

Aid for Libraries in FY2022 and so we recommend absorption of these important services into the operating budget. Additional program requests have been deferred including a Reference Librarian/Digital Communications Specialist (\$56,640 exclusive of benefits), and Library Pages (\$14,415 exclusive of benefits).

Park and Recreation – \$1,171,472 The Park and Recreation budget is proposed to increase by 23.3%. This significant increase is attributable primarily to 1. absorption into the operating budget of the Rosemary Pool summer staff funding that was previously included in a financial warrant article, 2. increased staffing at the Rosemary pools to meet industry standards, 3. costs associated with opening, maintaining, and closing the pool and 4. increases in hourly pay rates due to the increase in the State minimum wage. Funding requests for additional program staffing in the amount of \$25,903 have been deferred.

ENTERPRISE FUNDS

Building Department

The Building Department, working closely with the Information Technology Center, launched an online permitting system during the pandemic. This project "went live" early following the closure of Town buildings, allowing continuity of this core municipal service. Operations were reorganized to minimize the number of staff in the office at one time, with plumbing and electrical inspectors in the field in the mornings, building inspections occurring in the afternoons, and administrative staff working remotely on alternate days.

Sewer The recommended Sewer Enterprise Fund budget is 2.9% lower than in fiscal year 2021, primarily attributable to a reduction in the debt service line. 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. During FY2021, we will once again consider recommending a dedicated funding source for stormwater expenses to account for increased revenue that will be necessary to accommodate the significant and growing complexity of complying with Federal and State stormwater regulations.

Water The recommended Water Enterprise Fund budget is 2.0% higher than the FY2021 budget, primarily attributable to increases in contractual expenses and operating capital, and the addition of a new Co-op position. 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.

BEYOND THE OPERATING BUDGET

Capital Improvement Budget The Capital Improvement Plan Executive Summary is contained in Section 4 of this document. The recommended FY2022 capital budget has been updated to include the following items that were previously included under the "Tier 2" category: \$48,500 for Library Technology, \$56,000 for permanent message boards, \$436,000 for the balance of the Public Works Infrastructure Program, \$25,000 for School Furniture, \$284,119 for Unit 10, a Class 8 Dump Truck, and \$94,210 for Unit 39, a Class 5 Dump Truck.

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 FY2022 proposed budget includes the allocation of funds to one-time programs and projects and reserves. Changes to the funding recommendations may be made during the coming months depending on updated revenue estimates.

COVID-19 Expenses – \$4,845,143

Three departments have submitted contingent budgets for FY2022 to cover extraordinary costs associated with the COVID-19 pandemic. The largest category of expenses is for the continuation of the hybrid model at the Needham Public Schools and the corresponding remote academy in the amount of \$3,210,199 and associated benefit costs for 26 new FTEs of \$688,580. Costs for additional building maintenance (\$817,245) and a Public Health vaccination program (\$129,119) are also included. The funding plan for these expenses is expected to include a mix of sources included State and Federal grants and Free Cash. We expect to have a better estimate of the projected costs and the amount of available grant funding closer to Town Meeting.

Building Maintenance Program – \$1,000,000

This recurring warrant article funds the annual maintenance of public buildings throughout the Town and School department, including, but not limited to, asbestos abatement, duct cleaning, painting, and other repairs and upgrades. In CY2020, the School Facilities Master Plan was released, indicating several major repairs needed in the school buildings. Unless circumstances require otherwise, FY2022 funding will support upgrades to the Pollard and Mitchell schools, including structural repairs to the buildings, upgraded electrical service, upgraded heating systems, repairs to domestic hot water piping, installation of ADA compliant handrails, and replacement of ceiling tiles. Other projects include duct cleaning at the Eliot School, Library, and Hillside School, wood floor refinishing at various buildings, and public address system upgrades at the Mitchell School.

Public Library

The Needham Free Public Library successfully transitioned to a curbside pick-up model and expanded to 51 hours/week, operating late Monday evenings and all day on Saturday. Staff work continuously to meet the high demand, fulfilling all book requests within two hours, with circulation increasing each month. Reference Librarians offer recommendations to those who are not sure exactly what they want, the Children’s staff have hosted virtual programs and daily activities, and the Young Adult Librarian runs weekly Craft and Chats, among other programs.

Planning & Community Development

Staff quickly transitioned to virtual protocols, which allowed the Planning Board, Conservation Commission, Zoning Board of Appeals, and Design Review Board to meet their statutory permitting obligations remotely and without interruption. The Housing Specialist led the creation and launch of an Emergency Rental Assistance Program for eligible residents who lost income due to the COVID-19 pandemic.

Compensated Absences Fund – \$125,000

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.

Decommissioning the Rosemary Lake Dam – \$30,000

The Decommissioning of the dam will eliminate or reduce the frequent reporting, inspectional requirements,

and the potential enforcement intended for high hazard dams. Decommissioning will include the preparation of engineering reports, plans, and studies of the Rosemary Lake embankment

and the documentation needed for the Town to request a reclassification hearing with the Commonwealth.

Diversity, Equity & Inclusion Initiatives – \$50,000 In the summer of CY2020 the Select Board created the Needham Unite Against Racism Initiative. A working group was formed to recommend a vision for racial equity in Needham and determine guiding principles for future actions. Members are working to prioritize areas for improvement including, but not limited to, education, policing, housing and the racial and ethnic makeup of Town Boards and Committees. This funding will provide resources for the implementation of recommendations, including staff training, community workshops, educational programming, and facilitated conversations.

Fleet Refurbishment – \$150,000 In FY2018, the Fleet Division implemented a refurbishment program for Fleet assets and related components. The goal of this program is to extend the life cycle of the vehicles, increase operational safety, and eventually reduce reactive maintenance. The funding requests are spread out to allow the Fleet Division time to plan multiple repairs at once, follow procurement practices, and have the work completed. Rehabilitation work includes corrosion abatement, treatment, and refinishing, replacing corroded chassis, air brake tanks or brake valves, rebuilding primary components, replacing suspension and brakes, and updating lighting and reflective striping.

Department of Public Works

DPW has quickly adjusted operations, dividing the workforce into staggered shifts to ensure continuing operations, mustering out of new locations to allow for social distancing, reducing Town vehicle usage to a single employee and disinfecting equipment between users, and adjusting snow response plans to allow personnel to sleep and eat safely during snow events. The Department has responded to increased usage of fields, trails, and open space, which has added more demand for maintenance and trash pickup. Staff have assisted with planning special projects including Town Meeting, outdoor dining, socially distant office layouts, and polling location floor plans. The Building Maintenance Division worked tirelessly throughout the summer to ensure a safe reopening of Needham Public Schools through retro-commissioning HVAC systems, increasing air flow, installing new filters, and hiring additional custodial staff. DPW made site adjustments at the Recycling and Transfer Station to protect the health of employees and residents, while maintaining this core service for the community.

NPDES Permit Compliance – \$195,000 This funding will allow the Town to comply with the National Pollutant Discharge Elimination System (NPDES) permit. Needham is subject to a Total Maximum Daily Load (TMDL) requirement for phosphorus and pathogens. All stormwater discharges from urbanized areas must reduce the amount of phosphorus discharging to waterbodies and the tributaries thereto by 45% and pathogens must be eliminated and/or reduced to the maximum extent practicable through the use of enhanced structural and non-structural Best Management Practices (BMPs). This funding will be sought on an annual basis to inspect and evaluate all BMPs Town-wide, clean and inspect brooks and culverts, rehabilitate and/or replace catch basin and drainpipes, and respond to findings from CCTV inspections. This maintenance work will be performed in conjunction with the capital funding project request included in the General Fund Cash Capital Article.

Planning Consulting Assistance – \$60,000 The Planning and Community Development Department is requesting funding for professional and technical assistance in support of planning and zoning initiatives, development applications, land use regulations, and related

activities. Planning consulting assistance funds are used to conduct build-out, traffic, and fiscal impact analyses of zoning initiatives that the Planning Board is studying. In addition, funds would be used to help the Department research and advise appropriate Town boards when presented with complex development projects requiring advanced technical input.

Property Tax Assistance Program – \$50,000 The Property Tax Assistance Program provides small grants to taxpayers in need.

Public Health Consulting/Scientific Experts and Consultants – \$50,000 This funding would enable the Board of Health (BOH) to retain outside scientific experts and consultants to evaluate novel and emerging health issues about which the Board and the Public Health Division lack the necessary expertise. For example, this fund would allow for the retention of an outside expert to evaluate a proposed utility project that has unknown or uncertain environmental and health impacts, such as the Eversource Energy Reliability project. When there is a permit application process, the BOH has the ability (via regulation) to require applicants to pay an outside consultant fee so that the BOH may retain an independent expert to review the application and to advise the BOH. This funding request addresses the need to access expertise to evaluate community impact in instances when there is no public health division permit application.

Veterans Services

Veterans Services remains in close contact, via phone and e-mail, with Needham’s veterans and their families. Memorial Day observances were modified, with wreaths placed at nine locations around Town available for public viewing. A limited, socially distant ceremony was held at Memorial Park on Veteran’s Day to honor the service and sacrifice of all Needham veterans, past and present.

Small Repair Grant Program – \$50,000 The Small Repair Grant Program provides financial assistance to low- and moderate-income Needham residents to make repairs and alterations to their homes for health and safety reasons. Up to \$5,000 in grant funding is available per participant, and applications will be evaluated and prioritized based on the extent of the health and safety problems and the financial need of the applicants. Eligible applicants must be 60 years or older or have a disability with incomes at or below 80% of area median income. Eligible work items include minor plumbing or electrical work, light carpentry, doorbell switches, window or door repairs or replacements, railing repairs, broken or clogged gutters or downspouts, step or porch improvements, work on locks, smoke/CO2 detectors, weather stripping, bathroom grab bars, raised toilets, hand-held shower heads, among others.

Drains/Sewer Contribution – \$526,368 The annual contribution to the Sewer Enterprise Fund offsets 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. We continue to evaluate the benefits and challenges of funding the drains/stormwater program within the General Fund and will be recommending changes to the financial structure in the coming years.

Athletic Facility Improvement Fund – \$30,815 The purpose of the Athletic Facility Improvement Fund is to set aside capital funds for renovation and reconstruction of the Town’s athletic facilities and associated structures. Table 1.5 outlines appropriations to the fund over the past five years and is included at the end of this document. The funding recommendation is based on the four-year average of field administration fee collections.

Workers Compensation Internal Fund – \$337,000 The Workers Compensation Internal Fund is a reserve for work-related medical and indemnity payments for injured employees.

Allowance for Abatements and Exemptions – \$1,927,821 These funds are reserved for property tax abatements and statutory exemptions. After the actual new growth revenue for FY2022 is known, the amount of overlay may be increased. The final amount of the reserve is determined by the Department of Revenue when it approves the tax rate in December.

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.

Fire Department

The Needham Fire Department has continued to provide fire prevention and protection services and Emergency Medical Services to the community throughout the pandemic. The Department moved into its new headquarters at the Public Safety Complex in September and welcomed a new Emergency Management Administrator amid the Town's COVID-19 response, a critical component of Needham's Emergency Operations Center and Incident Command System.

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 Katie King, 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 Select Board, 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 dedicated staff working every day to maintain the high quality of life our residents expect and deserve.

At the Massachusetts Municipal Association Annual Meeting this month, author and activist Wes Moore called on local government professionals to be dream protectors. He urged us all to make sure that we protect the dreams of those we know have no one to protect them. I couldn't be prouder to be associated with local government and the Town of Needham during these turbulent days. Our staff are on the front lines protecting the public and, in a small way, protecting their dreams.

I thank you for the opportunity to serve the residents and businesses in the Town of Needham.

Respectfully submitted,

Kate Fitzpatrick

Town Manager

Appendix A Select Board Budget Priorities

The Select Board 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.

1. The primary goal of the Board is the maintenance and optimization of existing Town services during a pandemic along with financial, social, and economic crises.
2. In addition, mindful of the availability of revenue for appropriation, the Board has set the following priorities:
 - a. Support for items that contribute to the achievement of Town wide goals and objectives, including recovering from COVID-19 and advancing racial equity in Needham.
 - b. Support for the continuation of the Public Information Officer position.
 - c. 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, including continued investment in buildings infrastructure, and fleet maintenance.
 - d. 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.
 - e. 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.
 - f. Support for a funding mechanism for mandated water quality (stormwater) expenses.

**Table 1.2
School Enrollment 2011/2012 to 2020/2021**

School Year	Enrollment	Percentage Change
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%
2017/2018	5,665	1.4%
2018/2019	5,721	1.0%
2019/2020	5,707	-0.2%
2020/2021	5,495	-3.7%

Source: Department of Elementary & Secondary Education; Needham Public Schools

**Table 1.3
Group Health Insurance Enrollment FY2017 to FY2021**

Fiscal Year	Town	% Increase over Prior Year	School	% Increase over Prior Year	Total Actives	% Increase over Prior Year
FY2017	286	-2.72%	544	2.64%	830	0.73%
FY2018	291	1.75%	540	-0.74%	831	0.12%
FY2019	291	0.00%	540	0.00%	831	0.00%
FY2020	298	2.41%	557	3.15%	855	2.89%
FY2021	293	-1.68%	563	1.08%	856	0.12%

**Table 1.4
General and Enterprise Fund Full-time Equivalent Benefit-Eligible Positions
FY2016 – FY2022 (excluding grant funded positions)**

Function	Funded FY16	Funded FY17	Funded FY18	Funded FY19	Funded FY20	Funded FY21	FY16 - FY21 # Change	Proposed FY2022
General Government & Land Use	41.4	40.8	41.8	42.9	43.3	43.4	2.0	44.4
Public Safety	138.6	139.8	139.8	140.8	144.8	148.8	10.2	150.8
Public Works and Facilities	144.0	144.0	148.0	149.0	150.0	152.0	8.0	152.0
Community Services	30.8	30.9	33.7	36.6	37.1	38.0	7.2	38.3
Municipal Departments	354.8	355.5	363.3	369.3	375.2	382.2	27.4	385.5
School Department#	706.8	724.1	739.4	749.3	794.2	808.4	101.6	816.3

Proposed FY22 reflects the Superintendent's submitted budget (excluding COVID-19)

Table 1.5

Athletic Facility Improvement Fund					
Year	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2017	\$2,643,428	\$31,290	\$1,671,990		\$4,346,708
2018	\$4,346,708	\$62,313			\$4,409,021
2019	\$4,409,021	\$68,830	\$63,378	-\$1,855,000	\$2,686,229
2020	\$2,686,229	\$8,469	\$75,000	-\$2,500,000	\$269,698
2021*	\$269,698	\$333			\$270,031
* Balance as of December 31, 2020					

Table 1.6

Capital Facility Fund					
Year	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2017	\$1,312,275	\$13,400	\$505,000		\$1,830,675
2018	\$1,830,675	\$13,249		-\$1,817,000	\$26,924
2019	\$26,924	\$42,452	\$1,817,000		\$1,886,376
2020	\$1,886,376	\$31,712			\$1,918,088
2021*	\$1,918,088	\$2,529			\$1,920,617
* Balance as of December 31, 2020					

Table 1.7

Capital Improvement Fund					
Year	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2017	\$701,081	\$6,426	\$28,051		\$735,558
2018	\$735,558	\$11,669			\$747,227
2019	\$747,227	\$21,937	\$141,413		\$910,577
2020	\$910,577	\$17,827	\$166,612		\$1,095,016
2021*	\$1,095,016	\$1,354			\$1,096,370
* Balance as of December 31, 2020					

Table 1.8

Debt Service Stabilization Fund					
Year	Start	Interest	Appropriations to the Fund	Appropriations from the Fund	Balance
2017	\$320,186	\$6,154	\$612,595		\$938,935
2018	\$938,935	\$32,143	\$1,091,874		\$2,062,952
2019	\$2,062,952	\$51,554			\$2,114,506
2020	\$2,114,506	\$35,545			\$2,150,051
2021*	\$2,150,051	\$2,658			\$2,152,709
* Balance as of December 31, 2020					