant Articles

- Athletic Facility Fund \$50,450
- DPW LED Conversion \$28,070
- Warner Field \$25,000
- Facility Master Plan \$150,000
- Property Tax Program \$15,025
- RTS Operating Capital \$19,000



Funded Budget Requests

- Building Inspection substitutes \$13,500
- COA Van Drivers \$26,606
- Fire Radio Satellite Receiver \$11,711



Capital Plan

• Spring		\$1,034,584
• Public Facilities	\$512,060	
• Public Safety	\$27,500	
• Public Works	\$47,700	
• Public Schools	\$447,324	
• Fall		\$1,707,081
• Public Facilities	\$243,118	
• Public Safety	\$258,242	
• Public Works	\$728,100	
• Public Schools	\$362,621	
• Other	\$115,000	

Changes from Budget Requests

- **RTS – (\$26,200)**

- Educational Materials (\$7,200)
- Operating Capital* (\$19,000)

- **Sewer – (\$22,240)**

- Temporary Help (\$3,120)
- Fuel (\$19,120)

- **Water – (\$51,731)**

- Temporary Help (\$3,120)
- Fuel (\$14,340)



