



**City of Newton, Massachusetts
Mayor Ruthanne Fuller's
Proposed Budget
Fiscal Year 2019**

July 1, 2018 – June 30, 2019

April 17, 2018

City of Newton, Massachusetts
Elected Officials and City Administration

Ruthanne Fuller, Mayor

City Council

Marc C. Laredo, President
David A. Kalis, Vice President
R. Lisle Baker, President Emeritus
Susan Albright, Chair, Zoning and Planning
Jake Auchincloss
Allan Ciccone, Jr, Chair, Public Safety & Transport
James R. Cote
Deborah Crossley, Chair, Public Facilities
Victoria L. Danberg, Chair, Real Property Reuse
Andreae Downs
Leonard J. Gentile, Chair, Finance
Barbara Brousal-Glaser
Maria Scibelli Greenberg
Rebecca Walker-Grossman
Andrea W. Kelley
Joshua Krintzman
Cheryl Lappin
Alison M. Leary
Richard A. Lipof
Christopher J. Markiewicz
Brenda Noel
Emily Norton
John Rice, Chair, Programs & Services
Gregory R. Schwartz

School Committee

Ruth Goldman, Chairperson
Steven Siegel, Vice Chairperson
Bridget Ray-Canada
Margaret Albright
Anping Shen
Diana Fisher Gomberg
Kathy Shields
Matthew Miller

Executive Office Staff

Maureen Lemieux, Chief Financial Officer
Jonathan Yeo, Chief Operating Officer
Dana Hanson, Dir, Comm Engagement and Inclusion
Ellen Ishkanian, Dir, Community Communications
Noah Rivkin, Executive Aide
Ryan Gauthier, Financial Analyst
Ann Berwick, Director of Sustainability
Linda Plazonja, Citizens' Assistance Officer

Division Directors/Commissioners

David A. Olson, Clerk of the Council/City Clerk
Susan Djikowski, Comptroller
Nicholas Read, Chief Procurement Officer
Elizabeth Dromey, Chairman, Board of Assessors
James Reardon, Treasurer
Ouida Young, Acting City Solicitor
Karen Glasgow, Dir, Human Resources
Joseph Mulvey, Chief Information Officer
Barney Heath, Dir, Planning Department
Joshua Morse, Commissioner, Public Buildings Dept
Karen Griffey, Mgr, Fin'l Information Systems
David MacDonald, Chief, Newton Police
Bruce Proia, Chief, Newton Fire Department
John Lojek, Dir, Inspectional Services
James McGonagle, Commissioner, Public Works
Deborah Youngblood, Comm, Health & Human Svcs
Jayne Colino, Dir, Senior Services
Seth Bai, Dir, Veterans' Services
Philip McNulty, Dir, Newton Free Library
Robert DeRubeis, Commissioner, Parks & Recreation
Linda Plaut, Dir, Cultural Affairs
Lisa Dady, Dir, Historic Newton

School Administration

Dr. David Fleishman, Superintendent
Liam Hurley, Deputy Superintendent/C.A.O.



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RUTHANNE FULLER
MAYOR

April 17, 2018

To: The Honorable City Council
Newton Residents and Taxpayers

As on January 1st when members of the City Council, School Committee and I were inaugurated, I am filled with a deep sense of gratitude, responsibility, and optimism as I deliver the proposed Fiscal Year 2019 budget.

Our mission is to build a greater, better and more beautiful Newton to transmit to our children and grandchildren – grounded in our sense of civic duty, inspired by our shared vision, and fueled by our tradition of working together. This proposed budget of \$412 million in the operating budget, \$62 million in enterprise funds, and another \$3.5 million in Community Preservation Funds is the embodiment of that mission.

While we are organized into departments and the City Council will thoughtfully and thoroughly probe and review how each department will achieve its objectives, the bottom line is that we are working together to make Newton a better place than ever for our residents to raise a family, build a life, and enjoy their senior years.

Twelve Overarching Goals for the City of Newton

Therefore, rather than only laying out discreet outcomes for each individual department, I have layered into this budget twelve overarching goals whose achievement is essential to making Newton greater, better and more beautiful.

Often, achieving these overarching goals requires interdepartmental cooperation and coordination. For example, ensuring academic excellence and educational equity in our Newton Public Schools (NPS) is a team effort. The 29 school nurses work for the City's Health and Human Services Department while the 52 school crossing guards are part of the Police

Department. The major school building projects from Angier to Cabot and now 150 Jackson Road, the former Aquinas, are overseen by our Public Buildings Department.

Those twelve overarching goals, which I believe are our shared goals, are:

- Ensuring academic excellence and educational equity
- Keeping Newton safe
- Making Newton more “all age” friendly with a focus on seniors
- Improving streets, sidewalks, and mobility & public buildings and infrastructure
- Preserving neighborhoods, increasing affordable housing, and diversifying housing options
- Promoting vibrant, walkable and financially robust village centers & commercial corridors
- Addressing climate change and sustaining our environment
- Protecting woods and open spaces & caring for our parks and recreation spaces
- Fostering art, culture, and community life
- Facilitating a healthy, accessible and supportive Newton
- Providing excellent and responsive City services
- Assuring the City’s financial health and spending wisely

Assuring the City’s Financial Health and Spending Wisely

Let me repeat that last goal: Assuring the City’s financial health and spending wisely.

As fiduciaries, we must be judicious in our evaluation of and prudent in our decision making about spending and investments in order to preserve our ability to do four things simultaneously.

We need to:

- First, move forward determinedly and successfully to make Newton greater, better and more beautiful, focusing on the twelve overarching goals of which I just spoke;
- Second, fulfill obligations made by prior Mayors and City Councils that we have not yet funded sufficiently;
- Third, protect the City’s financial strength and budgetary flexibility to face evolving and sometimes unpredictable financial conditions and risks; and
- Fourth, set forward-looking goals that are not only sound policy but also wise, prudent and affordable fiscally for the City and for our taxpayers.

My proposal, which raises the budget by 4.35% over the budget of Fiscal Year 2018, is true to those objectives; it moves Newton forward while being ever mindful of the costs this imposes on each Newton taxpayer.

City of Newton Fiscal Year 2019 Proposed Budget: Achieving Our Shared Goals

Let’s look at the fiscal year that starts July 1st, 2018 and the budget I am proposing.

As a reminder, our budget process begins with a conservative estimate of the City’s revenues. These revenues come overwhelmingly from one source, our property taxes.

With this budget proposal, I am in effect proposing that we raise the tax levy the full 2 ½ percent allowed under Proposition 2 ½. This budget also includes our projection for an additional 1.3% in property taxes from new growth and redevelopment for a total increase of 3.8% over the FY18 budget. The other revenue sources, from state aid to motor vehicle excise taxes to licenses and permits paid to our Inspectional Services Department, grow by \$2.2 million or an additional one half of one percent. In terms of dollars, this proposed budget is \$17.2 million more than the FY18 budget.

Let's turn to the investments, also known as expenditures or expenses.

With the hard work of many people in each department and the detailed scrutiny of our experienced Chief Financial Officer, Maureen Lemieux, we reviewed and analyzed and considered whether to continue to invest in each and every position and line item of this budget, dollar by dollar. Savings were found; efficiencies were made; redeployments were instituted.

The heart and soul of our Newton city government are the women and men who labor every day to deliver to our citizens the services that make Newton, Newton. We will invest in our most valuable asset, our employees, through good working conditions, training and professional development. Also, all our union contracts will be up for negotiation this year and we look forward to collaborative discussions that result in fair agreements that make the City of Newton continue to be a safe and wonderful place to work.

We are making strategic incremental investments in programs and services. I won't list each but let me give you some highlights.

It's in our DNA here in Newton that we care deeply about our children and invest heavily in education. Therefore, we've allocated a 3.8% increase in funding to the Newton Public Schools for a total of \$227.6 million. This funding results in an additional 15.5 positions to address high school class sizes, assistant principals in all the large elementary and middle schools, an increase in social and emotional supports – including a psychologist, a part time social worker and a specialized nurse – and expanded staffing for growing specialized programs so we can meet the needs of all our students. Additional investments are also made in school building maintenance and technology.

On the City side for NPS, we're adding a nurse and upgrading two health aides to nurses. To continue to improve our school buildings, a working group is starting the process of analyzing specifically what should be done at 150 Jackson Road, the former Aquinas. This is known technically as a feasibility study.

While we're investing in our children's education, we're also investing in our seniors. In our Senior Services Department, our goal is to improve and expand the ways in which seniors can participate in community life and do so in inviting facilities. That is why this budget calls for additional funds for transportation, programming and building maintenance. Most importantly, we're underway on scoping out what and where a Newton Center for Active Living or NewCAL, the name we're currently using for the new Senior Center, will be.

All of us are proud of Newton's record as a safe community. I was keenly aware of public safety on April 15th, the 5th anniversary of the bombing of the Boston Marathon. To keep Newton safe, we're increasing spending to upgrade our police and fire radios, gear and technology. We'll be fully staffed in the Fire Department and a new mobile Command Vehicle will enable the Police Department to be even more effective during major events and emergencies.

With this budget, we're going to keep investing heavily in our streets and sidewalks and the results will show up across Newton from a repaved North Street in Newtonville and Centre Street in Newton Corner to Cynthia Road in Oak Hill and Woodward Street in Waban. More bike lanes will be marked and two dockless bike share programs will have their bicycles here in Newton by the beginning of July. We're going to paint more pavement markings and repair more street lights and traffic signals.

We're also making further improvements to facilities. We've upped the budget for building maintenance. In addition to school buildings and the Newton Center for Active Living, we're turning our attention to a possible new police headquarters.

To take charge of Newton's future, we're thoughtfully and proactively planning the areas of Needham Street, Washington Street, Riverside, and, soon I hope, Newton Centre. Just as important, working closely together with the City Council, we're well underway on a new draft of both our Zoning Ordinance and our Inclusionary Zoning policy. Our goal is to use these mechanisms – and others – to preserve our neighborhoods, increase affordable housing, diversify housing options and encourage walkable, vibrant and financially robust village centers and commercial corridors.

So much of what we do as a city government is meant to pass on an even better Newton to those who come after us. Nowhere is that work more important than when it comes to preserving our environment. To address climate change and to protect our environment, we're thoughtfully and deliberately designing our citywide municipal electric aggregation program known as Newton PowerChoice which will be rolled out this fall. We will be replacing gas powered passenger vehicles with electric fueled ones and adding a person in our solid waste department to improve recycling. We will evaluate our pilot program for composting that is currently underway and decide how to move forward. Solar, LED lighting, upgrades to boilers: all of this gets funding plus we're developing a Climate Action Plan to guide our efforts in the years ahead.

We're working with a Webster Woods Advisory Panel to determine how best to permanently protect these woods. We're increasing the funding to take care of our street trees and we'll keep investing in our parks, conservation areas and playgrounds.

Support for the arts and cultural development is critically important because it brings people together, enriches us all, and helps weave Newton into a more vibrant community. We're just on the verge of beginning a strategic plan for cultural development even as we, for the first time ever, set aside funds to match the Cultural Arts Grant that we receive from the State. We will also be activating the 850 seat auditorium at 150 Jackson Road, the former Aquinas, in the coming weeks, the largest performing arts venue in the City, bigger than the one at Newton North High School.

Building community means being there for everyone, especially our most vulnerable. That is why we're adding a social worker and piloting a summer food program so families who receive help during the school year aren't hungry over the summer months. We will also be coming to the City Council soon with a proposal to expand the property tax deferral program for seniors so those on a tight budget can stay here.

I'm pleased that we can make these collective investments, move decidedly forward in achieving our shared goals, add 6.5 full time positions on the municipal side and remain financially healthy. In fact, our fiscal discipline continues to serve us well as we've retained our AAA credit rating from Moody's.

But, our balance sheet gives me pause. We have \$330 million in unfunded pension benefits and another \$638 million unfunded for our retiree health insurance, or OPEB. We need significant investments in many buildings, including schools, parks and recreation facilities, City Hall and the Library. We need to invest more in maintenance, including our roads and playgrounds and our fields and trees, and, most definitely, our buildings. We haven't fully incorporated the entire likely costs of snow removal into our operating budget.

With these challenges in mind, I'd now like to look a bit further down the road.

Continued Long-Term Financial Sustainability

The successful execution of our responsibility as elected officials, as a Mayor, as City Councilors, and as School Committee members, requires a strategic perspective. It's our job – as those charged with governance responsibility – to provide the careful stewardship necessary to ensure the continued health and sustainability of the City and our schools for decades to come.

As we look out over the next few years, what an interesting time it will be. As a community, we are embarking on a planning and zoning redesign process for the areas along Needham Street and Washington Street. We're going to need to do the same for Newton Centre and other villages. We're analyzing the number of seats we need in our schools and the corresponding number of teachers.

I know we can count on the involvement of many representing a range of constituencies and views, people with deep passion and genuine concern about Newton's future. This is an indication of the remarkable dedication people have to this good city and our collective desire to make it even better and take charge of our future.

As we worked on this budget, literally scores of initiatives and recommendations were made – by Department Heads, Councilors, School Committee members and citizens – initiatives that would promote the continued vitality and attractiveness of Newton over the next decade. It's wonderful so many thoughtful and important ideas emerged.

But, such material and numerous ambitions pose real challenges.

It would be nice to implement each recommendation, and to do so quickly, but doing them all – at least on the scale and pace proposed – would assuredly compromise the financial health and sustainability of the City.

To ensure that these ambitions do not evolve into unchecked expectations, a phrase used by my friend Tony Ryan who was the United States Assistant Secretary of the Treasury, we've appropriately developed a budget for this year that balances our immediate needs and our long-term goals. In the coming months, we will be crunching the numbers and looking at various scenarios to develop an even more detailed long-term financial plan that illustrates quantitatively the implications of our qualitative aspirations.

The difficult work is not yet done. I made choices, hard ones for this budget. Harder ones lie ahead, but with careful analysis and thoughtful discussions, we can make prudent decisions and take actions that will, in the future, I firmly believe, be viewed to have better positioned the City's ability to sustain its success and fulfill its mission.

To maintain our financial strength, we will have to address the challenge posed to us by our unfunded liabilities for retiree benefits, which are now close to \$1 billion. We must remain financially strong so we can continue to have excellent schools and services and the flexibility to take on new initiatives and exploit new opportunities.

Financial and Community Strength

We *are* financially strong. But maintaining and indeed improving our City's fiscal position and capabilities is critical. To effectively do so, we most assuredly need to complement our aspirations with prudent fiscal management and prioritization of our investments.

The City's financial position – in years past, today and in the future – has been, is, and will be a reflection of and derived from the City's many strengths.

Our City's greatest strength is our community. We have carefully built and nurtured this good city and the relationships between us. We have proudly invested heavily in the education of our children. We have wonderful parks and sports and recreation activities, a library which is arguably the best in the Commonwealth, a multitude of arts, culture, religious, environmental, conservation, school, neighborhood and village groups and here at City Hall almost countless boards and commissions. We are blessed with a wonderful location next to a thriving Boston.

Drawing on the strength of our community is essential. This is true at any time. It feels particularly true right now. As the impact of climate change seems to make our snow storms bigger, the wind gusts stronger and the rain totals larger, to a world in which mass shootings seem ever present, and a national scene where civil discourse feels frayed, the strength of our community here in Newton and the relationships between us become paramount.

We seek to go from strength to strength. This is true, season to season, year to year, term to term, and Mayor to Mayor. We have done so historically, and I am confident we shall continue doing so given our good residents, fine elected officials, hard-working employees, thoughtful practices and proud traditions.

My Gratitude

I offer my thanks not only to those in this chamber tonight but also to all of you living and working and investing in our City.

I also ask you to double down on your commitment over the next few years. We all need to work together so we can to make Newton greater, better and more beautiful than it is today.

I also want to express my gratitude to Maureen Lemieux, Jonathan Yeo, and the Department Heads and their staffs for their hard work on this budget and, more importantly, in helping to ensure the good work of this government and its financial security. To say thank you, I asked the Department Heads to go home and have dinner with their families rather than join us in the Chambers as I presented this budget. I also want to thank Ryan Gauthier, in particular. He is the unsung hero of this budget process. As our financial analyst, he has quietly and thoroughly analyzed each line item and reviewed each word.

The City of Newton is in a strong position and by thoughtfully executing our responsibilities, we will remain well positioned to provide great services and take advantage of the many opportunities that lie ahead.

Sincerely,

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

Ruthanne Fuller
Mayor

Fiscal Year 2019 Municipal Budget

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