

Thursday, Aug. 17, 2023

Mayor's Newton Update

Budget News

As Mayor I have continuously worked with our team to ensure the long-term financial sustainability of Newton while simultaneously addressing our current operational needs. I am pleased to announce that two recent financial developments are enabling me to propose a significant initiative to bolster both goals. This initiative will provide additional financial support for the operations of the Newton Public Schools for the next eight years while helping the City fully fund the City's pension system on our agreed upon schedule of Fiscal Year 2032.



Overlay Surplus and Appellate Tax Board Interest & Penalties

The City of Newton Board of Assessors on an ongoing basis sets aside funds in an Overlay account to pay for possible abatements (and any interest or penalties payable on abatements) and exemptions of real estate property taxes and/or personal property taxes. The Overlay account also sets aside funds in the event that property taxes are deemed uncollectible.

The current balance of the Overlay account is \$31.5 million.

In April 2022, Eversource wrote a check to us for \$12.7M for taxes that they had been challenging. While Eversource paid the taxes, they continued their legal appeal. We were required to hold these funds in reserve in Overlay until the appeal process was resolved.

Eversource has withdrawn their Appellate Tax Board Filings for Fiscal Years 2012 through FY2020; however, Eversource declined to withdraw their appeals for FY2021 and FY2022.

As a result of the Eversource withdrawal of nine of their eleven appeals, the resolution of several other cases, and the passage of the Appellate Tax Board (ATB) filing deadline of August 1, Newton's Board of Assessors is poised to declare a significant amount of Overlay Surplus – \$20.5 million.

In addition to the funds held in the Overlay Account, there is \$5.5 million held in the Appellate Tax Board (ATB) Interest & Penalties Account which is also now available, primarily as a result of the Eversource decision.

In total, we expect the City will soon have available *one-time* funds of \$26 million – \$20.5 million in Overlay Surplus and \$5.5 million from the Appellate Tax Board

(ATB) Interest and Penalties Account.

I want to thank our leaders in Newton's Assessing Department for their wisdom and tenacity over more than a decade. Elizabeth Dromey and Jim Shaughnessy, working with a small handful of other Assessing Departments, reinvented how Eversource pays taxes. Their new approach is now the standard operating procedure across the Commonwealth. We have them to thank for this significant additional collection of taxes which we can use for our community.

Free Cash

Free cash in layperson's terms is the remaining, unrestricted funds from operations from the previous fiscal year.

The Newton's Comptroller's Office determines the amount of Free Cash in August or early September as they progress through the year-end close process. They are still doing that analysis.

In the last week or so, it has become clear that the Comptrollers' will be submitting to the Massachusetts' Department of Revenue a request to certify a Free Cash amount that is significantly higher than the amount typically declared for the City of Newton. We expect Free Cash to be certified in late September or early October in the range of \$21 – \$23 million. These are also *one-time* funds.

Financial Strategy

Our one-time Free Cash funds will be used primarily for our immediate one-time needs and prioritized in keeping with the City's Financial Management Guidelines. These may include road paving, legal settlements, one-time infrastructure investments, and snow & ice expenses. Each use of Free Cash will come before the City Council for approval in the course of FY2024.

The entire \$26 million from Overlay Surplus and the ATB Interest & Penalties will be transformed into *ongoing* funds to support our Pension system, the Newton Public Schools, and the City's overall financial health.

More specifically, within the next few days after the Board of Assessors declares the Overlay surplus, I will submit a docket item to the City Council.

The three components of my docket request will be:

1. Establish the "Operations Booster Stabilization Fund" as a reserve fund to pay for a portion of the annual general fund appropriations for the City's pension system, known as the Newton Retirement System Funding Schedule;
2. Appropriate the Overlay Surplus of \$20.5 million as declared by the City's Board of Assessors to the Operations Booster Stabilization Fund; and
3. Transfer funds of \$5.5 million from the Appellate Tax Board Interest and Penalties Fund to the Operations Booster Stabilization Fund

What is the Financial Impact of this Initiative?

Currently, the Newton Retirement Board has approved a funding schedule that increases by 6.6% per year through Fiscal Year 2032, at which time we are projected to attain full funding of the pension system.

Rather than increasing the General Fund appropriation by 6.6% each year, we will increase funding by 5.0% from the General Fund and utilize funds from this Operations Booster Stabilization Fund for eight years to pay the remaining 1.6% annual increase.

In so doing, we will be able to repurpose the value of the 1.6% primarily to fund NPS operational needs. We intend to appropriate 70% of the "savings" generated by this fund to the Newton Public Schools each year with 30% used to reduce the City of Newton forecasted gap. To put this in context, 65% of the City's overall expenditures are directed to the Newton Public Schools so I am prioritizing our students and the strength of the Newton Public Schools, Newton's keystone.

Every year our team creates a Long-Range Financial Plan & Five-Year Financial Forecast. For at least a dozen years, this forecast has included a deficit in the out years. We always acknowledge the gap. However, we manage our annual budgets and long-term commitments to personnel costs, debt service and new initiatives so that we always have a balanced budget. This financial initiative makes the gap smaller, helping the overall financial health of the City.

This financial strategy allows me to increase the allocation to the Newton Public Schools for FY2025 through FY2032 from an increase annually of 3.5% to approximately 3.7%. The percent increase in the NPS allocation returns to 3.5% in FY2033.

In dollars, the increase as a result of this financial strategy means an addition of approximately \$462,000 for NPS in FY2025 growing to an increase of \$5.485 million in FY2032; this increase is above and beyond the 3.5% increase which, for example, is \$9.4 million in FY2025.

The Newton School Committee has the responsibility to determine how to spend these additional monies if the City Council approves my Administration's request for the Operations Booster Stabilization Fund.

Why Not Put this Money Directly into the NPS/City Budgets?

We have spent the past six weeks exploring alternatives. We firmly think this financial strategy provides certainty to the City and our taxpayers as we try to achieve our dual objectives of fully funding the Pension system for the City while addressing our operational needs over the next eight years.

To be straight, we are concerned that future School Committees, future City Councilors, and even future Mayors would not be able to resist the temptation of utilizing these funds too early or solely for current operations, jeopardizing the dual needs of the City.

Our unfunded liabilities for the pensions and retiree health insurance that we have promised our employees is more than \$600 million dollars.

As Mayor, I am committed to providing current services and capital investments, paying employees fairly, addressing our significant pension and healthcare liabilities, all while maintaining a Aaa credit rating.

Next Steps

This year we expect to provide the City Council, the School Committee and our residents with our Long-Term Financial Plan and Five-Year Financial Forecast a bit earlier than usual— in the third week of September.

Based on economic conditions, capital cost increases, and current and projected interest rates, there will be no other additional one-time funds or significant, unusual increases in ongoing revenues for the FY2024 Budget nor for the projected Budgets for FY2025 and FY2026.

We look forward to working with the School Committee and City Council and continuing the dialogue with our residents as we continue to refine our financial strategy for the coming years.

If you would like to read a longer, more detailed description of this financial initiative that I shared with our City Councilors, School Committee Members, and Retirement Board Members, click [here](#) for the memo and click [here](#) for the spreadsheet of Operations Booster Stabilization Fund Projections through FY2033.

Community Meeting on Proposal for a Family Shelter, Sept. 14

Join FamilyAid, State officials (from both Executive Office of Livable Communities and Department of Elementary and Secondary Education), and City leaders and staff for a community meeting to hear more about plans to create a Family Navigation Center with 42 units of transitional housing.

FamilyAid, with State support, plans to rehabilitate the former Chetwynde Nursing home property at 1650 Washington Street into a long-term space offering housing and services for families experiencing homelessness.

The meeting will be an opportunity for everyone to ask questions. It will also serve as the City's "administrative site plan review" community meeting to hear comments about the proposed use.

FamilyAid is entering into a long-term lease (55 years) for the property which will be home to its second "Family Navigation Center." They will provide both housing and a variety of on-site services to families. The services will include job training, financial literacy, adult education, life skills, nutrition courses, and housing search and placement. Family Aid staff would be on-site 24/7 to assist residents. Their clients typically move from this temporary housing to permanent housing in under

a year. (FamilyAid continues to support the families when they are permanently housed for another two years.) Find more information at:

familyaidboston.org/newton.

This type of housing is a temporary family shelter. To be clear, while a family will only live at 1650 Washington Street for about a year, FamilyAid is leasing the building for 55 years and thus expects to operate the family shelter permanently.

The proposal for 1650 Washington Street involves moderate rehabilitation of the building to take place over the next 5 months, with February 1, 2024 the target opening date.

Given the growing humanitarian crisis in Massachusetts, I look forward to the opportunity to help children and families at such a difficult time in their lives.

Join the zoom meeting on Thursday, Sept. 14 at 6:00 p.m. Please click the link below to join the webinar: <https://newtonma-gov.zoom.us/j/81092049758?pwd=YjFBa1RYaWpSOFBxaTRTTEtPY3NFQT09>, Passcode: 749491, Passcode: 749491.

Or One tap mobile :

+16465588656,,81092049758# US (New York)

+16469313860,,81092049758# US

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 646 558 8656 US (New York)

Webinar ID: 810 9204 9758

International numbers available: <https://newtonma-gov.zoom.us/j/81092049758>

Significant Change to NewMo

When the taxi industry started collapsing, we created our own low-cost shared ride service, Newton in Motion or NewMo. Originally in June 2019, NewMo served only older residents. We expanded the service to everyone from any place in Newton in October 2021. For just a few dollars, everyone from teenagers to older residents and employees to MBTA users enjoyed affordable, safe and convenient rides.

We could provide low cost, extensive service because of generous state and federal grants. Altogether, the cost of NewMo in Fiscal Year 2023 was \$1.2 million which included only \$275,000 of City funds. This translates into approximately \$51 per vehicle per hour and we have recently been operating 10 vehicles.

Unfortunately, the state and federal funding has not kept pace.

Therefore, starting on Tuesday, Sept. 5, we are reverting to providing service just to our core residents using the ongoing City funding of \$275,000 and a few remaining grants or mitigation funds.

We will be providing rides only to our older adults, individuals with disabilities, lower income residents, and a limited number of students with high needs in select NPS programs.

If you are already enrolled and registered for one of these categories, you can continue using NewMo with the code you have been provided. Our older residents, individuals with disabilities, lower income residents and the students with high needs in select NPS programs that have been using NewMo will have the exact same service at the same price. They will experience no disruption.

Riders wanting to register can contact the following City staff:

- Older Adults: Contact the Senior Center at (617) 796-1665 or email Elizabeth Lund at elund@newtonma.gov
- People with Disabilities or Low Incomes: Contact the Planning Department at (617) 796-1481 or email Josh Ostroff at jostroff@newtonma.gov

I know that these changes are likely to be disruptive to residents and people who work in Newton who have come to depend on NewMo. I realize that many of you will have to use Uber, Lyft or perhaps a taxi at a higher cost. This is really unfortunate but it is necessary.

Please know that we are rebidding the service to explore other options for providing the best transportation services, at the best price for riders, in a way that is financially sustainable for our taxpayers.

I also want to give a shout out to Nicole Freedman who helped invent NewMo and found most of the grant money. Huge thanks go as well as to the staff at our Senior Center (especially Elizabeth Lund) who over the years has worked hard with our NewMo service partner, Via. Our team will continue to work assiduously to provide our older residents and others with reliable and sensitive service.

Newton's 311 Mobile App on Smartphones No Longer In Service

We found out yesterday by our service provider that the City of Newton 311 Mobil App for smartphones has been shut off and is in the process of being removed from Apple and Android application libraries. (They did a so-called upgrade which in fact made it inoperable.) The loss of this phone app is a disappointment and a real inconvenience for Newtonians. (We suggest deleting the app from your phones since it's no longer functional.)

Thankfully, there is a work around. On your smartphone, go to newtonma.gov/311.

Our 311 system continues to work, just not through a smart phone app. Use your computer or smartphone via the internet at: newtonma.gov/311. Weekdays between 8:30 – 5:00 pm, you can also call Newton Customer Service at 617-796-1000.

We will be replacing not only the 311 mobile app but our entire 311 system. We'll do so as quickly as possible. Stay tuned.

I got to meet Serena, a playground enthusiast from Waban today at the recently resurfaced and reopened Newton Centre Playground. I forgot how fun it is to go down a slide!

Construction Scam Alert

Newton Police are advising us to be aware of “contractor scams” after reports of recent activity here.

They have provided some red flags to help identify when a “contractor” is not on the up and up:

- They usually go door-to-door looking for business.
- They claim to have extra materials left over from another job in the area.
- They are pushy and try to make you make quick decisions, offering you deals on the spot.
- They provide no contract.
- They insist on cash only sales.
- They want the entire payment or large amounts upfront.
- They offer deals that seem to be good to be true.
- They have unmarked trucks or vehicles, sometimes registered out of state.

If you feel like you're being approached with a possible contractor scam, please contact NPD at 617-796-2100.

Improvements to Newton Parks, Trails and Historic Newton

Because of the good work on Beacon Hill by our State delegation, we have funds to improve parks, trails and exhibits at Historic Newton.

I'm grateful to State Senator Cindy Creem, State Representative Kay Khan, State Representative Ruth Balsler and State Representative John Lawn for advocating for these funds to help Newton. I also want to thank City Councilor Maria

Greenberg for keeping a close eye on these projects as they wound through the State budget process.

- \$150,000 to improve trails at Kennard and Kessler Conservation Areas in Chestnut Hill and the Upper Falls Greenway
- \$100,000 to improve Farlow Park, including Farlow Pond and the Chaffin House in Newton Corner
- \$85,000 for beautification and stormwater improvements to the Cheesecake Brook, the greenspace and the waterway, at Albemarle
- \$100,000 for improvements to Pellegrini Park in the Nonantum neighborhood
- \$25,000 to upgrade and develop the exhibits at Historic Newton

Warmly,

Ruthanne

P.S. Boston College Move In Day for first year students is next Thursday, Aug. 24 from 8:00 a.m. to 7:00 p.m. – along with all the excitement comes some traffic disruptions for people who live and travel through the Chestnut Hill campus area. Expect more traffic than usual along Centre, Beacon and Hammond Streets, Tudor and College Roads, and Comm Ave. In addition, two-way traffic along Tudor Road will be temporarily changed to one way southbound from Hammond Street to Beacon Street, and Hammond Street will temporarily become one-way from Comm Ave to College Road. Newton Police Details will be assigned to key intersections. Read Boston College's letter to neighbors [here](#). Questions? Call B.C.'s Office of Government and Community Affairs at 617-552-4787.

P.P.S. Meet the most adorable mini horses this Monday, Aug. 21 from 1:30 to 2:30 p.m. on the Grass at the Hyde Community Center, 90 Lincoln Street, Newton Highlands. **Minis with a Mission** bring "healing, comfort, and delight through connecting hands, hearts, and hooves" for people of all ages. The program is generously sponsored by local horse aficionado Justin Greene.

P.P.P.S. Come over to the Newton Centre Bowl this Sunday, Aug. 20 starting at 6:00 p.m. for the **final concert of the Summer Concert Series**. Bring along a picnic dinner and enjoy the music of Koliba Afro Pop, an 8-piece band that performs music based on rhythms and styles of West Africa blended with contemporary American and European sounds. Special thanks to Newton's Cultural Director Paula Gannon for putting on such a fantastic summer series and to the program sponsors The Village Bank, Newton Community Pride and House of Tandoor.

P.P.P.P.S. It's not too early to start thinking about **Paddy's Road Race**, the great October tradition in West Newton that raises money for Newton Athletes Unlimited which offers amazing recreational programs to people with disabilities. Registration is open for the 22nd Annual Shillelagh Shuffle on Sunday, Oct. 15. Choose the 3-mile race, a 1K and/or an all ability event. Find more information and register at paddysroadrace.com.

P.P.P.P.P.S. As the **Newton Cultural Council** gears up for the fall season of [grant applications](#) due Friday, Sept. 1, help decide what types of events and programs they should support for the coming season. Complete a **short survey** [here](#) by Tuesday, Aug. 29 on your funding priorities.

P.P.P.P.P.S. Free sweets and ice cream (yes, that includes Cabot's), classic cars and live music will be at the third annual **NewTV Cones 'N Cars**. The fun is on Wednesday, Aug. 23 from 5:30 – 7:30 p.m. outside the NewTV studio at 23 Needham Street. It's free and registration is not required, but would help with planning. Get more information and register [here](#).

P.P.P.P.P.P.S. Do you love farm fresh local apples? Consider a **weekly Fruit Share** from Newton Community Farm in conjunction with Autumn Hills Orchard. Each weekly share consists of approximately four to five pounds of apples and occasional grapes and pears. The deadline to register for the \$108, eight-week Fruit Share is Tuesday, Aug. 22. Find more info and register [here](#).

P.P.P.P.P.P.P.S. Join one (or more) of the **Newton Senior Center's Conversation Clubs** and socialize, discuss current events and have casual conversation in German, Mandarin, French or Spanish. There's no need to register, just show up.

- The German Conversation Group begins on Tuesday, Sept. 5 and will meet on Tuesdays from 10:00 to 11:00 a.m. at the Brigham House, 20 Hartford Street.
- The Mandarin Conversation Group meets on the second and fourth Wednesday of every month from 10:00 to 11:00 a.m. at the Brigham House, 20 Hartford St. The next group is Wednesday, Aug. 23.
- The French Conversation Group meets on Thursdays from 1:00 to 2:00 p.m. at the Brigham House, 20 Hartford St. The next group is Thursday, Aug. 24.
- The Spanish Conversation Group meets virtually on zoom on Tuesdays from 9:00 to 11:00 a.m. Join the next meeting on Tuesday, Aug. 22 at <https://us02web.zoom.us/j/88173079664?pwd=WDE3V3lYeDB4S0s0ZVhKN2kzL3Rqdz09> Meeting ID: 881 7307 9664, Passcode: 603102

P.P.P.P.P.P.P.P.S. **Congratulations to City Council President Emeritus Lisle Baker** for being honored with the 2023 Outstanding Practitioner Award from the International Positive Psychology Association. Councilor Baker, a professor at Suffolk University School of Law, was cited for his course Positive Psychology for Lawyers. In accepting the award, Councilor Baker remarked, “How we educate new lawyers matters to all of us because attorneys are the guardians of our liberties, our livelihoods, and our environment. We need them to be their very best when we want their help.”

P.P.P.P.P.P.P.P.S. Join me in giving our **Newton Little League 11U team** a standing ovation on their hard-earned Summer Youth Baseball League Championship. The team compiled an overall record of 15-4 against all-star competition from eastern Massachusetts this season, and 45-10 over the past three summers.

P.P.P.P.P.P.P.P.P.S.

The baseball team isn’t Newton’s only summer champs. Congratulations to the champion **Newton Bluefish** which went undefeated this season. The tremendous season provided even more sweet memories as we close the 58 year old Gath Pool and look forward to opening a brand new facility next June.



Mayor Ruthanne Fuller | 1000 Commonwealth Avenue, Newton, MA 02459

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