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Honorable City Council
Newton City Hall
1000 Commonwealth Avenue
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To the Residents of our good City and our Honorable City Council,

Nine years ago this week, I sat in what was then called the Aldermanic Chamber as a freshman alderman, waiting for my first budget book with a pit in my stomach.

The country, the Commonwealth and the City were still in tough shape in April 2010. The effects of the financial crisis, the Great Recession, lingered. In Newton, new growth had dropped dramatically, putting pressure on the City's revenues and state aid was down again. Costs for health care, pensions and energy had been rising. The underfunding of school buildings, city facilities and street repairs, snow and ice control, and retiree benefits created burdens. We also had inadequate reserves.

As a result, the new Warren administration was forced to cut 9 municipal positions and the Newton Public Schools eliminated 22.9 more.

As a new Alderman, I knew that one of the reasons people elected me was their belief that I would work to reset the financial course of our City.

That was a critical goal for me as a member of the City Council, as the Vice Chair of the Finance Committee under Councilor Gentile's leadership for eight years, and now as your Mayor.

I am so pleased to be able to present a very different budget than that first one I received. While we still have many financial challenges and will always have more uses for resources than money to fund them, we are in a very different position today.

My proposed budget of \$430.3 million in the operating budget, \$62.1 million in water, sewer and stormwater enterprise funds and \$4.1 million in Community Preservation Funds invests our time and resources in building a greater, better and more beautiful Newton to transmit to our children and grandchildren; the goals embedded within this budget are inspired by our shared vision and fueled by our tradition of working together.

Education

I am pleased to present a budget that includes \$236.4 million for the Newton Public Schools, an increase of \$8.8 million. This includes an additional \$1 million to fund, for the first time in Newton's history, full day kindergarten which will start this September. I am grateful to our teachers and educators who are spending countless hours reimagining our kindergarten program so that it enriches our youngest learners.

It is no accident that I begin this budget letter with education. Our Newton Public Schools are the bedrock of our community. Providing an excellent education that meets the academic, social and emotional needs of every child, all 12,952 of our students, is a sacred duty – my sacred duty as your Mayor.

Simultaneously, the budget I am proposing invests heavily in our school buildings, too many of which are still creaky and leaky, too small or too awkward. This budget allows our extraordinary integrated and growing pre-school, the Newton Early Childhood Program, to move into a renovated Horace Mann and for the Horace Mann elementary community to move over to the former Carr School. The Cabot community will move from the former Carr into a renovated and expanded building back on Cabot Street while we begin the design work so the Lincoln-Eliot students and teachers can move to a redone 150 Jackson Road building, the former Aquinas. In this budget are also funds for more classrooms at Oak Hill Middle School. Countryside, we hope, will then be our next major project with financial support from the Massachusetts School Building Authority (MSBA). That's a lot of rebuilding. Yet, we still have a lot more in front of us including Ward, Franklin and others.

While it is our duty to provide academic excellence and educational equity, it is also our responsibility to keep Newton safe, to make Newton more "all age" friendly with a particular focus on our seniors, to improve our streets, sidewalks, and mobility, to maintain our public buildings and infrastructure, to preserve our neighborhoods, to increase affordable housing and diversify housing options, and to promote vibrant, walkable and financially robust village centers and commercial corridors. Similarly, we are duty bound to address climate change and to sustain our environment, to protect our woods and open spaces, to care for our parks and recreation spaces, to foster art, culture, and community life, to facilitate a healthy, accessible and supportive Newton, to provide excellent and responsive City services, and to do all of this while assuring the City's financial health and economic sustainability.

I am pleased that the Fiscal Year 2020 budget makes advances in each of these areas. This budget reflects our values and provides resources to support each of the twelve overarching goals to which I am committed. While the budget book is by necessity organized around departments, the next few pages after my letter show how our investments in Fiscal Year 2020 will achieve these twelve overarching goals for the city.

Public Safety

This budget will enable the Newton Police Department to continue forging close relationships with all segments of our community in part through a new substation at City Hall, to increase directed patrols in high vehicle crash locations, and to expand training for our officers. We have provided funding so the Police and Fire Departments can upgrade our public safety radio infrastructure to ensure reliable communications in emergencies. The budget will enable the Fire Department to continue highly specialized training to maintain its Technical Rescue Certification, and, importantly, will provide funding for Chief Bruce Proia to continue to work with us on Emergency Operations. I am so pleased to retain Chief Proia's wise counsel and exceptional experience, even as we welcome by the end of the month a new leader for our Fire Department, a department which is only one of 200 of the 47,000 fire departments in the country to be designated Class 1.

Making Newton All Age Friendly

Within this budget are the resources to implement a very exciting new transportation service to allow our seniors to stay engaged and active. Seniors will be able to request on-demand or pre-reserved rides by calling, emailing or using an app. With the help of 200 residents who suggested names, the service will be called Newton in Motion, or "NewMo" for short. Thank you goes to Stanley Fisher of Hyde Avenue for this suggestion! We'll try to arrange for Stanley to be the first passenger when Newton in Motion begins this summer.

We will move forward this coming fiscal year with the plans for Newton's Center for Active Living, or NewCAL, by continuing to design, locate and develop programs and services for a new community center with a special emphasis on meeting the evolving needs and interests of Newton's older residents.

Very importantly, this budget helps seniors stay in the city they love. In collaboration with the City Council, this budget expands the funding available by \$242,000 for the Senior Tax Deferral Program. Thirty-two more people have applied for a deferral this year than last, for a total of 96 residents – a 50% increase – and 16 are in the newly expanded income range of \$60,000 to \$86,000.

Improving Streets, Sidewalks, and Buildings, while Promoting Vibrant, Walkable and Financially Robust Village Centers and Commercial Corridors

Capital improvements to the City's vast system of roads and sidewalks, water, sewer and stormwater systems, and public and school buildings are so necessary for us to drive, bike and walk safely, for businesses and village centers to thrive, to reduce our carbon footprint, and for our students and teachers to learn and teach effectively. This budget supports advancements in each of these areas.

The accelerated pavement program enters its third year in FY2020 with a hefty \$9.5 million investment to improve Newton's aging, and, yes, pot-hole filled road network. We will work on main streets and small roads in neighborhoods. We made *some* progress last year. The pavement condition index, a 1 to 100 scale with 100 being a brand-new street, increased from 62.5 to 68. I am pleased that we will also focus on those in the worst condition. Two years from now, any street anywhere in

our city that is in really rough shape and currently has a pavement condition rating of 25 or less will have been improved.

In 2019 and 2020, two major “Complete Streets” projects in West Newton Square and in Newtonville’s village center – projects that include improvements to roads, traffic signals, sidewalks, benches, bus shelters, trees and more – will be underway.

The Oak and Christina Streets intersection improvements at Needham Street at the edge of Upper Falls, funded by both the City and Massachusetts Department of Transportation (MassDOT), just started and are timed to complement MassDOT’s \$26.8 million investment in Needham Street next year.

For the second year in a row, we are also increasing the budgets for crosswalk painting, pavement markings and traffic calming measures to improve safety and slow cars in our neighborhoods. The proposed capital budget also adds \$1.5 million to replace our parking meters and to add kiosks. Right now, over 35% of our meters are broken. In Fiscal Year 2020, we will also invest in another 100 accessible pedestrian push-buttons at signalized intersections that emit audible indications, the second year of a three-year plan to install these APS buttons at all our signalized intersections.

Investing water, sewer, and stormwater funds from fees, this budget allows the Department of Public Works Utilities Division to continue the aggressive, multi-decade improvements of all three systems.

Our 20-Year Water Pipeline Replacement Program, developed with a lot of help from Councilor Deb Crossley, will enter its fourth year. Repairing leak-prone aging water lines should help lower the “unaccounted-for water” in our system and decrease the City’s Massachusetts Water Resource Authority (MWRA) assessments.

The 10-Year Sewer Program continues into its sixth year, addressing aging sewer pipes, reducing stormwater flowing into the system and groundwater infiltration, and thereby minimizing the increases in the MWRA sewer charges and assessments.

Notably, this budget includes a whopping \$35 million dollars to pay the MWRA for water and sewer charges, an increase of almost \$936,000.

Our stormwater program will significantly ramp up over the next five years to address federal and state regulatory requirements known as the “MS4” Program which ensures Newton prevents polluted stormwater runoff into the Charles River.

Working closely with the City Council, we recently changed our quarterly stormwater charges to fund the increased capital and operating requirements of the MS4 Program. This budget calls for a lot of stormwater investments, including culvert replacements, the stabilization of the Cheesecake Brook in West Newton and Nonantum, DPW yard drainage work, and City Hall Pond sediment removal. Also, repairs to the Bullough’s Pond Dam on Dexter Street in Newtonville will be done to meet the state’s safety requirements.

I have proposed an increase in the maintenance budget for the Public Buildings Department so we can better care for our 84 municipal and school buildings which comprise nearly 3 million square feet of space. In addition to the many school projects and the NewCAL community center that I spoke of earlier, I have proposed additional funding for renovations to the Children's Room at the Library and significant Fire, Police, and City Hall building improvements.

At the same time, we made additional funding available for our Planning and Development staff who are working closely with residents, businesses and City Councilors to develop a Washington Street vision and the accompanying zoning plan and a Riverside visioning plan. More funding is included so the Planning Department can support City Councilors with thorough analyses as they make critical zoning and land use decisions this year on major projects at the end of Needham Street, Riverside and along Washington Street as well as key sections of the Zoning Ordinance.

Preserving Neighborhoods, Increasing Affordable Housing and Diversifying Housing Options

Additionally, leveraging funding from the Community Preservation Act, Community Development Block Grants, and HOME Housing Partnership programs, this budget proposes investing heavily in affordable housing, an urgent need. I am excited that we will be coming forward in the weeks ahead to explore preserving the National Guard Armory building on Washington Street at the edge of West Newton Square and repurposing it as housing, and, more specifically, 100% affordable housing, so more people of modest means can make this good City of Newton their home. Please know that the Commonwealth is willing to sell the building to the City for \$1 only if it is used for affordable housing, a use in which I believe deeply, and which also allows the City to control what happens to this important building.

Addressing Climate Change and Sustaining Our Environment

This budget includes several initiatives designed to address climate change. As the draft Newton Citizens Climate Action Plan states in its first sentence, avoiding climate change's most catastrophic effects requires eliminating greenhouse gas emissions by 2050, just thirty years from now. During FY2020, the City will continue to pursue an ambitious range of programs, including residential, commercial, and municipal renewable energy development; solar installations; waste diversion; LED lighting installations; and the adoption of Newton's first ever Climate Action Plan. We will continue sustainable transportation programs including "complete streets" road designs and bike sharing, while initiating an electric vehicle car sharing service and the senior ride sharing service, Newton in Motion, that I mentioned earlier which will reduce single occupancy vehicles on our roads.

Perhaps one of our most important initiatives last year was our new electricity supply program, Newton Power Choice. This program significantly increased Newton's investment in clean energy by providing the equivalent of 60% of our power from renewable sources as the standard package for Eversource customers. In Fiscal Year 2020, we are funding educational efforts to encourage each of us to opt-up to the 100% renewable option; right now, the cost is very reasonable.

Yet another exciting initiative included in this year's budget is the funding for electric vehicle lease agreements for all our aging City sedans, with the exception of Public Safety vehicles. The City will have reliable cars, lower maintenance costs and a completely electric sedan fleet within two years.

I am also pleased that this budget funds a composting pilot at the City's Resource Recovery Center at Rumford Avenue. Residents will be able to drop off food waste and other organics so compostable waste can be diverted from landfills and instead be turned into reusable, rich compost. We will be piloting the collection of organics from the cafeterias at some elementary schools this year as well.

Protecting Woods & Open Spaces and Caring for Our Parks & Recreation Spaces

This budget increases funding for maintenance of our athletic fields even as we move forward with strategies to preserve Webster Woods permanently as open space. I am pleased that this budget proposes investing in the redesign of the Commonwealth Avenue carriage lane near Lyons Field and the Marriott Hotel so people walking and biking can safely access trails along the Charles River. By investing in the design now, we are also setting ourselves up to take advantage of state funding for the construction costs.

Fostering Art, Culture and Community Life

This budget invests more in art, culture and community life. I am proposing adding another position in the operating budget for arts and culture even as we streamline the organization structure and formally acknowledge that the wonderful Bob DeRubeis is Commissioner of Parks, Recreation *and* Culture. We are thinking deeply about future investments with the help of our Community Design for Arts and Culture Advisory Committee, a group to whom I am most grateful.

Facilitating a Healthy, Accessible and Supportive Newton

I am deeply committed to the issues of mental health and addiction. As we enter a new era with retail marijuana stores in the city, we are renewing our focus and increasing our supports. With funds from our one medical marijuana facility host community agreement, we will add a clinical counselor in our high schools to support substance abuse prevention and mental health, train more police officers as Drug Recognition Experts and, through our Health and Human Services Department, increase community education and prevention drug abuse programming as well as support residents with recovery. We will aggressively focus on prevention, education and compliance around e-cigarettes and vaping and continue important work on suicide prevention, hoarding, and food insecurity.

I would like to delve deeper into the use of revenues from the sale of marijuana. As many of you know, the City of Newton receives two streams of money from stores selling marijuana. Three percent of the tax revenue collected by the State for adult recreational sales (not medical) will come to the City and will go into the general fund to support our operating budget. An additional three percent of revenues from both medical and recreational marijuana sales may, I repeat may, flow to Newton as a community impact fee if agreed to as part of a Host Community Agreement. These funds must be used to address the public health, safety, education, administrative, infrastructure and other effects or impacts by the marijuana establishment on the City and our municipal and school

programs, services, personnel and facilities. As this is an emerging industry with significant uncertainty about the level of the funding stream, I will only use the revenues to fund services the year after the revenues have been posted to the City. Knowing that the funds may be limited to only five years and that we may see a shake-out in the number of stores and fluctuations in the level of sales, I will prioritize using the funds for one-time expenditures rather than ongoing operating expenses. While I will prioritize funding new programs and services, the funds may also be used for current ones, especially if the City is facing economic pressures. Finally, we will transparently track Host Community Agreement revenues and related expenditures.

We will simultaneously expand our commitment and recognition of Newton's veterans, increasing funding for ceremonies, memorials, parades and services.

Providing Excellent City Services Efficiently and Taking Care of What We Have

We are continuously improving the delivery of city services with a focus on effectiveness, safety and, when possible, greater efficiency. Every single dollar that will be spent in this budget has been scrutinized; our department heads searched for better practices and more savings. One example is that we are bringing crosswalk painting in-house. We are also adding a small number of positions in this proposed budget to help with key areas such as design engineering, inspectional services and code enforcement. We will also be investing in our great city employees by providing more professional training opportunities in all departments to improve how we do our work and how to do it safely, a key initiative of our new Human Resources Director, Michelle Pizzi O'Brien.

We are also realigning some of our departments to more effectively and efficiently provide services. In the Budget Book, pay attention to the organization charts for our Human Resources, Law, and Parks, Recreation and Culture Departments. While not reorganizations, they are realignments to improve performance.

I would also like to add that the Budget Book itself has been redesigned. The goal is to make clear what each department does, what we achieved last year and what our goals are for the coming one, as well as to highlight key operating outcomes.

Assuring the City's Financial Health and Spending Wisely

A well-managed, fiscally sound City is essential so we can fund our great schools, deliver top-notch city services to our residents, and invest in important upgrades to our infrastructure. We must maintain our deep commitment to the health, well-being, and safety of our approximately 3,000 valued employees and honor our commitments to them in their retirement years.

We can achieve these goals and remain financially sound even if the economy slows as long as all of us remain committed to and disciplined in settling collective bargaining agreements that are fair to our employees and fiscally sustainable. We must maintain parity between the growth in City revenues and expenditures on salaries and benefits, follow the difficult but necessary funding schedules for pension and retiree health care or OPEB liabilities, and carefully use every hard-earned taxpayer dollar that has been entrusted to us. This budget, for example, calls for an increase of 9.6%

for pensions to address the significant unfunded liability on our books.

My budget proposal is disciplined.

However, let me share with you what gives me pause as I submit this budget. I am cognizant of how much we still need to invest in pension and retiree health care to fully fund promises we have made in the past. We still need more dollars for infrastructure maintenance, including for our school buildings and streets. We haven't set aside enough yet for particularly snowy winters. Additional investments in addressing climate change are still ahead. I would like to invest more in teachers and aides, community policing and community life, athletic fields and artistic endeavors, trees and technology, to name just a few.

But, as I wrote last year at this time, such material and numerous ambitions pose a very real challenge to the financial health and economic sustainability of the City.

We must be judicious, ensuring our ambitions do not evolve into unchecked spending.

As the Honorable City Council reviews the proposed budget in the next 45 days, I welcome their ideas, suggestions and advocacy for specific services. At the same time, I ask each of them to continue to be disciplined, to temper our collective desire to do more and to do it more quickly with the hard reality of balancing the budget not just this year but into the future.

My Gratitude

Let me close with some thank yous.

I am grateful to the many people, from the Superintendent, the educators and the staff in our Newton Public Schools to those in every municipal department who every day professionally and passionately serve our residents and our city. It is hard work developing a budget and then, even harder, delivering on it. They do it well and I am grateful.

I am grateful to the members of our School Committee and the City Council who pore over every detail, every initiative and every dollar. A special thank you goes to the Chair of Finance, City Councilor Lenny Gentile, who with the help of City Clerk Shawna Sullivan, makes the financial review process year-round go smoothly and creates the illusion that it is done with little effort on his part. We know better. Thank you, Councilor Gentile.

Thank you, Maureen Lemieux, our Chief Financial Officer. The creation and then implementation of our strategic budgets for the last nine years has rested most heavily on Maureen's strong shoulders and all of us should be grateful for her vision, thoroughness, judgment, work ethic, and creativity; I know I am. Maureen gets a lot of help from a lot of people; both of us are grateful to Ryan Gauthier, our financial analyst, Bob Moss in IT who helps with the spreadsheets, Steve Vezeau who prints this book with a smile on his face despite the last minute changes, and Jonathan Yeo, our Chief Operating Officer, a true partner to both of us.

I also want to say a special and deep felt thank you tonight to Noah Rivkin, the Executive Aide in the Mayor's Office. He has joined the Marines and reports to Quantico for Officer Candidate School on June 1st. Noah is capable and kind, conscientious and caring, and an impressive example of a curious

and committed citizen Newton South High School helps nurture. Please stop by the Mayor's Office from 3:00 to 4:00 p.m. on Friday, April 26th to wish him well.

This is an exciting time in Newton with significant decisions to make and important initiatives in which to invest. I look forward to working together with our residents and the Honorable City Council and School Committee as we forge a welcoming and inclusive city that is greater, better and more beautiful.

Sincerely,

A handwritten signature in black ink that reads "Ruthanne Fuller". The signature is written in a cursive style with a large, looping initial 'R'.

Ruthanne Fuller
Mayor