



RUTHANNE FULLER
MAYOR

City of Newton, Massachusetts
Office of the Mayor

RECEIVED
2023 APR 24 PM 4:43

CITY CLERK
NEWTON, MA. 02459

#154-23
Telephone
(617) 796-1100
Telefax
(617) 796-1113
TDD
(617) 796-1089
E-mail
rfuller@newtonma.gov

April 24, 2023

Honorable City Council
Newton City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

Councilors:

I respectfully submit a docket item to your Honorable Council requesting authorization to transfer the sum of \$1,500,000 from Acct # 0110498-579400 Reserve for Snow & Ice Removal Costs to Acct # 5900-1040 Rainy Day Stabilization Fund. Further, I request authorization to appropriate the sum of \$250,000 from June 30, 2022 Certified Free Cash to Acct # 5900-1040 Rainy Day Stabilization Fund.

Based on the extension of the full-funding of the pension system, as well as changes to the Moody's ratings methodology, we believe it is prudent for the City to increase the balance of the Rainy Day Stabilization Fund to 6% of the total operating budget. Therefore, I am submitting this request in conjunction with the FY2024 budget document to transfer a total of \$1,750,000 from these two FY23 accounts to bring the total of the Rainy Day Stabilization Fund to 5.34% of the FY24 budget. I will submit a similar request in each of the next two years, until such time as the fund balance totals 6% of the operating budget.

Notably, due to rising interest rates throughout this past year, the investment income of the Rainy Day Stabilization Fund totaled almost \$890,000 and did not require a subsidy to maintain a 5% ratio of the Mayor's Proposed FY2024 General Fund Operating Budget.

Thank you for your consideration of this matter.

Sincerely,

Ruthanne Fuller
Mayor