

Town Manager's FY2026 Budget Message: Keeper of Place

“Thus in all these ways, we will transmit this City, not only, not less, but greater and more beautiful than it was transmitted to us.” – The Athenian Oath

The FY2026 proposed annual budget represents the 20th and final recommended budget in my tenure as Town Manager. This consolidated budget proposal process was initiated by the Town Manager Act approved by the voters in 2004. The proposed budget provides an opportunity to present – in one document – a summary of budget requests, revenue estimates, budget drivers, trends, goals, and recommendations.

The role of local government leadership is to be a keeper of place. The story of a budget is the story of an organization – in this case, the story of a place. The choices we make to allocate the limited resources available to us create our place. Our time leading the Town is temporary. While we serve, we devote our energy to keeping Needham the place that residents and business partners need, want and deserve. And, when our time in leadership is over, we transmit Needham not only not less, by greater and more beautiful than it was transmitted to us. I am confident that we have done this.

Table 1
Overall General Fund Budget Summary

Description	FY2024 Actual	FY2025 Budget	FY2026 Proposed	\$ Change	% Change
Sources					
Property Tax	182,769,187.00	192,425,222	202,281,021	9,855,800	5.1%
State Aid	15,578,355.00	16,175,722	16,663,045	487,323	3.0%
Local Receipts	22,257,192.00	15,413,000	16,658,000	1,245,000	8.1%
Free Cash	14,522,850.00	17,330,783	19,000,000	1,669,217	9.6%
Other Funds	2,750,424.00	5,564,543	421,723	(5,142,820)	-92.4%
Reimbursements	2,435,029.00	2,160,042	2,122,957	(37,085)	-1.7%
Total Sources	240,313,037.00	249,069,312	257,146,746	8,077,434	3.2%
Uses					
Municipal Departments	53,088,850.96	59,536,345	61,764,070	2,227,725	3.7%
Minuteman School	1,640,461.00	1,823,777	2,246,772	422,995	23.2%
Needham Schools	90,644,769.01	97,517,926	102,078,656	4,560,730	4.7%
Townwide Expenses	61,982,729.63	65,273,620	68,021,409	2,747,789	4.2%
Reserve Fund	0.00	2,000,000	1,800,000	(200,000)	-10.0%
Capital Budget	10,900,307.00	14,923,996	11,622,050	(3,301,946)	-22.1%
Financial Warrant Articles	3,125,670.01	3,253,227	3,642,595	389,368	12.0%
Other Appropriations	1,146,735.00	68,743	1,285,509	1,216,766	1770.0%
Other Amounts to be Raised	4,296,502.23	4,671,678	4,473,022	(198,656)	-4.3%
Total Uses	226,826,024.84	249,069,312	256,934,083	7,864,771	3.2%

BUDGETING BEST PRACTICES

1. Current revenues must be sufficient to support current expenditures. *The FY2026 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. *Revenue that cannot reasonably be expected to recur annually 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 should be reviewed on a regular basis to ensure that the underlying assumptions are adjusted based upon changing conditions and data. *The Pro Forma budget is a planning tool that provides early opportunity for the Town to anticipate and prepare contingency plans for government operations and the continuation of primary services. Management reviewed the FY2026 – 2030 pro forma in summer 2024.*
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 FY2026 – FY2030 Capital Improvement Plan includes five projects – Theatrical Lighting, Sound, & Rigging Repairs; Public Works Facilities Improvement Phase 1 Construction; Quiet Zone Safety Upgrades; Library Renovation; and Young Adult Area – funded in whole or in part by debt.*
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 turnback, whichever is lower. *The amount of Free Cash used to support on-going operations for FY2026 complies with this best practice.*
6. Adequate contingency funds must be maintained. *This proposed balanced budget allocates funding to the Athletic Facility Improvement Fund and Capital Facility Fund and maintains the status quo in the other contingency funds.*
7. Sufficient maintenance and replacement funds will be allocated to ensure that capital facilities and equipment are properly maintained. *The recommended Operating and Capital Budgets include investment in facilities, equipment, and infrastructure, including a continued investment in the Facilities Maintenance Program.*
8. The Operating and Capital Budgets must be resilient and allow the Town to maintain existing service levels, withstand typical local and regional economic disruptions, and meet the demands of natural growth, decline, and change. *Examples of budget resiliency include: the Town's ability to pivot and use alternative revenue sources to maintain the original approved budget for FY2021 during pandemic uncertainty, monitoring of revenue trends and adjusting estimates to account for unanticipated changes, and staffing in a manner to avoid hiring and laying off employees.*
9. The Operating and Capital Budgets must be sustainable and meet 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 affordable within historical revenue growth assumptions. The Town's funding of its post-employment employee benefits liability is an example of sustainability in that currently accruing expenses are being funded with current revenue.*

TRADITIONAL BUDGET DRIVERS: ENROLLMENT, EMPLOYEE BENEFITS, AND STAFFING

As is true every year, expenditures relating to growth in the population served, and the costs associated with providing those services are key drivers of budget growth.

School Enrollment

School enrollment declined 3.9% in the 2020/2021 school year, and ticked up slightly in the 2021/2022, 2022/2023, and 2023/2024 school years. Current enrollment for the 2024/2025 school year is 5,497, down 0.9% from the prior year. School enrollment this year is still 209 students below the last school year before the pandemic (2019/2020). Students remain impacted by the pandemic and continue to require critical support services.

Table 2
School Enrollment 2015/2016 to 2024/2025

School Year	Enrollment	Percentage Change
2015/2016	5,581	1.1%
2016/2017	5,588	0.1%
2017/2018	5,666	1.4%
2018/2019	5,721	1.0%
2019/2020	5,706	-0.3%
2020/2021	5,483	-3.9%
2021/2022	5,515	0.6%
2022/2023	5,525	0.2%
2023/2024	5,547	0.4%
2024/2025	5,497	-0.9%

Source: Needham Public Schools/McKibben Report, December 2024

Employee Benefits

The recommended FY2026 employee benefits budget represents an increase of 9.3%. This budget is based on an estimated increase in group health insurance rates of 10%. The Town has managed to keep its employee benefits line fairly stable for the past several years – due to enrollment trends and plan selection – which has had a positive impact on the operating budget. However, the consolidation of the Harvard Pilgrim and Tufts plans for FY2026 has had an impact on the budget growth. Moreover, five of the past ten years showed modest enrollment growth, with three showing no growth or a decline. The FY2025 increase in enrollment is the second highest in ten years.

Table 3
Group Health Insurance Enrollment FY2016 to FY2025

Fiscal Year	Town	% Increase over Prior Year	School	% Increase over Prior Year	Total Actives	% Increase over Prior Year
FY2016	294	2.80%	530	-0.19%	824	0.86%
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%
FY2022	288	-1.71%	565	0.36%	853	-0.35%
FY2023	290	0.69%	560	-0.88%	850	-0.35%
FY2024	288	-0.69%	566	1.07%	854	0.47%
FY2025	288	0.00%	584	3.18%	872	2.11%
10-Year Change (FY2016-FY2025)	-6	-2.04%	54	10.19%	48	5.83%
5-Year Change (FY2021-FY2025)	-5	-1.71%	21	3.73%	16	1.87%
1-Year Change (FY2024-FY2025)	0	0.00%	18	3.18%	18	2.11%

Staffing

Typically, targeted staffing increases are recommended to meet existing and growing service delivery needs, safety, and sustainability of Town assets. Given the estimated increase in fixed cost and recurring revenue available for appropriation, no requests for increased headcount are recommended in this budget. Table 4 details the growth in Full-time Equivalent Employees from FY2021 to FY2025 – 71.6 or 6%.

Table 4
General and Enterprise Fund Full-time Equivalent Benefit-Eligible Positions
FY2021 – FY2025 (excluding grant funded positions)

Function	Funded FY2021	Funded FY2022	Funded FY2023	Funded FY2024	Funded FY2025	FY2021 - FY2025 # Change	Proposed FY2026
General Government & Land Use	43.4	43.4	44.5	44.5	38.5	-4.9	38.5
Public Safety	148.8	150.8	152.8	152.8	152.8	4.0	152.8
Public Works & Facilities	152.0	152.3	156.0	159.0	161.3	9.3	161.3
Community Services	38.0	38.3	39.3	39.3	42.3	4.3	42.3
Total Municipal Departments	382.2	384.8	392.6	395.6	394.9	12.7	394.9
School Department*	812.5	839.0	825.9	856.4	865.4	52.9	853.7
School Department Municipal IT					6.0	6.0	8.2
Total School Department	812.5	839.0	825.9	856.4	871.4	58.9	861.9
Total All Departments	1,194.7	1,223.8	1,218.5	1,252.0	1,266.3	71.6	1,256.8
* Proposed FY2026 reflects the Superintendent's revised budget							

BALANCED BUDGET HIGHLIGHTS

The recommended FY2026 budget was developed with the Select Board's voted goals in mind. A full list of the Select Board's FY2025-FY2026 goals is included as Appendix A. The following is a summary of significant changes from prior years and recommended changes to the submitted budgets. A full discussion of each department is included in the submitted departmental spending requests in Section 3.

Casualty, Liability, Property, & Self-Insurance Program – \$1,030,826

The recommended Casualty, Liability, Property & Self-Insurance Program is increasing by \$58,266 or 6% based on estimated premiums and the number of facilities insured.

General Fund Debt Service - \$16,836,849

The recommended General Fund Debt Service budget is decreasing \$666,483 or 3.8% due to a decline in both CPA and excluded debt.

Group Insurance, Employee Benefits, and Administrative Cost – \$20,094,435

The recommended Group Insurance, Employee Benefits and Administrative Costs budget is increasing by \$1,717,960 or 9.3% for the reasons outlined above. The submitted budget was reduced by \$680,882 based on actual 401A retirement plan participation.

Needham Electric Light & Gas Program – \$5,738,194

The recommended Electric Light & Gas Program budget is increasing by \$69,156 or 1.2%. The submitted budget was reduced by \$252,496 based on positive energy pricing.

Retiree Insurance and Insurance Liability Fund - \$8,540,230

The recommended Retiree Insurance and Insurance Liability Fund budget is increasing by \$398,924 or 4.9% based on the most recent actuarial schedule.

Contributory Retirement Assessment – \$14,369,656

The recommended Contributory Retirement Assessment budget is increasing by \$1,064,419 or 8% based on the most recent actuarial schedule.

Workers Compensation – \$806,137

The recommended Workers Compensation budget is increasing by \$26,882 or 3.4% based on the estimated increase in salary and expense lines.

Injury on Duty (IOD) & 111F – \$174,082

The recommended IOD and 111F program budget is increasing by \$8,290 or 5% based on expected increases in salary and expense lines.

Classification, Performance, and Settlements (CPS) – \$431,000

This recommended budget is increasing by \$70,375 or 19.5%. The recommended budget reduces the submitted budget by \$106,000 to reflect General Government personnel-related items anticipated to occur during the year that are not in individual department budgets.

Reserve Fund – \$1,800,000

The recommended Reserve Fund budget is decreasing by \$200,000 or 10% based on anticipated needs. The recommended budget reduces the submitted budget by \$857,646.

Office of the Town Manager/Select Board – \$1,660,589

The recommended Office of the Town Manager/Select Board budget is \$45,586 or 2.8% higher than FY2025 primarily attributable to salary and wage increases for existing personnel.

Town Clerk/Board of Registrars – \$593,585

The recommended Town Clerk/Board of Registrars budget is increasing by \$7,185 or 1.2% primarily attributable to an increase in operating expenses. The salary and wage line for the Office is declining \$21,220 as there is only one election currently scheduled during FY2026.

Legal Services – \$329,140

The recommended legal services budget is level funded.

Finance Department – \$2,502,253

The recommended Finance Department budget is increasing by \$68,858 or 2.8% primarily attributable to salary and wage increases for existing personnel. The submitted budget was reduced by \$87,039 to reflect the deferral of a request for an administrative analyst position.

Finance Committee – \$47,455

The recommended Finance Committee budget is increasing by \$330 or 0.7% attributable to professional development costs for existing personnel.

Planning & Community Development – \$679,009

The recommended Planning and Community Development Department budget is increasing by \$34,405 or 5.3% primarily attributable to salary and wage increases for existing personnel. The submitted budget was reduced by \$103,100 to reflect the deferral of requests for an additional planner position and additional administrative support hours.

Police Department – \$9,577,335

The submitted Police Department budget is \$128,835 or 1.3% lower than FY2025. The salary and wage lines for existing staff in the Police Union and Police Superior Officers Association have not yet been recommended as the two contracts expire at the end of FY2025.

Fire Department – \$12,532,812

The recommended budget for the Fire Department is increasing by \$616,028 or 5.2% higher than FY2025 primarily attributable to salary and wage increases for existing personnel. A request for additional firefighters (\$414,452) has been deferred for further study.

Building Department – \$950,120

The recommended Building Department budget is increasing by \$29,525 or 3.2% primarily attributed to salary and wage increases for existing personnel. A budget request for additional inspection hours in the amount of \$30,703 has been deferred.

Minuteman School Assessment - \$2,246,772

The recommended Minuteman School Assessment budget is increasing by \$422,995 or 23.2% based on increases to the regional school budget and a significant increase in the Town's four-year rolling average of students upon which the assessment is based. The submitted budget has been reduced by \$105,900 based on an updated estimate provided by the Minuteman School.

Needham Public Schools – \$102,078,656

The recommended Needham Public Schools budget is increasing by \$4,560,730 or 4.7%. The recommended budget is \$2,250,000 or 2.2% lower than the submitted budget based on our estimate of revenue available for appropriation. The School Committee has not completed its budget process and will not have voted a budget request by the date of the release of the Town Manager's Proposed Annual Budget.

Needham Public Schools – Municipal Information Technology (IT) - \$2,510,774

The recommended Municipal IT budget is increasing by \$606,491 or 31.8%. The proposed budget allocates salary and wage and contractual services costs between the Town and the School. The recommended budget recognizes the \$593,643 that was appropriated in FY2025 by means of a warrant article – most of the expenses covered by that article for FY2025 are recurring in FY2026 – as planned. The submitted budget was reduced by \$100,000 for device replacement given the investment in equipment that was possible through ARPA funding.

Building Design & Construction – \$418,880

The recommended Building Design & Construction budget is increasing by \$16,275 or 4%, primarily attributable to salary and wage increase for existing staff.

Public Works – \$22,642,038

The recommended Public Works budget is increasing by \$561,498 or 2.5% primarily due to contractual increases in expenses and salary and wage increases for existing personnel. The submitted DPW budget was reduced by \$355,802 due to the deferral of three full-time positions: a custodian, a park ranger, and a craftworker, student coop positions, and a fleet key management system.

Municipal Parking - \$178,646

The recommended Municipal Parking Program budget is increasing by \$6,394 or 3.7% primarily attributed to contractual expense increases and salary and wage increases for existing personnel (overtime).

Health & Human Services (HHS) Department – \$3,072,837

The recommended HHS budget is increasing by \$232,018 or 8.2%. The majority of the increase is for the full-year funding of positions transferred from the ARPA budget. The positions were funded for half of FY2025 and now will be fully funded in FY2026.

Commission on Disabilities – \$2,550

The recommended Commission on Disabilities budget is increasing \$500 to support community education and trainings.

Historical Commission – \$525

The recommended Historical Commission budget is decreasing \$525 attributable to reduced material costs for public hearings.

Public Library – \$2,457,257

The recommended Public Library budget is increasing by \$87,954 or 3.7% primarily attributable to salary and wage increases for existing personnel. The submitted budget was reduced by \$117,847 to reflect the deferral of a request for a part-time librarian, a full-time librarian, and website hosting and maintenance services.

Park and Recreation – \$1,587,965

The recommended Park and Recreation budget is increasing by \$42,788 or 2.8% primarily attributable to salary and wage increases for existing personnel.

Memorial Park Trustees – \$2,000

The recommended Memorial Park Trustees budget is increasing \$1,250 to support flagpole and bench repairs.

Needham Council for Arts and Culture – \$18,300

The recommended Needham Council for Arts and Culture budget is level-funded.

ENTERPRISE FUNDS

Sewer – \$10,494,123

The recommended Sewer Enterprise Fund budget is increasing \$162,303 or 1.6%, primarily attributable to contractual expense increases and salary and wage increases for existing personnel. The MWRA Sewer Assessment is level-funded and will be adjusted based on the final assessment.

Water – \$6,361,337

The recommended Water Enterprise Fund budget is increasing \$194,182 or 3.1%, primarily attributable to contractual expense increases and salary and wage increases for existing personnel. The MWRA Water Assessment is level-funded and will be adjusted based on the final assessment.

BEYOND THE OPERATING BUDGET

Capital Improvement Budget

The Capital Improvement Plan Executive Summary is contained in Section 4 of this document. Based on an updated estimate of Free Cash, the recommended FY2026 Tier 1 Capital recommendations have been updated as follows:

- Town Copier Replacement - \$28,000;
- Town Facility Replacement Furniture - \$40,000;
- Building Management Systems (BMS) Upgrades - \$299,000;
- HVAC Upgrades - \$80,000;
- Trail Resurfacing and Improvements - \$75,000;
- Unit C-02 (Fire Department) - \$108,627; and
- Public Works Infrastructure Program – increase by \$2,069,000 to \$5,069,000.

Other Financial Warrant Articles

Given the amount of cash available for appropriation and consistent with the Town's policy to minimize the use of Free Cash for recurring operating expenses, the FY2026 proposed budget includes the allocation of funds to one-time programs, projects, and reserves. Changes to the funding recommendations may be made during the coming months depending on updated revenue estimates.

Compensation and Classification Study - \$120,000

Approximately every five years the Town engages in a review of the classification and compensation of most general government positions for recruitment purposes and to ensure compliance with the Massachusetts equal pay act. (Source: Free Cash)

Property Tax Assistance Program – \$50,000

The Property Tax Assistance Program provides small grants to taxpayers in need. (Source: Overlay Surplus)

Facilities 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 necessary upgrades. (Source: \$500,000 from Free Cash, and \$500,000 from the Tax Levy)

Forestry Management Program - \$222,600

This funding will allow the Town to create and implement a forestry management program, including additional tree inventory, expanded tree planting, and targeted tree removal. (Source: Free Cash)

Climate Action Planning - \$250,000

This funding will enable the Town to begin implementation of the Climate Roadmap and will serve as a source for matching funds for grant opportunities. The primary matching opportunity in the upcoming fiscal year is for federal funding for stormwater work on Alder Brook. The submitted budget was reduced by \$250,000. (Source: Free Cash)

Financial Applications - \$1,999,995

This request is to fund the purchase and implementation of a new billing and collections software. The current software requires multiple platforms, which is not only inefficient, but causes problems with revenue posting, reporting, cash reconciliation, and billing. This funding could allow the Town to consolidate multiple systems under one platform, streamlining and improving the financial operations and general ledger maintenance. (Source: \$1,423,170 from Free Cash and \$576,825 from the Tax Levy)

Opioid Programming - \$108,783

Funding for the salary, benefits and expenses of the Peer Recovery Coach are now aligned with the annual operating budget. (Source: Opioid Settlement Stabilization Fund)

Athletic Facility Improvement Fund – \$23,725

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 B.1 in Appendix B outlines appropriations to the fund over the past five years and is included at the end of this section. The funding recommendation is based on the amount raised by the Park & Recreation Department's field maintenance fee collected in FY2024. (Source: Free Cash)

Capital Facility Fund - \$380,000

In accordance with the Capital Improvement Policies adopted by the Select Board, no less than 2% of certified Free Cash should be reserved for the Capital Facility Fund. The current estimated Free Cash is \$19,000,000.

Transfer to Sewer Enterprise/Drains – \$881,784

The annual contribution to the Sewer Enterprise Fund offsets the cost of the drains program. The drains program - a General Fund expense - is appropriated to the Sewer Enterprise Fund as it is more efficient to account for the program in that manner. The Town continues 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. (Source: Tax Levy)

State Assessments - \$1,626,934

The category of State Assessments includes the Norfolk County Tax, Mosquito Control Projects, Air Pollution Districts, the Metropolitan Area Planning Council (MAPC), RMV Non-renewal Surcharge, MBTA, Special Education, School Choice Sending Tuition, and Charter School Sending Tuition.

Other Amounts to be Raised - \$92,310

This category includes tax title costs and Cherry Sheets Offsets.

Allowance for Abatements and Exemptions – \$2,753,778

These funds are reserved for property tax abatements and statutory exemptions. After the actual new growth revenue for FY2026 is known, the amount of overlay may change. The final amount of the reserve will be determined by the Department of Revenue when it approves the tax rate in December. (Source: Tax Levy)

CONCLUSION

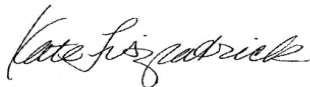
This balanced budget proposal is promulgated prior to the completion of the budget process for the Commonwealth. As revenue estimates are refined in the winter and spring, we will work with the various Town boards and committees in preparing the final budget to be presented to Town Meeting.

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, aligned with stated goals of elected and appointed boards, committees, and commissions. I would especially like to thank Superintendent of Schools Dan Gutekanst, Deputy Town Manager David Davison, Deputy Town Manager Katie King, and Support Services Manager Myles Tucker 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.

I couldn't be prouder to have been associated with the Town of Needham for the past 35 years. I thank you for the opportunity to serve the residents and businesses in the Town of Needham. We transmit this Town not only not less, but greater and more beautiful than it was transmitted to us.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kate Fitzgerald".

Town Manager

Appendix A Select Board Goals

Goal #1: Healthy and Socially Thriving

Needham residents enjoy plentiful recreational, cultural, and educational opportunities in an environment that upholds human rights, celebrates diversity, and fosters a sense of connection among neighbors, thus strengthening their bond to the community they proudly call home. Needham:

- Cultivates a wide range of recreational, cultural, educational, civic, and social opportunities for all socioeconomic and age groups;
- Supports the physical and mental well-being of its community members;
- Fosters inclusion, diversity, and equity in order to become a culturally responsive, anti-racist, and anti-biased community; and
- Values public art.

Goal #2: Economically Vital

Needham welcomes investment in local businesses and has a thriving local economy that contributes to a growing local tax base to support desirable community amenities and programs. Needham:

- Has a growth mindset and encourages business development and redevelopment;
- Supports an environment for creativity, innovation, and entrepreneurship;
- Promotes a well-educated, skilled, and diverse work force that meets employers' needs;
- Fosters a collaborative and resource-rich regional business climate;
- Attracts, sustains, and retains a diverse mix of businesses, entrepreneurs and jobs that support the needs of all community members; and
- Supports financial security and economic opportunity.

Goal #3: Livable

Needham values diversity and a broad spectrum of housing options. The community is supported by well-maintained public infrastructure and desirable amenities that accommodate a variety of community needs. Needham:

- Promotes and sustains a secure, clean, and attractive place to live, work and play;
- Supports an increase of housing, including a variety of types and price points;
- Provides high-performing, reliable, affordable public infrastructure and Town services;
- Encourages and appropriately regulates sustainable development; and
- Supports and enhances neighborhood livability and accessibility for all members of the community.

Goal #4: Accessible and Connected

In Needham, people can easily and affordably travel to their desired destinations without relying solely on cars. Needham:

- Supports a balanced transportation system that reflects effective land use, manages congestion, and facilitates strong regional multimodal connections;
- Offers and encourages a variety of safe, comfortable, affordable, reliable, convenient, and clean mobility options;
- Applies Complete Street principles to evaluate and prioritize bicycle and pedestrian safety;

- Coordinates with state and federal leaders to ensure access to safe, reliable, and efficient public transit;
- Provides effective infrastructure and services that enables people to connect with the natural and built environment; and
- Promotes transportation options to remain an age-friendly community.

Goal #5: Safe

Needham is a welcoming and inclusive community that fosters personal and community safety. Needham:

- Provides public safety in a manner consistent with community values;
- Provides comprehensive advanced life support level care;
- Plans for and provides equitable, timely and effective services and responses to emergencies and natural disasters;
- Fosters a climate of safety in homes, businesses, neighborhoods, streets, sidewalks, bike lanes, schools, and public places; and
- Encourages shared responsibility, provides education on personal and community safety, and fosters an environment that is welcoming and inclusive.

Goal #6: Responsibly Governed

Needham has an open and accessible Town government that fosters community engagement and trust while providing excellent municipal services. Needham:

- Models stewardship and sustainability of the Town's financial, human, information, and physical assets;
- Invests in making Town-owned buildings safe and functional;
- Supports strategic decision-making with opportunities for engagement and timely, reliable, and accurate data and analysis;
- Enhances and facilitates transparency, accuracy, efficiency, effectiveness, and quality service in all municipal business;
- Supports, develops, and enhances relationships between the Town and community and regional partners;
- Proactively reviews and updates Town policies and regulations and ensures compliance;
- Promotes collaboration between boards and committees;
- Values the local government workforce;
- Identifies and implements strategies to hire, support and retain diverse staff at every level of the organization; and
- Prioritizes acquisition of strategic parcels.

Goal #7: Environmentally Sustainable

Needham is a sustainable, thriving, and equitable community that benefits from and supports clean energy; preserves and responsibly uses the earth's resources; and cares for ecosystems. Needham:

- Combats the climate crisis;
- Prioritizes sustainability, including transitioning from fossil fuels to clean, renewable energy;
- Encourages the efficient use of natural resources; and
- Protects and enhances the biodiversity and vitality of ecological systems.

FY2025-2026 Initiatives

Healthy and Socially Thriving

- Develop and plan community celebration to take place on the Town Common.
- Outreach to various identity network groups and ask to meet with them and attend events to understand the work they do and the community they serve.
- Create an action plan for transitioning all Town Buildings to having all- gender bathrooms.
- Establish clear guidelines for public art proposals for the Town of Needham, including an outline of the existing process for approval from the appropriate committees to develop a consistent public arts program to serve the Needham community.
- Make intentional efforts and identify creative ideas for community outreach to diversify the candidate pool for all appointed Boards and Committees, measure progress.
- Complete the Equity Audit, clarify objectives, and determine next steps.
- Conduct Board and Committee member orientation sessions to include the Town's race equity vision statement and NUARI principles.
- Conduct Board and Committee member orientation sessions to include the Town's race equity vision statement.
- Develop a plan for a community observance of Juneteenth.
- Implement Valor Act and consider aligning the administrative process for both the Valor Act and the Senior Corps programs.
- Convene NUARI to discuss progress on strategies for ensuring that all members of the community feel welcome as outlined in the NUARI vision statement and guiding principles.
- Launch a Civics Academy to introduce Needham residents to all facets of local government

Economically Vital

- Gather community data from Placer.ai to look at movement and time in location (duration) to target future businesses and amenities (parking lots, parks, etc.).
- Evaluate Chestnut Street

Livable

- Work with the Planning Board on next steps related to the MBTA Communities Act.
- Evaluate next steps for use of the Stephen Palmer Building.
- Evaluate the role of the Affordable Housing Trust.
- Evaluate expansion of off-leash dog areas.
- Encourage and participate in the Planning Board's large house review.
- Explore renaming Hemlock Gorge to Nehoiden's Grant.
- Identify funding for School Master Plan projects and participate in the planning process.
- Evaluate RTS Service Delivery Model to guide long-term investment and review

operational efficiencies in the short-term.

- Upgrade Town Seal to improve graphic quality and historical accuracy.
- Identify opportunities for expanded active and passive recreation facilities including but not limited to an action sports park and pickleball.
- Improve trailhead access to ensure clear and accessible access.

Accessible and Connected

- Complete Quiet Zone feasibility and design and seek funding for noise reduction/Quiet Zone construction.
- Evaluate the feasibility of a shared use way between Needham Heights and the City of Newton.
- Evaluate expansion of snow and ice removal efforts, including sidewalk plowing strategies.
- Update parking payment technologies to allow for credit card and/or app- based payments.
- Evaluate and make a final determination of the appropriate plan for Downtown Redesign Phase 2.
- Pilot converting some on-street parking spaces for more active curb use (e.g., short customer visits, active loading areas).
- Update the Town's parking regulations and permit program (including permit rules, time/day regulations, and pricing).
- Evaluate funding options for the Rail Trail extension from High Rock Street to Needham Junction.

Responsibly Governed

- Conduct recruitment for a new Town Manager (added 1/7/2025)
- Collaborate with the Finance Committee about the Town's policies regarding the use of free cash and debt.
- Evaluate the possibility of developing a Community Master Plan. Develop an inventory of Town long-range plans and identify overlaps and conflicts, including other Boards of jurisdictions.
- Capital Facilities: CATH upgrades (including additional parking).
- Evaluate ways to increase minority and women-owned business participation in construction, building maintenance projects, and other Town programs.

Evaluate enhanced benefits to assist in the Town's recruitment and retention efforts.

- Review and update the Sign Bylaw.
- Review and update Select Board policies as appropriate.
- Evaluate options for enhanced data collection by Town Departments to assist the Board in reviewing and evaluating progress toward goals.
- Explore options for evaluating Town Counsel.
- DPW phased renovation/construction.
- Capital Facilities: Library phased renovations.
- Implement successor agreements for expiring contracts.

Environmentally Sustainable

- Identify and implement strategies to protect the Town's tree canopy.

- Develop Town Zero Emission First policy.
- Explore the option of enabling Commercial Property Assessed Clean Energy (PACE) program through MassDevelopment Program and develop supporting programs to drive participation.
- Strengthen the Town's Stormwater By-Law and prioritize efforts to improve stormwater quality and capacity
- Establish a comprehensive Climate Communications Strategy to engage community members and organizations in the implementation of climate actions and continuous evolution of the Climate Action Roadmap.
- Establish regulations to prohibit non-electric vehicles parking in EV charging spots.
- Recommend community energy aggregation
- Consider further opportunities for reducing plastic use in Needham.

Appendix B
Stabilization Fund Balances

Table B.1

Athletic Facility Improvement Fund					
Year	Start	Earnings	Appropriations to the Fund	Appropriations from the Fund	Balance
2020	\$2,686,229	\$8,469	\$75,000	(\$2,500,000)	\$269,698
2021	\$269,698	\$506			\$270,204
2022	\$270,204	\$2,689	\$705,715		\$978,608
2023	\$978,608	\$39,742	\$85,659		\$1,104,009
2024	\$1,104,009	\$64,851	\$33,533		\$1,202,393
Note the account does not reflect the \$1,100,000 used to fund the High School tennis court at the October 21, 2024 Special Town Meeting.					

Table B.2

Capital Facility Fund					
Year	Start	Earnings	Appropriations to the Fund	Appropriations from the Fund	Balance
2020	\$1,886,534	\$31,712			\$1,918,246
2021	\$1,918,246	\$3,597			\$1,921,843
2022	\$1,921,843	\$6,168			\$1,928,011
2023	\$1,928,011	\$78,231			\$2,006,242
2024	\$2,006,242	\$114,320			\$2,120,562

Table B.3

Capital Equipment Fund					
Year	Start	Earnings	Appropriations to the Fund	Appropriations from the Fund	Balance
2020	\$910,576	\$17,827	\$166,612		\$1,095,015
2021	\$1,095,015	\$2,054			\$1,097,069
2022	\$1,097,069	\$3,521			\$1,100,590
2023	\$1,100,590	\$44,658	\$351,662		\$1,496,910
2024	\$1,496,910	\$79,642	\$85,556		\$1,662,108

Table B.4

Debt Service Stabilization Fund					
Year	Start	Earnings	Appropriations to the Fund	Appropriations from the Fund	Balance
2020	\$2,114,506	\$35,545			\$2,150,051
2021	\$2,150,051	\$4,032			\$2,154,083
2022	\$2,154,083	\$6,913			\$2,160,996
2023	\$2,160,996	\$87,685			\$2,248,681
2024	\$2,248,681	\$128,311			\$2,376,992

Table B.5

Stormwater Stabilization Fund					
Year	Start	Earnings	Receipts and Appropriations	Appropriations from the Fund	Balance
2024	\$0	\$0	\$72,583		\$72,583

Table B.6

Opioid Settlement Stabilization Fund					
Year	Start	Earnings	Receipts and Appropriations	Appropriations from the Fund	Balance
2023	\$0	\$0	\$217,288		\$217,288
2024	\$217,288	\$8,336	\$251,391	(\$145,000)	\$332,015
Note the account does not reflect the \$82,000 used to fund the HHS request under article 2 at the October 21, 2024 Special Town Meeting.					

Town Manager Recommendation						
Line #	Description	FY2024 Expended	FY2025 As of November 1, 2024	FY2026 Total Request	Change from FY2025	Reductions
Townwide Expenses						
1	Casualty, Liability, Property & Self-insurance Program	923,772	972,560	1,030,826	58,266	6.0%
2	Debt Service	17,557,775	17,503,332	16,836,849	(666,483)	-3.8%
3	Group Health Insurance, Employee Benefits & Administrative Costs	16,553,594	18,376,475	20,775,317	2,398,842	13.1%
4	Needham Electric, Light & Gas Program	5,655,057	5,669,038	5,990,690	321,652	5.7%
5	Retiree Insurance & Insurance Liability Fund	8,199,280	8,141,306	8,540,230	398,924	4.9%
6	Retirement Assessments	12,154,582	13,305,237	14,369,656	1,064,419	8.0%
7	Workers Compensation	779,244	779,255	806,137	26,882	3.4%
8	Injury on Duty & 111F	159,426	165,792	174,082	8,290	5.0%
9	Classification Performance & Settlements		360,625	537,000	176,375	48.9%
10	Reserve Fund	Transfers Only	2,000,000	2,657,646	657,646	32.9%
Group Total		61,982,730	67,273,620	71,718,433	4,444,813	6.6%

Line #		Description	FY2024 Expended	FY2025 As of November 1, 2024	FY2026 Total Request	Change from FY2025	Reductions	Town Manager Recommendation	
								Balanced Budget	Change from FY2025
Select Board and the Office of the Town Manager									
11A	Salary & Wages	1,177,058	1,303,277	1,344,537	41,260	1,344,537	41,260		
11B	Expenses	256,114	311,726	316,052	4,326	316,052	4,326		
11C	Capital	36,009							
	Total	1,469,181	1,615,003	1,660,589	45,586	1,660,589	45,586	2.8%	
Office of the Town Clerk									
12A	Salary & Wages	419,925	478,170	456,950	(21,220)	456,950	(21,220)		
12B	Expenses	75,333	108,230	136,635	28,405	136,635	28,405		
12C	Capital								
	Total	495,258	586,400	593,585	7,185	593,585	7,185	1.2%	
Legal Services									
13	Legal Services	248,444	329,140	329,140		329,140			
	Total	248,444	329,140	329,140		329,140			
Finance Department									
14A	Salary & Wages	1,994,693	1,846,397	2,000,847	154,450	1,918,011	71,614		
14B	Expenses	1,602,011	586,998	588,445	1,447	584,242	(2,756)		
14C	Capital	98,363							
	Total	3,695,066	2,433,395	2,589,292	155,897	2,502,253	68,858	2.8%	
Finance Committee									
15A	Salary & Wages	30,939	45,365	45,365		45,365			
15B	Expenses	1,177	1,760	2,090	330	2,090	330		
	Total	32,116	47,125	47,455	330	47,455	330	0.7%	
Planning and Community Development									
16A	Salary & Wages	550,008	603,754	727,859	124,105	628,759	25,005		
16B	Expenses	51,731	40,850	54,250	13,400	50,250	9,400		
	Total	601,739	644,604	782,109	137,505	679,009	34,405	5.3%	
Police Department									
17A	Salary & Wages	7,690,032	8,716,261	8,798,222	81,961	8,798,222	81,961		
17B	Expenses	549,025	634,767	715,688	80,921	715,688	80,921		
17C	Capital	130,560	355,142	63,425	(291,717)	63,425	(291,717)		
	Total	8,369,617	9,706,170	9,577,335	(128,835)	9,577,335	(128,835)	-1.3%	

Fiscal Year 2026 Proposed Budget

					Town Manager Recommendation		
Line #	Description	FY2024 Expended	FY2025 As of November 1, 2024	FY2026 Total Request	Change from FY2025	Reductions	Balanced Budget Change from FY2025
Fire Department							
18A	Salary & Wages	10,157,648	11,304,871	12,250,685	945,814	(365,536)	11,885,149 580,278
18B	Expenses	456,668	569,122	601,989	32,867	(2,400)	599,589 30,467
18C	Capital	40,027	42,791	94,590	51,799	(46,516)	48,074 5,283
	Total	10,654,343	11,916,784	12,947,264	1,030,480	(414,452)	12,532,812 616,028 5.2%
Building Department							
19A	Salary & Wages	768,907	869,555	925,793	56,238	(30,043)	895,750 26,195
19B	Expenses	36,659	51,040	55,030	3,990	(660)	54,370 3,330
	Total	805,566	920,595	980,823	60,228	(30,703)	950,120 29,525 3.2%
Minuteman Regional High School Assessment							
20	Assessment	1,640,461	1,823,777	2,352,672	528,895	(105,900)	2,246,772 422,995
	Total	1,640,461	1,823,777	2,352,672	528,895	(105,900)	2,246,772 422,995 23.2%
Needham Public Schools							
21	Budget	90,644,769	97,517,926	104,328,656	6,810,730	(2,250,000)	102,078,656 4,560,730
22	Total	90,644,769	97,517,926	104,328,656	6,810,730	(2,250,000)	102,078,656 4,560,730 4.7%
Needham Public Schools - Municipal Information Technology							
22	Budget		1,904,283	2,610,774	706,491	(100,000)	2,510,774 606,491
	Total		1,904,283	2,610,774	706,491	(100,000)	2,510,774 606,491 31.8%
Building Design and Construction Department							
23A	Salary & Wages	239,986	381,370	397,645	16,275		397,645 16,275
23B	Expenses	4,617	21,235	21,235			21,235
	Total	244,603	402,605	418,880	16,275		418,880 16,275 4.0%
Department of Public Works							
24A	Salary & Wages	10,667,604	11,925,903	12,690,098	764,195	(300,072)	12,390,026 464,123
24B	Expenses	8,982,219	9,592,467	9,785,360	192,893	(55,730)	9,729,630 137,163
24C	Capital	155,946	120,325	76,120	(44,205)		76,120 (44,205)
24D	Snow and Ice	689,305	441,845	446,262	4,417		446,262 4,417
	Total	20,495,074	22,080,540	22,997,840	917,300	(355,802)	22,642,038 561,498 2.5%
Municipal Parking Program							
25	Municipal Parking Program	154,719	172,252	178,646	6,394		178,646 6,394
	Total	154,719	172,252	178,646	6,394		178,646 6,394 3.7%

Line #	Description	FY2024 Expended	FY2025 As of November 1, 2024	FY2026 Total Request	Change from FY2025	Reductions	Town Manager Recommendation	
							Balanced Budget	Change from FY2025

Sewer Enterprise						
201A	Salary & Wages	1,130,463	1,218,870	1,275,049	56,179	1,275,049
201B	Expenses	478,008	866,539	904,663	38,124	904,663
201C	Capital		96,000	134,000	38,000	134,000
201D	MWRA	7,084,841	7,445,411	7,445,411		7,445,411
201E	Debt Service	493,424	670,000	700,000	30,000	700,000
202	Reserve Fund		35,000	35,000		35,000
	Total	9,186,736	10,331,820	10,494,123	162,303	10,494,123
					1.6%	1.6%

Water Enterprise						
301A	Salary & Wages	1,350,580	1,672,073	1,771,597	99,524	1,771,597
301B	Expenses	1,416,885	1,689,997	1,704,771	14,774	1,704,771
301C	Capital	40,000	57,100	46,984	(10,116)	46,984
301D	MWRA	1,887,130	1,212,985	1,212,985		1,212,985
301E	Debt Service	1,249,009	1,460,000	1,550,000	90,000	1,550,000
302	Reserve Fund		75,000	75,000		75,000
	Total	5,943,603	6,167,155	6,361,337	194,182	6,361,337
					3.1%	3.1%

Proposed Budget						
		Balanced Budget		Change from FY2025		
		Fiscal Year 2026		Fiscal Year 2026		
		6.0%		6.2%		
		0.9%		0.9%		