

Outcomes-Based Budget Overview

Since taking office in 2010, Mayor Warren has made it his goal to infuse performance and results-based management into the City's culture. This extends into the Executive Team's philosophy regarding budgeting. The City uses what is known as Outcomes-Based Budgeting. As opposed to more traditional line-item incremental budgeting, where expenditures are increased or decreased by a percentage from prior year levels, outcomes-based budgeting is unique in that it ties strategic planning, performance management, and a zero-based approach to the annual allocation of resources.

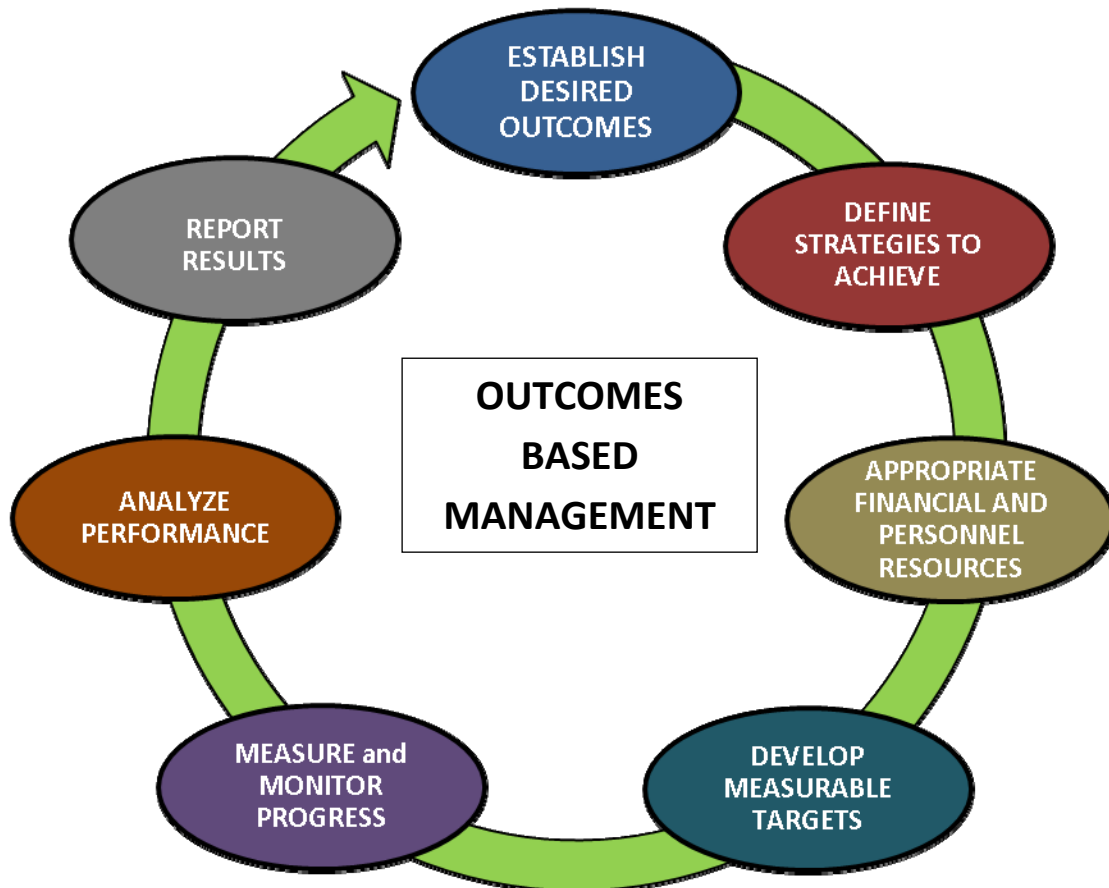
In 2012 the Mayor worked with the Executive Team to define eight desired outcomes at a broad, visionary level. These outcomes encompass the mission and purpose of the City of Newton Municipal Government and will serve as the platform and basis for both large and small-scale city initiatives for many years to come. These outcomes are as follows:



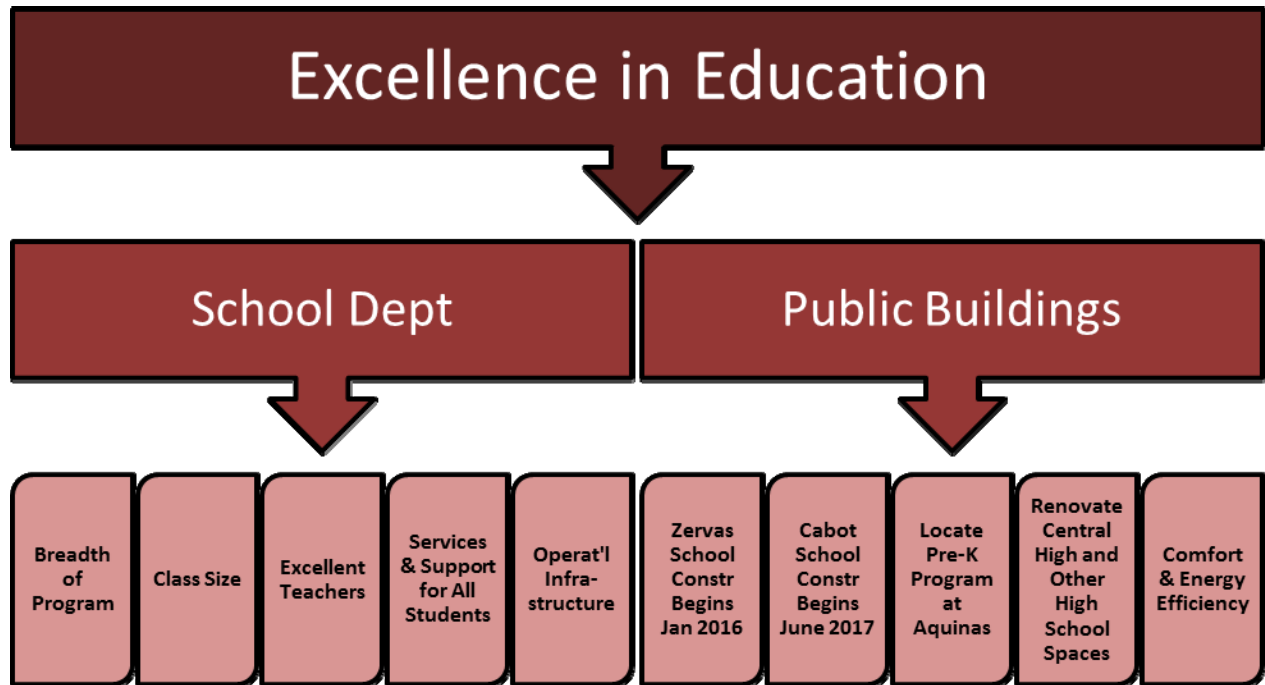
Whether or not through day-to-day municipal operations or through more global aspects of sustainability and zoning, residents want to ensure that City Government is keeping its promise to provide quality services in an efficient and effective manner. That demand never diminishes, and in fact has been growing; people expect their police and fire departments to come when called, their roads to be safe and drivable in both good weather and bad; and their trash to be picked up regularly and on time.

To accomplish effective and efficient service delivery, the Administration has built on the performance initiatives of the past six years, to develop this strategic, outcomes-based approach in the development of the Fiscal Year 2017 Budget. This budget should be thought of first as a document that outlines the vision and direction for the City, and second as a blueprint and workplan unveiling exactly how the City expects to realize that vision.

Throughout the year, the Executive Team meets with each department to review progress made toward achieving current desired outcomes, as well as to discuss strategies and initiatives that should be undertaken by each department in the next fiscal year to continue improvement of City services. Based upon these collaborative discussions, outcomes are defined, required resources are identified, projected expenditures are calculated, strategies are developed, and performance targets are established. Through continuous monitoring of performance the City Team is able to recognize any obstacles to the successful achievement of desired goals and outcomes. Once identified both the Executive Team and individual departments establish a strategy to overcome those obstacles.



Outcome #1: Excellence in Education



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Excellence in the education provided by the Newton Public Schools with the required operational, financial and capital resources necessary to enable the School Department to accomplish its goal of educating, preparing and inspiring all students to achieve their full potential as lifelong learners, thinkers, and productive contributors to our global society.

Strategy for Achievement

The delivery of an excellent education is perhaps the single most important municipal service in the minds of many Newton residents. It is the 'bedrock' of the Newton community. In addition to a commitment to education within the School Department, additional resources are required to accomplish this goal.

The Newton School Committee directed the School Administration to prepare an FY2017 Budget that would accomplish the following among other things:

- Sufficient teaching staff and building based support for projected population,
- Strengthening breadth of program including examining equitable access to arts education and programs before/after school,
- Adequate facilities for new educational space that may be needed in the short term,
- Sustainable Pilots and Initiatives,
- Longer term investments in Academic and Social Emotional Learning Interventions, including the Calculus Project, Leveled Literacy Intervention, Pre-K to Kindergarten transition as well as the SEL curriculum at middle and high schools,
- Appropriate support for short- and long-term facilities planning and execution, including:

support for buildings in transition; new/emerging space; pre-K needs assessment; indistrict student services program; and program planning for the Aquinas project,

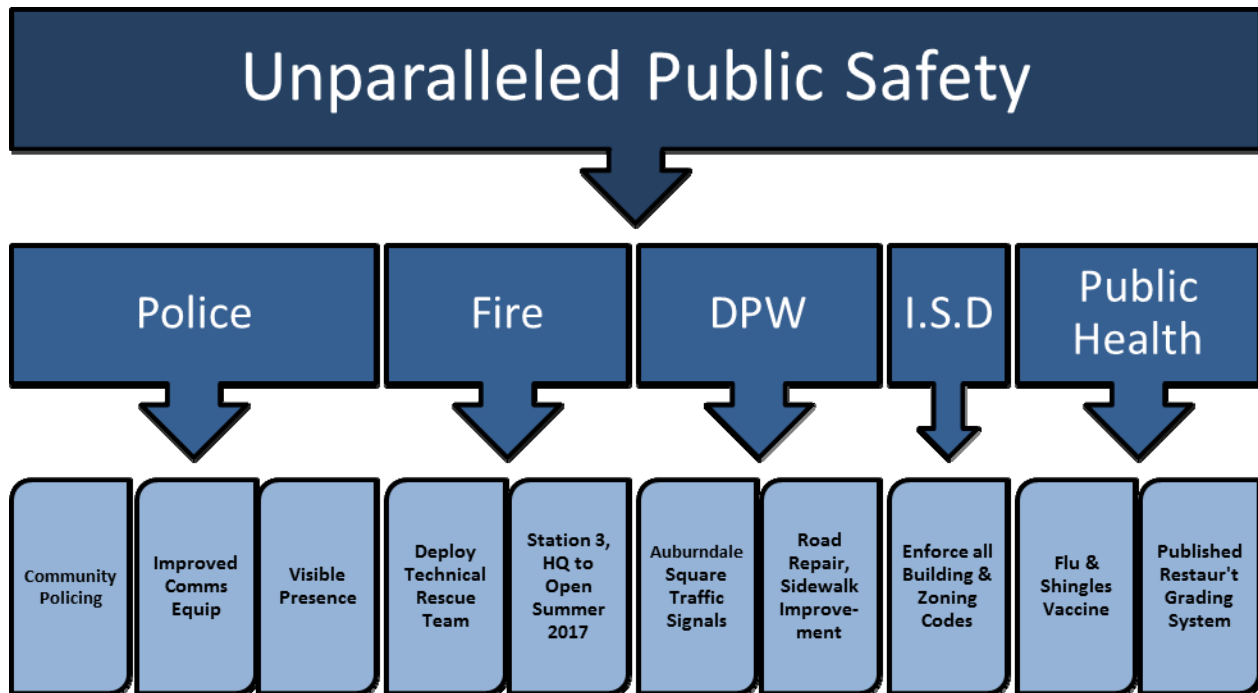
- Provide sufficient support (Charter Maintenance) to maintain buildings appropriately,
- Continue to meet established technology standards for all classrooms and schools,
- Continue to deliver special education services effectively and efficiently, including attention to the needs of the 18 – 22 year old cohort,
- Explore and make recommendations for potential expansion of in-district programs for special education and opportunities for tuition reimbursement from other districts (space permitting),
- Address targeted needs identified in the Youth Risk Behavior Survey.
- Ensure there is support to assess effectively and address the mental health and well-being of all students K-12, including the ability to engage as necessary with outside partners, experts in the field, and colleagues in the City,
- Look for opportunities to increase revenue by expanding partnerships with aligned community resources or programs and reviewing existing use of buildings and fee structure,
- Look for opportunities to adjust fees and make a recommendation if indicated, and
- Provide strong professional development programs that both improve teacher quality and strengthen the curriculum.

The School Administration has worked to develop a Budget that will accomplish the goals listed above. However, in addition to the School Administration, the Public Buildings Department is also key in the delivery of an excellent education and as such will focus on the delivery of daily operations & maintenance, implementation of energy reducing initiatives, management of short term capital projects, implementation of the City's Capital Improvement Plan, and continued collaborative development of the Long Range Capital Plan.

Long-range facility planning continues to be a priority for both the schools and the city with continued collaboration on all aspects of this important work. The new Angier School was completed and occupied in January 2016. Zervas students are settled into swing space at the Carr School while their school construction project is underway, with a planned opening of the new Zervas School in September 2017. The Cabot project is in the design phase, and applications for state funding for Lincoln-Eliot as well as preschool needs are in process. The Preschool Working Group started in FY16, bringing together school and city administrators and School Committee members to fully review and determine best options to address the facility needs of the growing preschool program both in the short and long-terms. The preschool is expected to move to the Aquinas facility in September 2016.

Additionally, The city is entering Phase Two of a solar project to erect new installations at Angier, Bowen, Oak Hill and South to generate an expected 900,000 kWh of electricity per year. Phase One of the solar project consisted of roof mounted solar panels at Countryside, Memorial-Spaulding, Brown and North. A portion of planned summer 2016 maintenance projects will be focused on updating Aquinas for use by the preschool.

Outcome #2: Unparalleled Public Safety



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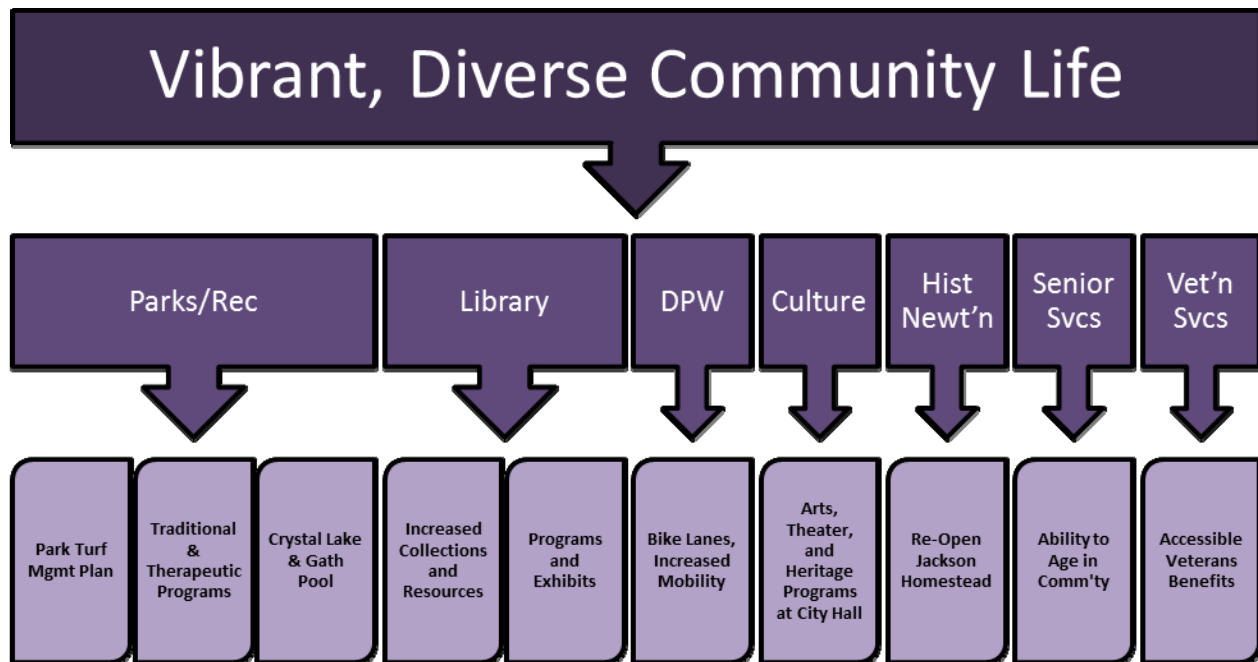
Unparalleled public safety for the citizens of Newton through the delivery of the highest level of police, fire, inspectional, public health and emergency medical services to the community, ensuring the public's safety and security through prepared responses to emergencies and disasters of all kinds including incidents involving hazardous materials, water rescue, and all emergencies requiring trained rescue personnel and equipment.

Strategy for Achievement

Unparalleled public safety requires a holistic approach that incorporates both proactive and reactive measures to ensure a community not only responds quickly to emergencies but prevents them in the first place. That is why the City has made strategic investments in both personnel and initiatives within the Police, Fire, Public Works, Health, and Inspectional Services departments.

Strategies for achievement in this area include: establishing, staffing, and equipping a Technical Rescue Team; rebuilding the Manet Road communications building; investing in equipment such as new cruisers and radios; expanding training and professional development opportunities for police and fire personnel; finalizing and subsequently implementing the new traffic signalization plan throughout the City; upgrading the Emergency Operations Center; investing/integrating inspection and permitting software; and providing health and wellness services to all citizens, reducing the potential for epidemics and pandemics.

Outcome #3: Vibrant, Diverse Community Life



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A vibrant, diverse community life full of traditional, as well as, innovative recreation, leisure, social, educational and cultural programs, activities, and resources in a quality environment for all residents of Newton.

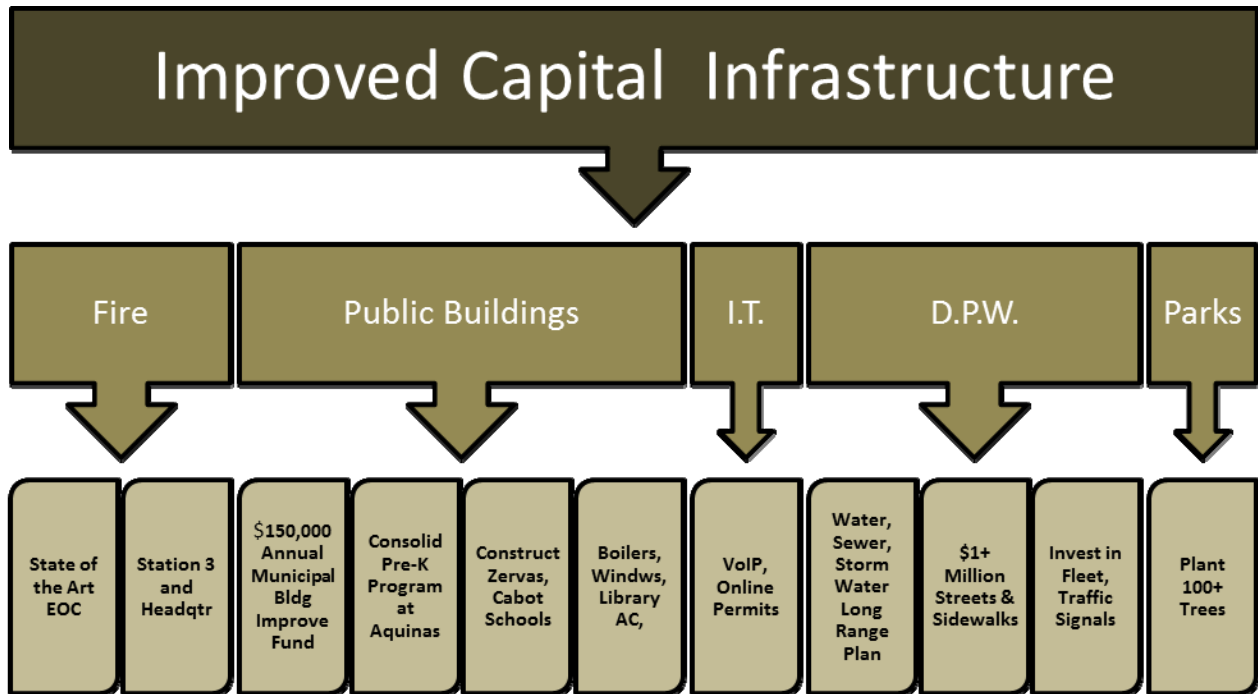
Strategy for Achievement

A vibrant, diverse community life is essential to the overall well-being of any community. Social and recreational programs, open space, cultural activities, and recreational amenities all contribute toward this outcome.

Newton is fortunate to have several departments that offer a wide variety of programs and exhibits including Parks & Recreation, the Newton Free Library, Senior Services, Veterans Services, Historic Newton and Cultural Affairs. Each offers a variety of traditional, therapeutic and cultural programs for residents of all ages.

The City will focus on improving its physical recreational assets, including; improving play structures, tennis courts and ball fields; increasing pedestrian and bicyclist mobility throughout the City; promoting interdepartmental programming; and aggressively restoring the tree inventory to maintain the City's shade canopy.

Outcome #4: Improved Capital Infrastructure



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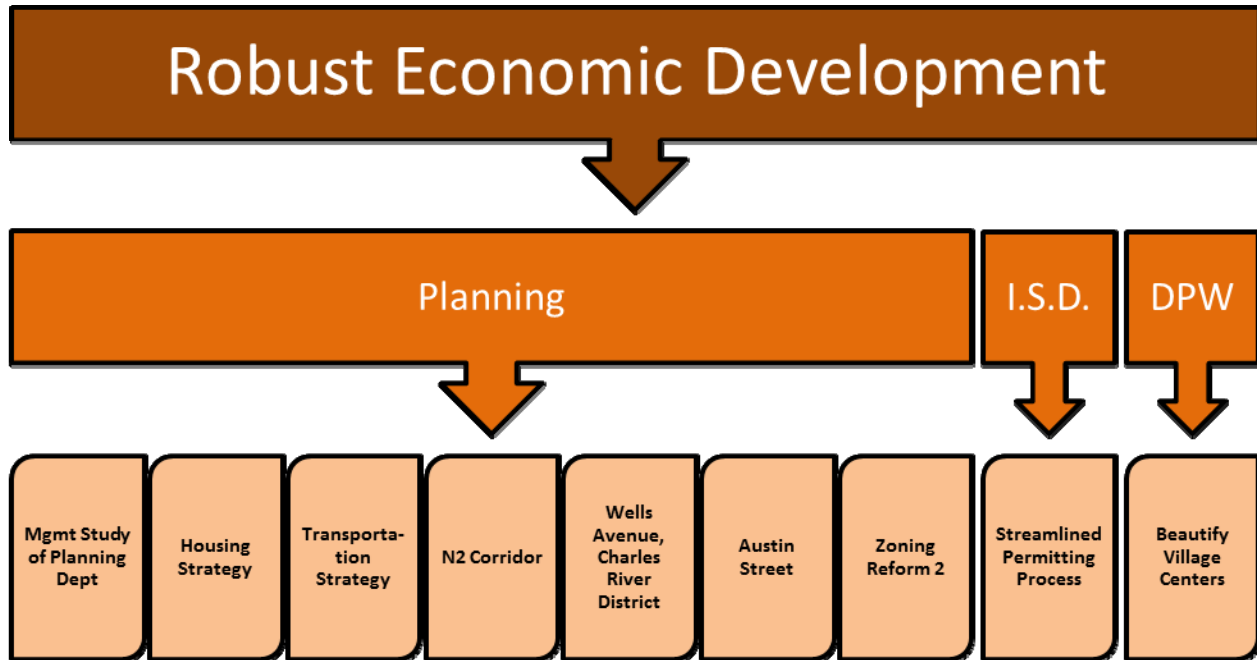
Well maintained school buildings, fire stations, municipal buildings, roadways, parks, recreational spaces, and water, sewer, and storm water facilities.

Strategy for Achievement

The Administration has consistently recognized the need to improve the City's capital infrastructure and has developed a long-term strategy to systematically address these needs. While it is tempting to defer non-urgent capital projects during tight fiscal times, communities ultimately pay a higher price when it becomes necessary to replace assets. To that end, this budget will allocate significant resources to the investment in the City's infrastructure including: utilizing technology to develop a truly objective Pavement Condition Index (PCI) as well as a long-term paving strategy; paving at least eight miles of roadways; repairing or building two miles of sidewalks; improving traffic signals; implementing lighting and energy efficiency improvements; continuing to fund an annual \$150,000 municipal building improvement fund for small capital projects; implementing a strategic fleet replacement program; shifting from reactive to preventive maintenance; and lining and repairing the City's water, sewer, and storm water system infrastructure.

The Comprehensive Citywide Capital Improvement Plan and the 2013 override package were designed to address the City's larger capital projects. With a number of significant projects such as Angier, Cabot and Zervas elementary schools and Fire Station upgrades underway, the City is now poised to focus on the next set of infrastructure needs. Last year's exciting opportunity to purchase the former Aquinas College building on Washington Street provides the opportunity for the City to develop a comprehensive solution to address the needs of the Pre-K Program as well as those of several other elementary schools.

Outcome #5: Robust Economic Development



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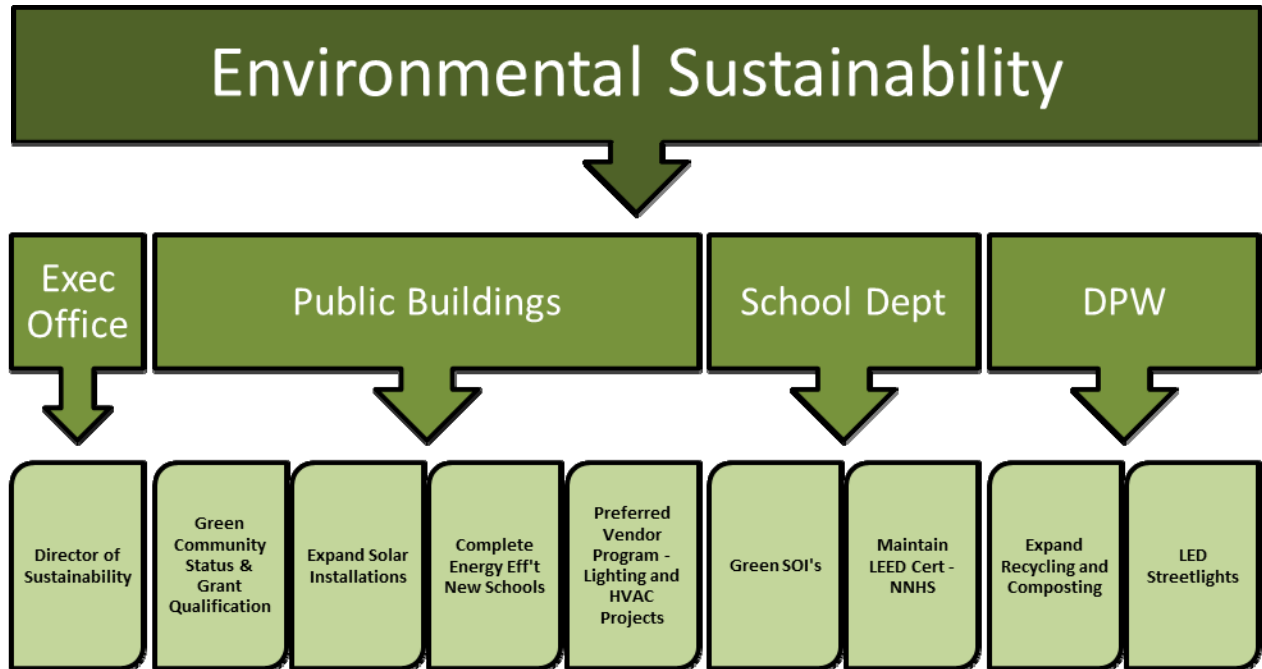
Robust economic development through collaborative efforts with commercial property owners, business owners and developers so that all commercial districts are functioning at their highest and best use, contributing to the City’s tax base and helping to achieve the City’s vision and goals, while ensuring that new businesses are a good match for the City’s needs, are filling identified gaps in the tenant mix, are complementing existing businesses and will enhance the overall identity of the City of Newton.

Strategy for Achievement

A robust economic development effort is vital to the City’s long-term health. Throughout the course of Fiscal Year 2016 the City has undertaken a comprehensive management study of the Planning and Development Department, and engaged highly regarded consulting firms to assist in the development of a comprehensive Housing Strategy, Newton Centre Parking Strategy, and a citywide Transportation Strategy. With the City Council approval of the Austin Street special permit the City is now poised to revitalize Newtonville. Continuing the quarterly business roundtables and area council meetings will provide opportunities for economic development staff to converse directly with business owners. The “Beautify Newton” program will also be expanded to impact even more village centers.

Additionally, the City has deployed “Big Belly” Smart Barrels to improve cleanliness and efficient trash collection in village centers and city parks, and is poised to introduce “Pay-by-Phone” parking meter technology throughout the City this summer. And, once again the City continues to devote resources to examining, updating, and revising its zoning code and streamlining its permitting process.

Outcome #6 - Environmental Sustainability



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Environmental Sustainability through the utilization of the City’s designation as a “Green Community”, implementation of energy initiatives, promotion of energy conservation efforts, and reduction of energy consumption throughout the City by 20% by the year 2020.

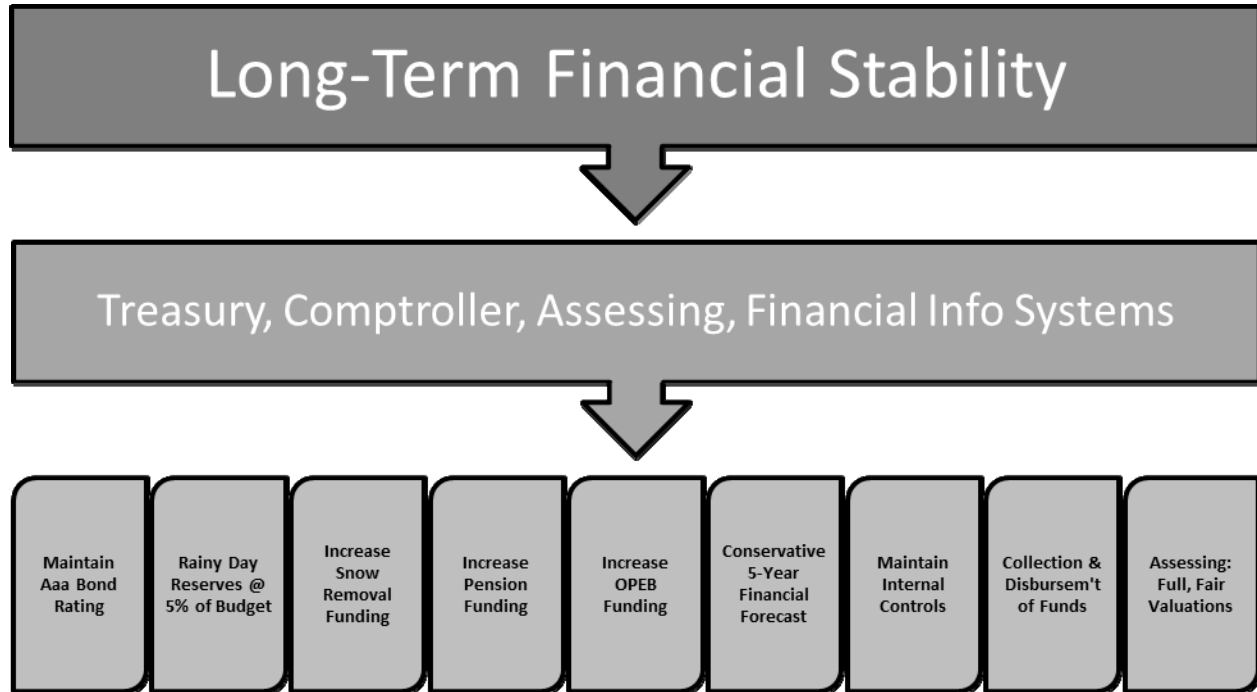
Strategy for Achievement

Since 2010, the City of Newton has set out to become a leader in environmental sustainability. Previous efforts toward this goal have been the adoption of the “Stretch Code” which requires higher energy efficiency levels in new construction and additions, and achieving “Green Community” status.

Since the City’s vision for sustainability flows through every department, resources have been redeployed to better coordinate programs and activities. Efforts this year include increasing the utilization of bike lanes and other alternative transportation measures; moving the City’s fleet toward more fuel-efficient vehicles, continued commitment to building efficiencies through the Preferred Vendor Program, additional solar installations, and utilizing grant funds to conduct a climate change vulnerability assessment.

Grant funds received in recognition of the City’s commitment to environmental sustainability will provide opportunities to upgrade infrastructure at a reduced cost. This year, the City will continue to strategically upgrade HVAC systems, and incorporate energy conservation measures throughout several city buildings. Additionally studies show that the City’s commitment to the planting and preservation of its tree population will conserve energy, cool the streets and save water. Each of these initiatives will not only reinforce Newton’s commitment to the environment, but in many cases reduce energy and maintenance costs as well.

Outcome #7 - Long-Term Financial Stability



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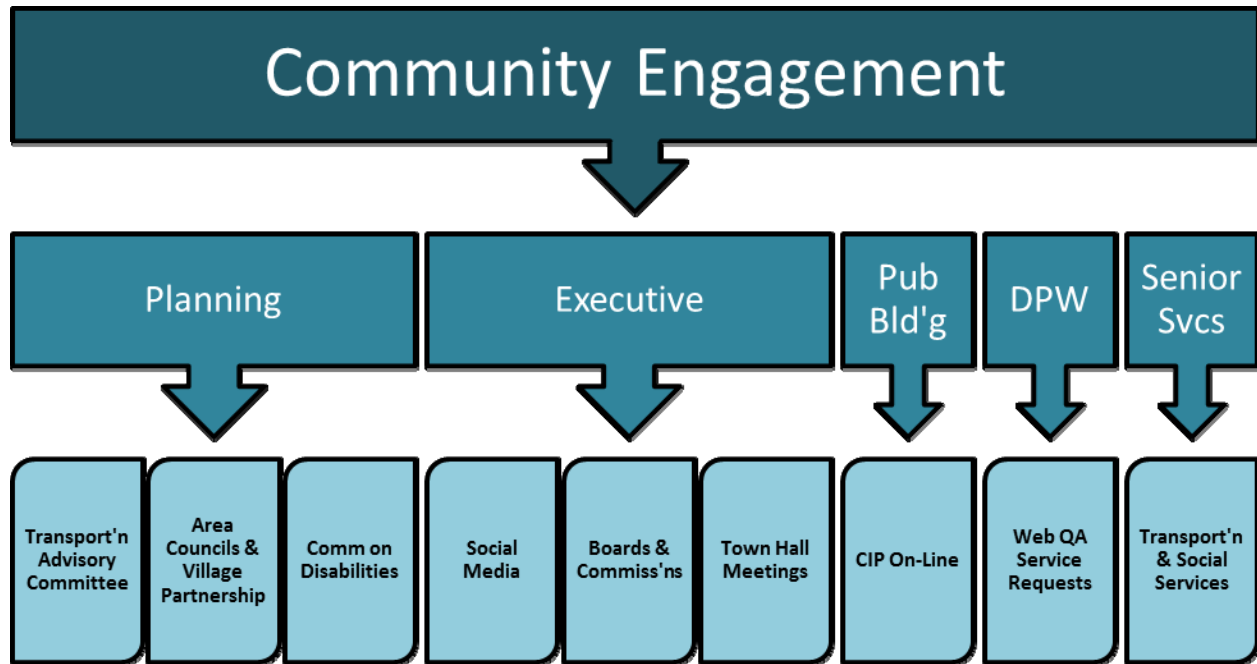
Long term financial stability evident through maintenance of the City of Newton’s Aaa Bond Rating, improved financial reserves, annual unqualified audit opinions, conservative financial forecasting, implementation of comprehensive financial policies, elimination of the “structural deficit”, reduction of non-recurring funding sources to balance the annual budget, and appropriate investment in capital infrastructure

Strategy for Achievement

For the past six plus years the Executive Team has worked with the financial departments of the City to position the City for long-term financial stability. Efforts in this area include the implementation of zero-based budgeting, the introduction of outcomes-based management, the establishment of the City’s Rainy Day Stabilization Fund, the development of a five-year financial forecast, the unveiling of the City’s one-of-a-kind interactive database and Capital Improvement Plan, the implementation of aggressive collections policies, and the adherence to the City’s Financial Management Guidelines and Internal Controls.

This year the City will continue to advance its long-term financial position; by investing in areas that address long-term liabilities such as Pensions and OPEB, reviewing internal policies and procedures, revising collection and disbursements functions in outlying departments, implementing new policies in Human Resources and IT, and revising the City’s procurement ordinances. Additionally, as a result of the Advanced Refunding of several bond issues (similar to refinancing a property) the City will realize approximately \$5.5 million in savings in interest over the next several years.

Outcome #8 - Community Engagement



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Dynamic community engagement evident through meaningful communication and dialog between the City, its residents, homeowners, business owners, village centers, and advisory groups.

Strategy for Achievement

The City has been committed to establishing a dialogue between residents by not only communicating new initiatives, but more importantly by listening to residents' concerns. In FY17, the City will be unveiling a number of new opportunities for residents to contribute to and interact with their local government, including a new smart-phone application that interacts with the 311 system to give citizens the ability to report issues while travelling throughout the city, as well as greater utilization of social media to allow two-way communication between City Hall and the citizens.

The Administration will also continue to promote opportunities that are available for citizens to serve on various boards and commissions, continue the series of "Mayor Meet-Ups" through the Newton Leads 2040 Program, conduct surveys and focus groups, and foster partnerships with the many civic organizations that are active throughout the City. Additionally, the City will continue to utilize its website to highlight fact-based performance information through the DataStat Newton Program and develop opportunities for citizens to utilize technology to track snow plowing operations. The FY2017 Budget provides resources to enable the City to enhance the customer service organization to ensure that residents' concerns are heard, and expectations are met.