

Needham in FY2018: Opportunity

"Success is where preparation and opportunity meet." – Bobby Unser

Opportunity is the underlying theme of the FY2018 Balanced Budget Proposal. Because of its tradition of careful long-range planning for both capital and operating needs, the Town of Needham is in an enviable position to harness the strong but likely temporary new growth associated with commercial development, and mindfully allocate significantly higher than normal one-time revenue (as described more fully in Section 2 of this document).

On the infrastructure front, at least eight facilities (Rosemary Recreation Complex, Fire Station #2, Public Safety Complex, Public Works, Memorial Park Building, Hillside School, Emery Grover and the High School) will require significant investment over the coming decade, as will horizontal infrastructure such as roads, bridges, and water and sewer mains. Two additional schools (Mitchell and Pollard) are also included on the long-term Capital Plan. We have plans for tackling capital facility and infrastructure needs over the coming decade in a multi-faceted approach – relying on a combination of tax-levy supported debt, reserves, Community Preservation Funds, and thoughtful and judicious use of debt exclusion overrides. In order to make these plans a reality, it is critical that investment in reserves remain a high priority.

On the horizon, the Town has identified several areas of necessary and desired program improvements. These include additional staffing in our public safety departments, the staffing of a second full-time ambulance, implementation of full-day kindergarten in the School District, opening of the new Minuteman School, and others. Allocating recurring revenue – temporarily – to the Debt Service Stabilization Fund will make it much more likely that the Town will be able to fund these identified future expenses without recourse to tax increases through property tax overrides.

Years of preparation coupled with the opportunities presented by the availability of both recurring and one-time revenue in FY2018 can be the key to the community's future success.

Budget in Brief

The recommended FY2018 General Fund operating budget totals \$163,598,081 representing a change of \$11,565,189, or 7.6%. A comparison of the FY2017 budget to the FY2018 recommended budget is shown in Table 1.1:

Table 1.1
General Fund Spending Plan

Description	FY2017 Current	FY2018 Recommended	\$ Change	% Change
Townwide Expenses (excludes CPS)	42,808,833	46,486,124	3,677,291	8.6%
General Departments (includes CPS)	29,281,462	30,310,170	1,028,708	3.5%
Department of Public Facilities	6,349,762	6,751,519	401,757	6.3%
Needham Public Schools	65,189,914	68,350,083	3,160,169	4.8%
Minuteman Assessment	766,061	806,252	40,191	5.2%
Total Operating Budget	144,396,032	152,704,148	8,308,116	5.8%
Cash Capital	3,031,117	5,407,467	2,376,350	78.4%
Financial Warrant Articles	1,039,138	1,117,292	78,154	7.5%
Other Appropriations	3,566,605	4,369,174	802,569	22.5%
Total General Fund Appropriations	152,032,892	163,598,081	11,565,189	7.6%

Goals & Objectives of the FY2018 Budget

Budgeting Best Practices

The Board of Selectmen adopted the following best practices to produce a budget that preserves the Town's fiscal sustainability:

1. Current revenues must be sufficient to support current expenditures. *The FY2018 operating budget is supported by current revenues. These are revenues that are reasonably expected to recur annually, and can be relied on to fund on-going operations during strong and weak economic periods.*
2. The Operating and Capital Budgets must be developed in conformance with the Town's comprehensive financial policies and must not be reliant on one-time revenue or unsustainable practices. *The extraordinary level of one-time revenue available in FY2018 is allocated to one-time costs and reserves and is not used to support the operating budget except as provided under the Town's Free Cash best practice.*
3. The five year Pro Forma budget must be updated on an annual basis to ensure that the underlying assumptions are adjusted based upon changing conditions and data. *The five year Pro Forma budget has been updated annually since 2002. The Pro Forma budget is a planning tool that provides early opportunity for the Town to anticipate and prepare contingency plans for the operation of the government and the continuation of primary services. A copy of the FY2018 – FY2022 Pro Forma budget is contained in Section 7 of this document.*
4. Debt must not be used to fund on-going operating expenses, and will only be issued for capital improvements greater than \$250,000 with a useful life of five years or more. *The FY2018 – 2022 Capital Improvement Plan includes projects funded by*

debt and is in compliance with this best practice. The FY2018 – FY2022 Capital Plan Executive Summary is contained in Section 6 of this document.

5. The use of Free Cash to fund operations will be minimized by limiting such use to no more than 2% of the prior year's appropriated operating budget, or the actual turn back, whichever is lower. The amount of Free Cash used to support on-going operations for FY2018 is \$2,689,482, which is in compliance with this best practice.
6. Adequate contingency funds must be maintained. *This budget allocates \$1,508,051 in Free Cash to fund reserves based on the initial estimate of Free Cash at \$8.6 million. In the event that certified Free Cash is higher than \$8.6 million we recommend that the balance of certified Free Cash be allocated to reserves, including the Athletic Facility Improvement Fund and the Debt Service Stabilization Fund.*
7. Sufficient maintenance and replacement funds will be allocated to ensure that capital facilities and equipment are properly maintained. *The recommended operating budget includes significant investment in facility maintenance, and the Capital Improvement Plan includes a more than \$5 million investment in facilities, equipment and infrastructure.*
8. The Operating and Capital Budgets must be resilient – allowing the Town to maintain existing service levels, withstand typical local and regional economic disruptions, and meet the demands of natural growth, decline, and change. *The proposed allocation of recurring revenue to the Debt Service Stabilization Fund and planned reallocation back to the operating budget in the FY2020 timeframe is a cornerstone of the budget proposal and an example of resiliency in action.*
9. The Operating and Capital Budgets must be sustainable – meeting the needs of the present without compromising the ability of future generations to meet their own needs. *Proposed increases in service delivery are focused and targeted, and are affordable within historical revenue growth assumptions. The Town's funding of its post-employment employee benefits liability is an excellent example of sustainability in that currently accruing expenses are being funded with current revenue. The Town has taken steps to reduce the discount rate for the OPEB actuarial funding schedule and will work in cooperation with the Retirement Board to take similar steps for that schedule.*

Core Budget Priorities

The Board of Selectmen has adopted the following core budget priorities for general government operations. These priorities served as a key guideline in our evaluation of departmental spending requests. As in recent years, the primary goal of the Board of Selectmen in consideration of the FY2018 operating budget is the maintenance and optimization of existing Town services. In addition, mindful of the availability of revenue for appropriation, the Board has set the following priorities for FY2018:

1. Support for items that contribute to the achievement of the Townwide goals and objectives;
2. Support for a five to ten year plan for the renovation, reconstruction and/or preservation of the Town's capital assets in the most prudent, realistic, and efficient manner;
3. Support for initiatives that contribute to financial sustainability, including the maintenance of a debt service plan that balances capital needs with the Town's ability to pay, identification of alternative funding sources for traditional cash capital

- needs, evaluation of financing alternatives, and alignment of capital and maintenance needs with appropriate funding sources; and
4. Support for initiatives aimed at achieving greater coordination and efficiency among Town departments, and providing adequate resources to address identified service delivery and general administrative needs of the Town in a cost effective manner.

Budget Drivers: Personnel-Related Costs & Enrollment

Because the primary product of local government is services, the operating budget is heavily weighted to salaries and other personnel-related costs. As in past years, key budget drivers include the funding schedule for the Retirement System and OPEB, health insurance costs and the pace of medical inflation, salary growth, and increasing School enrollment.

Salary Related Expenses

Personnel-related costs remain the highest proportion of the Town's budget. Table 1.3 details the number of General Fund and Enterprise Fund benefit-eligible employees by department. The number of General Government benefit-eligible full-time equivalent employees (FTE) remained relatively constant from FY2016 to FY2017 increasing by 0.7%. The number of General Government FTEs has grown 3.6% since FY2012. The number of School Department FTEs grew by 1.6% from FY2016 to FY2017 and 15% since FY2012.

In total, General Government staffing is up three benefit eligible positions from FY2017. The change includes the addition of a Benefits Administrator/Coordinator, Public Facilities Contract administrator, and an increase in hours for a Young Adult Librarian from part-time to full-time.

Health Insurance Expenses

Health insurance costs for employees and retirees continue to grow faster than the rate of revenue growth. This is a systemic problem on the national level. As evidenced in Table 1.5, health insurance enrollment for active employees has held fairly steady since FY2012, increasing by 1.47% from FY2012 to FY2017 and .73% from FY2016 to FY2017.

As noted on Table 1.4, average annual increases in salary line items from FY2012 to FY2017 are above the sustainability target due in part to increases in headcount for program improvements (5.3% overall, 6.4% for the Needham Public Schools, and 3.6% for General Government departments).

Table 1.3
General and Enterprise Fund Full-time Equivalent Benefit-Eligible Positions
FY2012 to FY2017

Department	Funded FY2012	Funded FY2013	Funded FY2014	Funded FY2015	Funded FY2016	Funded FY2017	FY2016-2017 % Change	FY2012-2017 % Change
Town Manager/Selectmen	8.00	8.00	8.00	8.00	9.00	8.00	- 11.11%	0.00%
Town Clerk	4.00	4.00	4.00	4.00	4.00	4.00	0.00%	0.00%
Finance	21.00	23.00	23.00	23.20	22.60	22.60	0.00%	7.62%
Police	57.00	57.00	57.00	59.00	59.00	59.00	0.00%	3.51%
Fire	72.00	72.00	72.00	71.00	71.00	71.00	0.00%	- 1.39%
Building	7.00	7.00	8.60	8.60	8.60	9.80	13.95%	40.00%
DPW	86.00	86.00	86.00	87.00	87.00	87.00	0.00%	1.16%
Public Facilities	54.80	55.00	55.80	56.00	57.00	57.00	0.00%	4.01%
Health & Human Services	12.40	12.40	12.40	13.20	13.80	15.70	13.77%	26.61%
Planning & Community Development	5.80	5.80	5.80	5.80	5.80	6.20	6.90%	6.90%
Library	13.00	13.00	13.00	13.00	13.00	13.00	0.00%	0.00%
Park and Recreation	4.00	4.00	4.00	4.00	4.00	4.00	0.00%	0.00%
Municipal Departments	345.00	347.20	349.60	352.80	354.80	357.30	0.70%	3.57%
School Department	624.40	648.50	666.90	684.20	706.80	718.20	1.61%	15.02%

Source: Town Meeting Warrants

Table 1.5
Health Insurance Enrollment
FY2012 - FY2017

Fiscal Year	Town	% Increase over Prior Year	School	% Increase over Prior Year	Total Actives	% Increase over Prior Year	Retirees	Total Active & Retired
FY2012	288	-0.69%	530	2.91%	818	1.61%	806	1,624
FY2013	284	-1.39%	542	2.26%	826	0.98%	812	1,638
FY2014	284	0.00%	509	-6.09%	793	-4.00%	836	1,629
FY2015	286	0.70%	531	4.32%	817	3.03%	824	1,641
FY2016	294	2.80%	530	-0.19%	824	0.86%	819	1,643
FY2017	286	-2.72%	544	2.64%	830	0.73%	847	1,677
Total Change FY12-FY17	-0.69%		2.64%		1.47%		5.09%	3.26%
Total Change FY16-FY17	-2.72%		2.64%		0.73%		3.42%	0.12%

Note: Retiree enrollment is expressed in number of plans: retiree individual, retiree family, & retiree spouse.
 In FY2016, 578 individuals who retired from the Town of Needham are receiving health insurance benefits.

Table 1.4
Changes in Salary Line Items FY2012 to FY2017

Description	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 - Current	Average % Change
Board of Selectmen	649,992	669,819	691,474	715,158	785,523	762,789	3.3%
Town Clerk	281,663	296,301	282,647	312,927	321,314	351,915	4.7%
Town Counsel	68,664	70,039	71,790	73,584	75,422	75,442	1.9%
Personnel Board	600	600	600	0	15,000		
Finance Department	1,399,514	1,600,620	1,637,963	1,690,829	1,709,311	1,759,051	4.8%
Finance Committee	28,524	30,289	31,668	32,462	34,000	35,733	4.6%
Municipal Administration	2,428,957	2,667,668	2,716,142	2,824,960	2,940,570	2,984,930	4.3%
Planning & Community Development	347,327	363,475	389,725	407,750	463,636	493,930	7.3%
Land Use and Development	347,327	363,475	389,725	407,750	463,636	493,930	7.3%
Police Department	4,863,916	4,959,157	5,175,845	5,581,122	5,765,222	5,967,300	4.2%
Fire Department	6,100,123	6,249,767	6,581,793	6,758,282	6,894,466	7,173,457	3.3%
Building Department	443,280	460,619	528,614	553,286	579,030	654,730	8.2%
Public Safety	11,407,319	11,669,543	12,286,252	12,892,690	13,238,718	13,795,487	3.9%
Department of Public Works (including enterprise employees)	5,603,635	5,693,797	5,853,827	6,110,486	6,315,940	6,532,462	3.1%
Department of Public Facilities	3,087,351	3,227,402	3,407,208	3,472,871	3,652,434	3,787,885	4.2%
Health and Human Services	887,382	912,469	973,773	1,073,830	1,152,753	1,301,022	8.0%
Commission on Disabilities				1,500	1,500	1,500	
Public Library	1,077,213	1,071,967	1,103,803	1,156,157	1,250,534	1,265,264	3.3%
Park and Recreation Department	443,118	453,499	468,456	483,633	496,254	498,000	2.4%
Community Services	2,407,713	2,437,935	2,546,032	2,715,120	2,901,041	3,065,786	5.0%
Total	25,282,302	26,059,820	27,199,186	28,423,877	29,512,339	30,166,550	3.6%
Education	40,908,300	43,903,789	46,455,864	49,856,876	52,239,914	55,679,870	6.4%
Combined Total	66,190,602	69,963,609	73,655,050	78,280,753	81,752,253	85,846,420	5.3%

School Enrollment

Over the past ten years, School enrollment in Needham has increased by 11.5%, or 575 additional students. Chart 1.1 and Table 1.6 detail the School enrollment growth.

When compared to other jurisdictions in our comparable community group, Needham's school enrollment growth is at the high end of the range – 11% from the 2007/2008 school year to the 2016/2017 school year (Table 1.7). Needham's enrollment grew by 575 children during that period, ranking 7th of 18 comparable communities. The percent of the

population that is enrolled in the public schools as a percent of the total population is also at the high end – 19%, or 5th of 18 communities (Table 1.8).

Chart 1.1
Needham Public Schools Enrollment 2007/2008 to 2016/2017

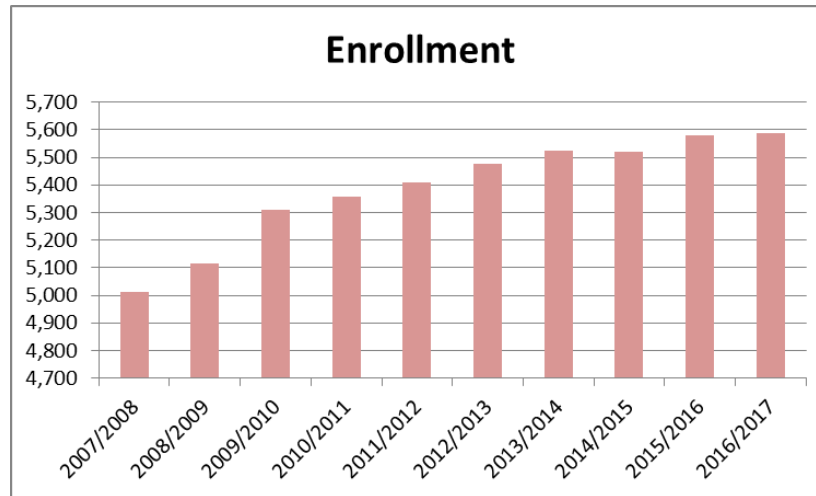


Table 1.6
Needham Public Schools Enrollment

School Year	Enrollment	Percentage Change
2007/2008	5,013	0.4%
2008/2009	5,115	2.0%
2009/2010	5,311	3.8%
2010/2011	5,358	0.9%
2011/2012	5,409	1.0%
2012/2013	5,476	1.2%
2013/2014	5,523	0.9%
2014/2015	5,519	-0.1%
2015/2016	5,581	1.1%
2016/2017	5,588	0.1%
Increase	575	11.5%

Source: DESE

Community	10 year Change
Brookline	25%
Arlington	22%
Belmont	19%
Natick	18%
Winchester	16%
Lexington	13%
Needham	11%
Bedford	11%
Milton	10%
Newton	10%
Framingham	7%
Wellesley	5%
Westwood	5%
Watertown	3%
Walpole	-2%
Wayland	-6%
Dedham	-6%
Weston	-11%

**Table 1.7
Comparable
Enrollment
Growth
2007/2008
to
2016/2017**

Source: DESE

**Table 1.8
School
Enrollment
as a Percent
of
Population
2016/2017**

Source: DESE

Community	% School Age
Lexington	22%
Westwood	21%
Winchester	21%
Wayland	20%
Needham	19%
Bedford	19%
Weston	18%
Belmont	18%
Wellesley	17%
Natick	16%
Walpole	16%
Milton	15%
Newton	15%
Brookline	13%
Arlington	13%
Framingham	12%
Dedham	11%
Watertown	8%

Balanced Budget Highlights

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

Townwide Expenses

The **Retirement Assessments** budget increased by 9.0% over FY2017 and includes both the contributory and non-contributory retirement budgets. Beginning in FY2016, the Retirement Board voted to adopt an actuarial schedule that reduced the assumed rate of return (discount rate) from 8.00% to 7.75%. Moving toward a more conservative actuarial estimate has been a long-standing goal, and the Board has discussed a further reduction in the near future. This appropriation funds both the normal cost (the cost of current employees' future pensions) as well as the System's unfunded pension liability. The funded status of the System on an actuarial basis was 68.63% on January 1, 2015, as compared to 67.89% on January 1, 2014. Factors that impact the unfunded liability (and therefore the funding schedule for fiscal year 2018) include the implementation of a new "generational" mortality table and the increase in the COLA base from \$12,000 to \$14,000 enacted at the 2015 Annual Town Meeting. Increases in the unfunded liability were partially offset by a

small experience gain (primarily associated with lower than expected salary increases). The current funding schedule includes three years of higher than normal increases, returning to the 4.35% range in FY2020.

Employee Benefits and Employer Assessments The recommended employee benefits budget reflects an increase of 5.7%. The submitted budget has been increased by \$297,089 to account for estimated costs associated with the net increase in benefit eligible positions recommended in the General Government (3) and School Department (13) budgets. The West Suburban Health Group – a consortium of regional towns and districts joining together to purchase health insurance – has not yet released the health insurance rate structure for FY2018, so this budget is still preliminary. This budget assumes a 7.0% increase in most health insurance premiums for fiscal year 2018, and includes a provision for the enrollment of 20 additional employees who do not currently participate in the Town’s group health program. The budget assumes a current enrollment of 830 active subscribers – an increase of 6 subscribers or .73% over the FY2017 level. This budget line also includes allocations for Medicare and Social Security payments and unemployment.

Retiree Insurance and Insurance Liability Fund This budget request increased by 9% from FY2017 to FY2018. The proposed budget is based on the July 1, 2015 funding schedule, which assumes a return of 7.50% for the first time. As of June 30, 2015 the Town’s Unfunded Actuarial Accrued Liability was \$62,383,623 with a funded ratio of 22.8%. In an effort to further reduce its unfunded liability, the Town has transferred more than \$2 million in available funds to the OPEB trust since 2012.

General Fund Debt Service The recommended debt budget has been increased by 12.7% for FY2018, attributable primarily to the passage of the debt exclusion for the new elementary school to replace the Hillside School. Of the total debt budget of approximately \$12.5 million, 35% represents tax-levy supported debt, 3.5% represents CPA-supported debt, and the balance is excluded debt.

Casualty, Liability and Self-Insurance The recommended budget has increased by 4.1% over FY2017 based on the number and value of facilities and equipment covered, and a greater amount for loss deductibles.

Classification, Performance and Settlements (CPS) This line provides a reserve for funding General Government personnel-related items as they occur during the year. This line fluctuates annually depending on the number of collective bargaining agreements that have not been settled for a given year. The DPW/NIPEA contract is the only collective bargaining agreement not already settled for FY2018. The Classification, Performance and Settlements line includes a reserve for that settlement, as well as for the management compensation program, performance increases, merit pay, reclassification for non-represented personnel, and adjustment for elected officials’ pay as approved by Town Meeting.

The purpose of the **Reserve Fund** is to provide an annual budgetary reserve for unforeseen or extraordinary expenses. The FY2018 Reserve Fund request presented by the Finance Committee is calculated at 1.4% of the projected operating budget, after removing areas that are known or do not draw on reserves (Retirement Assessment, OPEB, Debt Service, and the Reserve Fund itself) – an increase of 17.6% over FY2017.

Needham Electric, Light and Gas Program The Municipal Lighting budget was reconfigured in FY2017 to include the Town’s electricity and natural gas budgets and has

been renamed the Needham Electric, Light and Gas Program. Given the nature of the program, it has also been reallocated to the Townwide expense category.

While the consolidation of the energy budgets will provide for ease of administrative review and analysis, the basis of the conversion in FY2017 was the inauguration of the solar program. Under this program, the Town has contracted with Solar City to provide a minimum of 4,265,819 kwh of solar power. The Town will pay Solar City for generating this energy, which will be transferred to the public utility Eversource. Eversource will pay the Town approximately two times the amount the Town pays to Solar City under the "net metering" program. The net metering credits are provided to the Town in the form of cash payments. As such, the Town budgets for the amount required to pay Solar City, and includes the amounts expected from Eversource in estimating revenue. The budget has increased by 2.8% for FY2018 based on historical energy use trends.

General Government

Board of Selectmen/Town Manager The recommended Board of Selectmen/Town Manager's budget includes the addition of one full-time equivalent position to meet increasing demand in the Human Resources office. The Benefits Administrator/Coordinator will be responsible for coordinating the Town's employee benefits program for both Town and School active employees and retirees. The new position will be responsible for providing direct service to employees and retirees, and ensuring the appropriate tracking, auditing, and reconciliation of the more than \$14 million Employee Benefits budget. The recommended budget also includes an allocation of \$20,000 for consulting services to continue the Employee Engagement program. The Board of Selectmen/Town Manager's budget is proposed to increase by 11.8% in FY2018.

Town Clerk/Board of Registrars The recommended Town Clerk/Board of Registrars budget decreased 6.7% due to the fewer number of elections scheduled for FY2018 than in FY2017. The budget includes projected compensation adjustments for existing staff. Any adjustment to the Town Clerk's salary by Town Meeting action will be transferred from the Classification, Performance and Settlements line.

Town Counsel The recommended legal budget includes no change from FY2017.

Personnel Board The Personnel Board budget typically funds classification and compensation studies. The budget is proposed for elimination in FY2018 with the corresponding recommendation for a full, Town-wide Classification and Compensation study as a financial warrant article in the amount of \$80,000. Staff in the Human Resources Division of the Town Manager's Office provide administrative support to the Personnel Board.

Finance Department The recommended Finance Department budget increased by 2.6% from FY2017 to FY2018, attributable primarily to projected compensation adjustments for existing staff.

Finance Committee This budget increased by 2.4% from FY2017 to FY2018 due to projected compensation adjustments for existing staff.

Planning and Community Development

The recommended Community Development budget has increased by 3.7% attributable to projected compensation adjustments for existing staff, and the planned elimination of the wetlands fund allocation that has been subsidizing this budget for the past several years.

Public Safety

The Police Department budget is proposed to increase by 1.8%, primarily attributable to projected compensation increases for existing staff. The increase in personnel-related costs was partially offset by a reduction in the number of police vehicles to be purchased during FY2018. Funding for four additional police officers is proposed for the next several years, beginning in FY2019. The redevelopment of the Needham Crossing business district will have a significant impact on the ability of the Needham Police Department to respond to service calls. In addition to the 350 units of residential housing at Charles River Landing, the TripAdvisor World Headquarters, and the new Marriott Residence Inn, several new office buildings and hotels are in the process or have been permitted, as have 390 units of residential housing. The Mixed Use 128 and Highland Commercial Districts have recently been zoned to allow the location of Registered Marijuana Dispensaries, and housing is now allowed in the Mixed Use 128 District. Continued increase in School enrollment also puts pressure on the Department's ability to meet service delivery needs. The level of growth and changing demographics will result in both increased revenue and expense for the Town.

Fire Department The recommended Fire Department budget is 5.5% higher in FY2018 than FY2017, primarily attributable to the implementation of a new collective bargaining agreement. The request to fund an additional four Firefighter/Paramedics to staff a second full time ambulance at Station 2 (Needham Heights) is proposed for FY2019. Similar to the requested increase in Police personnel, this request is based on current and expected growth in the Needham Heights and Needham Crossing area. At this time, only one full time ambulance covers the entire Town from the Station 1 (Needham Square) location. The recommended budget includes an allocation of \$9,876 to replace a copy machine and \$5,000 for the implementation of a new wellness program in the Department.

Building Department The recommended budget for the Building Department is 5.2% higher than FY2017, primarily attributable to projected compensation increases for existing staff.

Education

Minuteman School The Town has received a preliminary assessment from the Minuteman School in the amount of \$806,252, which is lower than the original estimate. The projected assessment is 5.2% higher than the FY2017 appropriation. The budget is based on the number of students from the sending jurisdiction and the proportion of overall enrollment. The FY2018 assessment also includes an allocation for debt service associated with the design and construction of the new high school that is now underway.

Needham Public Schools The Town Manager's recommended budget for the School Department is \$68,357,743, representing an increase of 4.9%. This recommendation reflects the Superintendent's revised budget request. Of the \$467,660 reduction from the

original submission, \$181,684 is proposed for reallocation to the Debt Service Stabilization Fund. The funds would be appropriated into the DSSF until needed to fund full day kindergarten, at which point they may be reallocated to the School Budget. The use of the DSSF is a critical component in the Town's ability to afford to fund known future operating expenses – including full day kindergarten and public safety – without recourse to an operating override.

Public Facilities

The recommended budget for the Public Facilities Department is 6.3% higher than the FY2017 budget and includes the creation of a new position to oversee the many contracted maintenance and construction projects on-going in the Operations Division in a given year in the amount of \$82,395. The budget request was reduced by \$90,215 proposed for funding an additional project manager in the Construction Division. The Department and PPBC have decided to contract for outside OPM services for the Hillside School, although an additional Project Manager may be recommended in FY2019 once the project is underway. The PFD budget includes funding for projected compensation increases for existing personnel.

Public Works

The Department of Public Works General Fund operating budget is recommended at \$5,696,889, a reduction of 0.4%, which will cover expenses for existing staff and operations. The recommended budget includes an allocation of \$6,553 to fund one temporary laborer in the Fleet Division, and \$6,658 in overtime funding to provide additional street sweeping. Service improvement requests that were deferred include \$38,220 for school grounds improvement (which may be recommended this fall), \$55,503 for additional Highway staff, and \$62,000 for a debris management plan study. The collective bargaining agreement for unionized employees in the Department is not yet settled. An allowance for projected wage increases for those employees in FY2018 is included in the Classification, Performance & Settlements budget.

Municipal Parking The recommended Municipal Parking budget is 4.0% higher in FY2018, primarily attributable to increased costs for pavement markings in the newly acquired lots.

Human Services

Health & Human Services (HHS) Department The recommended FY2018 budget reflects an increase of 9%, attributable to projected compensation increases for existing personnel, and two program improvements. The recommended budget includes \$20,000 for a data collection and evaluation program to help inform the Department about community conditions and help the Town tailor its programs and services to identified community needs. The recommendation also includes an allocation of \$9,970 to support compliance programs intended to ensure the appropriate sale and regulation of intoxicating and addictive substances. The compliance program recommendation has been reduced by \$28,795 as existing salary lines will support the personnel-related costs of the program. Finally, funding for the Public Health accreditation project (\$6,000) has been deferred.

Commission on Disabilities No change is recommended to the Commission on Disabilities budget in FY2018.

Historical Commission No change is recommended to the Historic Commission budget in FY2018.

Public Library The recommended Library budget is 4.0% higher than FY2017, and includes a recommended increase in part-time Young Adult Librarian hours (\$31,168) to allow for full-time services. Because this position will become benefit eligible, an allocation has been included in the Employee Benefits line as well. The submitted budget request was reduced by a total of \$61,492 as requests for additional staffing and various licenses and subscriptions have been deferred.

Park and Recreation The Park and Recreation budget is level-funded for FY2018. While Rosemary Pool will be closed for the summer of 2017, the recommended budget includes funding for the same staffing complement of summer staff in FY2018 as in 2017. This recommendation includes staffing for the proposed reopening of Rosemary Pool in June, 2018. It also includes funding for staffing in the summer of 2017. The Department proposes to retain those pool employees to complete a backlog of projects.

Memorial Park No change is proposed to the Memorial Park budget for FY2018.

Beyond the General Fund Operating Budgets

Capital Budget Summary

The focus of this document is the FY2018 General Fund, Enterprise Fund, and Community Preservation Fund budgets. The FY2018 – FY2022 Capital Improvement Plan (CIP) is published as a separate document. An integral part of the balanced budget proposal contained herein, however, is the funding of capital and other non-operating budget items. The FY2018 proposed annual budget includes \$5,407,467 in General Fund cash capital projects. In addition to the projects contained in the five year CIP, the Town will also fund projects through Chapter 90 funds received from the Commonwealth. Currently, the Chapter 90 allotment is funding the design of the Needham Center Improvement Project, Phase 1, including the installation of new traffic signals, and street and sidewalk layouts.

Enterprise Fund Summary

RTS The recommended FY2018 Recycling & Solid Waste Enterprise Fund budget is 4.8% higher than FY2017 and covers expenses for existing staff and operations, except that the collective bargaining agreement for the Division's unionized staff is not yet settled. Requests for program improvements, including an HMEO and Laborer position in the amount of \$100,835, have been deferred at this time. During FY2018, we will be evaluating the possibility of eliminating the RTS Enterprise Fund and returning the accounting of the revenues and expenses to the General Fund. This is based primarily on the fact that the

General Fund is supporting a significant and increasing share of the RTS Enterprise Fund budget on an annual basis.

Sewer The recommended Sewer Enterprise Fund budget is 0.8% lower than in fiscal year 2017, and covers expenses for existing staff and operations, except that the collective bargaining agreement for the Division's unionized staff is not yet settled. An Administrative Analyst position previously funded in the Sewer Enterprise Fund has been transferred to the Water Enterprise Fund to better align the work with the appropriate fund. The MWRA Sewer Assessment, which represents a significant portion of the Sewer Enterprise Fund Budget, has been level-funded as preliminary assessments are not yet available. A program improvement request for a Stormwater Compliance Officer in the amount of \$77,390 has been deferred. During FY2018, we will be undertaking an evaluation of the possibility of creating a stormwater enterprise fund, and the position will be reconsidered at that time.

Water The recommended Water Enterprise Fund budget is 2.4% higher than the FY2017 budget, and covers expenses for existing staff and operations, except that the collective bargaining agreement for the Divisions' unionized staff is not yet settled. As noted above, the Administrative Analyst position previously funded in the Sewer Enterprise Fund has been transferred to the Water Enterprise Fund to better align the work with the appropriate fund. The MWRA Water Assessment, which represents a significant portion of the Water Enterprise Fund Budget, has been level-funded as preliminary assessments are not yet available.

Community Preservation The administrative budget of the Community Preservation Fund is unchanged from FY2017.

Other Financial Warrant Articles

Given the amount of Free Cash available for appropriation, and consistent with the Town's policy to minimize the use of Free Cash for recurring operating expenses, the FY2018 proposed budget includes allocation of funds to one time programs and projects, and to reserves. As noted previously, the proposed allocation of Free Cash is based on an initial estimate of \$8.6 million. We expect that when Free Cash is certified that amount will be higher, and the balance should be allocated to reserves.

Compensated Absences Fund Upon retirement, certain employees are compensated for a portion of their unused sick leave. All employees are entitled to payment of unused vacation leave upon termination of Town service. Given the projected level of retirements and existing fund balance, there is no request for compensated absences funding this year.

Senior Corps Program The FY2018 proposed budget includes \$15,000 for the Senior Corps Program.

Property Tax Assistance Program The balanced budget includes \$7,292 in funding for the Property Tax Assistance Program. The 2009 Annual Town Meeting voted to establish a Property Tax Assistance Program. The goal of the Board of Selectmen is to set a target annual appropriation for the fund equal to the amount of private contributions to the Town's statutory voluntary tax relief program during the preceding fiscal year, up to a maximum appropriation of \$25,000 (2008 dollars). The voluntary fund received \$7,292 in fiscal year 2016.

GF/RTS Contribution The balanced budget includes an estimated contribution to the RTS Enterprise Fund of \$1,462,500 – an increase of \$42,500. As noted previously, we continue to evaluate the benefits and challenges of operating the RTS as an enterprise fund, and may recommend changes to the financial structure in FY2019.

Drains/Sewer Contribution The balanced budget includes a \$491,749 contribution to the Sewer Enterprise Fund to offset the cost of the Drains program. The Drains program, which is a General Fund expense, is appropriated to the Sewer Enterprise Fund as it is more efficient to account for the program in that manner. As noted previously, we continue to evaluate the benefits and challenges of funding the drains/stormwater program within the General Fund and may recommend changes to the financial structure in FY2019.

Public Facilities Maintenance Program – Beginning in FY2016, funding for the Public Facilities Maintenance Program was transitioned from the Capital Improvement Plan to the operating budget. This warrant article covers annual necessary maintenance of public buildings throughout the Town and School department, including, but not limited to, asbestos abatement, duct cleaning, painting, and other repairs and necessary upgrades. Unless circumstances require otherwise, the FY2018 program will fund duct cleaning, wood floor refinishing, design and removal of the fuel tank at the DPW Garage, VCT floor replacement at the Broadmeadow, office reconfiguration at the Mitchell, and upgrades in the Pollard Lecture Hall.

Athletic Facility Improvement Fund The 2012 Annual Town Meeting approved the creation of an Athletic Facility Improvement Fund to set aside capital funds for renovation and reconstruction of the Town's athletic facilities and associated structures, particularly at Memorial Park and DeFazio Field Complex. Table 1.9 outlines the appropriations to the fund since it was created. The Town Manager's recommendation for funding the Athletic Facility Stabilization Fund in FY2018 includes the traditional match of the Park and Recreation administrative fee receipts (\$31,455 in FY2016), and additional \$1,263,545. If this budget recommendation is approved, the Fund will be able to support the replacement of the synthetic turf fields, estimated at \$2.5 million and planned for FY2020. The remaining funds (\$1,447,058) are proposed to support the renovation or reconstruction of the Memorial Park Building. It is expected that a combination of funding sources will be required to achieve that goal. As noted previously, the funding recommendation for the AFIF is based on the initial estimate of Free Cash at \$8.6 million. If additional Free Cash is certified, we recommended that the allocation to the AFIF be increased.

Table 1.9
Athletic Facility Improvement Fund

FY	Start	Interest	Appropriations	Balance
2013	\$0	\$368	\$282,728	\$283,096
2014	\$283,096	\$1,257	\$616,980	\$901,333
2015	\$901,333	\$1,913	\$1,067,107	\$1,970,353
2016	\$1,970,353	\$8,393	\$664,682	\$2,643,429
2017*	\$2,643,429	\$8,629		\$2,652,058

* Balance as of December 31, 2016

Capital Facility Fund The Capital Facility Fund was established at the 2007 Annual Town meeting, intended to be part of the Town's planning strategy for addressing capital facility maintenance needs by providing a reserve to address extraordinary building repairs and related expenses at times when other resources are unavailable. The purpose of this fund is to allow the Town, from time to time, by appropriation, to reserve funds for design, maintenance, renovation or reconstruction relating to the structural integrity, building envelope or MEP (mechanical, electrical, plumbing) systems of then existing capital facilities. No additional funding is proposed in FY2018. Table 1.10 outlines the appropriation history of the fund.

Table 1.10
Capital Facility Fund

FY	Start	Interest	Appropriations	Balance
2012	\$733,221	\$2,030	\$415,000	\$1,150,251
2013	\$1,150,251	\$2,762	\$140,370	\$1,293,383
2014	\$1,293,383	\$2,308	\$0	\$1,295,691
2015	\$1,295,691	\$2,593	\$9,113	\$1,307,397
2016	\$1,307,397	\$4,879		\$1,312,275
2017*	\$1,312,275	\$5,796		\$1,318,071

* Balance as of December 31, 2016

Capital Improvement Fund The Capital Improvement fund was created at the 2004 Annual Town Meeting and is intended as a reserve for funding needed equipment in years when funding is not available. Table 1.11 outlines the history of the Capital Improvement Fund. The amount of \$28,051 is proposed for funding in the FY2018 operating budget based on the sale of surplus equipment.

Table 1.11
Capital Improvement Fund

FY	Start	Interest	Appropriations	Balance
2012	\$561,002	\$1,547	\$35,000	\$597,549
2013	\$597,549	\$1,391	\$50,000	\$648,940
2014	\$648,940	\$1,237		\$650,177
2015	\$650,177	\$1,302	\$17,475	\$668,954
2016	\$668,954	\$2,831	\$29,296	\$701,081
2017*	\$701,081	\$2,668		\$703,749

* Balance as of December 31, 2016

Debt Service Stabilization Fund

The November 2, 2015 Special Town Meeting approved the creation of a Debt Service Stabilization Fund (DSSF) to set aside funds to be available to pay certain debt obligations. This fund is intended to be part of the Town's overall planning strategy for addressing capital facility needs. The fund provides added flexibility by smoothing out the impact of debt payments in years when the debt level is higher than is typically recommended. The fund would also be beneficial at times when interest rates are higher than expected. The plan for the fund is designed to ensure that the monies are not depleted in a single year, and that the amount available for appropriation is known before the budget year begins.

The FY2018 recommended appropriation for the DSSF is \$185,000 in one-time revenue, \$725,190 in recurring revenue related to the solar array and new growth, and \$181,684 reallocated from the School Department Operating Request for a total of \$1,091,874. Of this total, \$906,874 is recurring revenue which may be reallocated in future years to meet identified program improvements. The amount appropriated into the Fund will stay with the fund and will be used to reduce the Town's reliance on debt financing. As with the AFIF, the funding recommendation for the DSSF is based on the initial estimate of Free Cash at \$8.6 million. If additional Free Cash is certified, we recommended that the allocation to the DSSF be increased. Moreover, as noted in Section 2, the balanced budget proposal is based on an assumption that Cherry Sheet aid from the Commonwealth will be level-funded. If, as proposed by the Governor, that aid to the Town is increased, we recommend that such recurring revenue be appropriated to the DSSF at the fall Special Town Meeting. Table 1.12 outlines appropriations to the DSSF since inception.

Table 1.12**Debt Service Stabilization Fund**

FY	Start	Interest	Appropriations	Balance
2016	\$0	\$0	\$320,186	\$320,186
2017*	\$320,186	\$1,275	\$612,595	\$934,056

* Balance as of December 31, 2016

In Conclusion

This balanced budget proposal is promulgated prior to the completion of the budget process for the Commonwealth. As revenue estimates are refined in the winter and spring, we will work with the various Town boards and committees in preparing the final budget to be presented to Town Meeting.

Our entire management team has worked collectively to implement creative ways of meeting the Town's sustainability goals. Efforts have been made to implement measures that will maximize the productivity of our organization and deliver the highest quality of services within available resources. I would especially like to thank Superintendent of Schools Dan Gutekanst, Assistant Town Manager David Davison, Assistant Town Manager

Christopher Coleman, Finance and Procurement Coordinator Tatiana Swanson and Support Services Manager Sandy Cincotta for their work in the development of this budget.

I appreciate the spirit of cooperation that has been demonstrated by the Board of Selectmen, School Committee, and Finance Committee in the development of this budget, and applaud the commitment to sustainability on the part of Town boards and committees, Town Meeting, and ultimately the community. We are fortunate to have a dedicated and loyal staff working every day to maintain the high quality of life our residents expect and deserve. I thank you for the opportunity to serve the residents and businesses in the Town of Needham.

Respectfully submitted,

Kate Fitzpatrick

Town Manager

Fiscal Year 2018 Proposed Budget

							Town Manager Recommendation			
Line #	Description	FY2017 Budget (As of 01/20/2017)	FY2018 Base	FY2018 DSR4	FY2018 Total Request	\$ Change from FY2017	% Change	Balanced Budget	\$ Change from FY2017	% Change from FY2017
Townwide Expense Group										
1	Casualty, Liability, Property & Self-Insurance Program	582,400	606,200		606,200	23,800	4.1%	606,200	23,800	4.1%
2	Debt Service	11,161,839	12,573,958		12,573,958	1,412,119	12.7%	12,573,958	1,412,119	12.7%
3	Group Health Insurance, Employee Benefits & Administrative Costs	13,220,510	13,679,029	843,267	14,522,296	1,301,786	9.8%	13,976,118	755,608	5.7%
4	Needham Electric, Light & Gas Program	3,462,195	3,558,040		3,558,040	95,845	2.8%	3,558,040	95,845	2.8%
5	Retiree Insurance & Insurance Liability Fund	5,568,923	6,072,283		6,072,283	503,360	9.0%	6,072,283	503,360	9.0%
6	Retirement Assessments	6,724,500	7,332,277		7,332,277	607,777	9.0%	7,332,277	607,777	9.0%
7	Workers Compensation	634,090	656,283		656,283	22,193	3.5%	656,283	22,193	3.5%
8	Classification Performance & Settlements	134,443	260,000		260,000	125,557	93.4%	260,000	125,557	93.4%
9	Reserve Fund	1,454,376	1,710,965		1,710,965	256,589	17.6%	1,710,965	256,589	17.6%
Total		42,943,276	46,449,035	843,267	47,292,302	4,349,026	10.1%	46,746,124	3,802,848	8.9%
Board of Selectmen and the Office of the Town Manager										
10A	Salary & Wages	762,789	783,088	63,000	846,088	83,299		846,088	83,299	
10B	Expenses	117,342	118,079	20,000	138,079	20,737		138,079	20,737	
Total		880,131	901,167	83,000	984,167	104,036	11.8%	984,167	104,036	11.8%
Town Clerk and Board of Registrars										
11A	Salary & Wages	351,915	329,145		329,145	(22,770)		329,145	(22,770)	
11B	Expenses	52,750	48,415		48,415	(4,335)		48,415	(4,335)	
Total		404,665	377,560		377,560	(27,105)	-6.7%	377,560	(27,105)	-6.7%
Town Counsel										
12A	Salary & Wages	75,442	75,442		75,442			75,442		
12B	Expenses	254,000	254,000		254,000			254,000		
Total		329,442	329,442		329,442			329,442		
Personnel Board										
13A	Salary & Wages									
13B	Expenses	15,000	18,000		18,000	3,000			(15,000)	
Total		15,000	18,000		18,000	3,000	20.0%		(15,000)	-100.0%
Finance Department										
14A	Salary & Wages	1,759,051	1,816,698		1,816,698	57,647		1,816,698	57,647	
14B	Expenses	824,755	835,624		835,624	10,869		835,624	10,869	
14C	Capital	68,475	68,475		68,475			68,475		
Total		2,652,281	2,720,797		2,720,797	68,516	2.6%	2,720,797	68,516	2.6%
Finance Committee										
15A	Salary & Wages	35,733	36,629		36,629	896		36,629	896	
15B	Expenses	1,250	1,250		1,250			1,250		
Total		36,983	37,879		37,879	896	2.4%	37,879	896	2.4%
Planning and Community Development										
16A	Salary & Wages	493,930	511,815		511,815	17,885		511,815	17,885	
16B	Expenses	28,608	30,128		30,128	1,520		30,128	1,520	
Total		522,538	541,943		541,943	19,405	3.7%	541,943	19,405	3.7%

Fiscal Year 2018 Proposed Budget

								Town Manager Recommendation		
Line #	Description	FY2017 Budget (As of 01/20/2017)	FY2018 Base	FY2018 DSR4	FY2018 Total Request	\$ Change from FY2017	% Change	Balanced Budget	\$ Change from FY2017	% Change from FY2017
Police Department										
17A	Salary & Wages	5,967,300	6,139,368	290,400	6,429,768	462,468		6,139,368	172,068	
17B	Expenses	306,635	304,090	10,000	314,090	7,455		304,090	(2,545)	
17C	Capital	228,902	174,118		174,118	(54,784)		174,118	(54,784)	
	Total	6,502,837	6,617,576	300,400	6,917,976	415,139	6.4%	6,617,576	114,739	1.8%
Fire Department										
18A	Salary & Wages	7,173,457	7,552,956	328,900	7,881,856	708,399		7,552,956	379,499	
18B	Expenses	322,236	337,372	44,680	382,052	59,816		352,248	30,012	
18C	Capital	23,835	30,646		30,646	6,811		30,646	6,811	
	Total	7,519,528	7,920,974	373,580	8,294,554	775,026	10.3%	7,935,850	416,322	5.5%
Building Department										
19A	Salary & Wages	654,730	691,442		691,442	36,712		691,442	36,712	
19B	Expenses	51,040	51,040		51,040			51,040		
	Total	705,770	742,482		742,482	36,712	5.2%	742,482	36,712	5.2%
Minuteman Regional High School Assessment										
20	Assessment	766,061	882,787		882,787	116,726		806,252	40,191	
	Total	766,061	882,787		882,787	116,726	15.2%	806,252	40,191	5.2%
Needham Public Schools										
22	Needham Public School	65,189,914	68,817,743		68,817,743	3,627,829		68,350,083	3,160,169	
	Total	65,189,914	68,817,743		68,817,743	3,627,829	5.6%	68,350,083	3,160,169	4.8%
Department of Public Facilities										
22A	Salary & Wages	3,787,885	3,972,394	164,995	4,137,389	349,504		4,047,174	259,289	
22B	Expenses	2,561,877	2,696,730	7,615	2,704,345	142,468		2,704,345	142,468	
22C										
	Total	6,349,762	6,669,124	172,610	6,841,734	491,972	7.7%	6,751,519	401,757	6.3%
Department of Public Works										
23A	Salary & Wages	3,611,038	3,660,327	67,714	3,728,041	117,003		3,673,538	62,500	
23B	Expenses	1,662,389	1,569,015	101,220	1,670,235	7,846		1,569,015	(93,374)	
23C	Capital	38,800	42,216		42,216	3,416		42,216	3,416	
23D	Snow and Ice	408,039	412,120		412,120	4,081		412,120	4,081	
	Total	5,720,266	5,683,678	168,934	5,852,612	132,346	2.3%	5,696,889	(23,377)	-0.4%
Municipal Parking Program										
24	Program	99,864	103,905		103,905	4,041		103,905	4,041	
	Total	99,864	103,905		103,905	4,041	4.0%	103,905	4,041	4.0%
Municipal Light Program										
	Program									
	Total									
Health and Human Services Department										
25A	Salary & Wages	1,301,022	1,390,100	36,810	1,426,910	125,888		1,394,100	93,078	
25B	Expenses	256,060	276,873	27,955	304,828	48,768		302,843	46,783	
	Total	1,557,082	1,666,973	64,765	1,731,738	174,656	11.2%	1,696,943	139,861	9.0%
Commission on Disabilities										
26A	Salary & Wages	1,500	1,500		1,500			1,500		
26B	Expenses	550	550		550			550		
	Total	2,050	2,050		2,050			2,050		
Historical Commission										
27A	Salary & Wages									
27B	Expenses	1,050	1,050		1,050			1,050		
	Total	1,050	1,050		1,050			1,050		

Fiscal Year 2018 Proposed Budget

								Town Manager Recommendation		
Line #	Description	FY2017 Budget (As of 01/20/2017)	FY2018 Base	FY2018 DSR4	FY2018 Total Request	\$ Change from FY2017	% Change	Balanced Budget	\$ Change from FY2017	% Change from FY2017
Needham Public Library										
28A	Salary & Wages	1,265,264	1,278,905	61,685	1,340,590	75,326		1,310,073	44,809	
28B	Expenses	329,018	348,314	30,975	379,289	50,271		348,314	19,296	
	Total	1,594,282	1,627,219	92,660	1,719,879	125,597	7.9%	1,658,387	64,105	4.0%
Park and Recreation Department										
29A	Salary & Wages	498,000	505,683		505,683	7,683		505,683	7,683	
29B	Expenses	104,500	96,817		96,817	(7,683)		96,817	(7,683)	
	Total	602,500	602,500		602,500			602,500		
Memorial Park										
30A	Salary & Wages									
30B	Expenses	750	750		750			750		
	Total	750	750		750			750		
Department Budget Total		101,452,756	106,265,599	1,255,949	107,521,548	6,068,792	6.0%	105,958,024	4,505,268	4.4%
Total Operating Budget		144,396,032	152,714,634	2,099,216	154,813,850	10,417,818	7.2%	152,704,148	8,308,116	5.8%

Fiscal Year 2018 Proposed Budget

								Town Manager Recommendation		
Line #	Description	FY2017 Budget (As of 01/20/2017)	FY2018 Base	FY2018 DSR4	FY2018 Total Request	\$ Change from FY2017	% Change	Balanced Budget	\$ Change from FY2017	% Change from FY2017
Recycling and Transfer Station Enterprise										
101A	Salary & Wages	766,816	782,833	98,835	881,668	114,852		782,833	16,017	2.1%
101B	Expenses	1,278,969	1,369,612	2,000	1,371,612	92,643		1,369,612	90,643	7.1%
101C	Capital	86,500	91,500		91,500	5,000		91,500	5,000	5.8%
101D	Debt Service	150,000	150,000		150,000			150,000		
102	Reserve Fund	25,000	25,000		25,000			25,000		
Total		2,307,285	2,418,945	100,835	2,519,780	212,495	9.2%	2,418,945	111,660	4.8%
Sewer Enterprise										
201A	Salary & Wages	1,019,922	992,228	71,740	1,063,968	44,046		938,603	(81,319)	-8.0%
201B	Expenses	415,585	431,060	5,650	436,710	21,125		431,060	15,475	3.7%
201C	Capital	50,000	50,000		50,000			50,000		
201D	MWRA	5,718,107	5,718,107		5,718,107			5,718,107		
201E	Debt Service	1,500,000	1,500,000		1,500,000			1,500,000		
202	Reserve Fund	35,000	35,000		35,000			35,000		
Total		8,738,614	8,726,395	77,390	8,803,785	65,171	0.7%	8,672,770	(65,844)	-0.8%
Water Enterprise										
301A	Salary & Wages	1,134,686	1,172,516		1,172,516	37,830		1,226,141	91,455	8.1%
301B	Expenses	1,079,267	1,107,888		1,107,888	28,621		1,107,888	28,621	2.7%
301C	Capital	4,000				(4,000)			(4,000)	-100.0%
301D	MWRA	1,043,468	1,043,468		1,043,468			1,043,468		
301E	Debt Service	1,550,000	1,550,000		1,550,000			1,550,000		
302	Reserve Fund	75,000	75,000		75,000			75,000		
Total		4,886,421	4,948,872		4,948,872	62,451	1.3%	5,002,497	116,076	2.4%