

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.

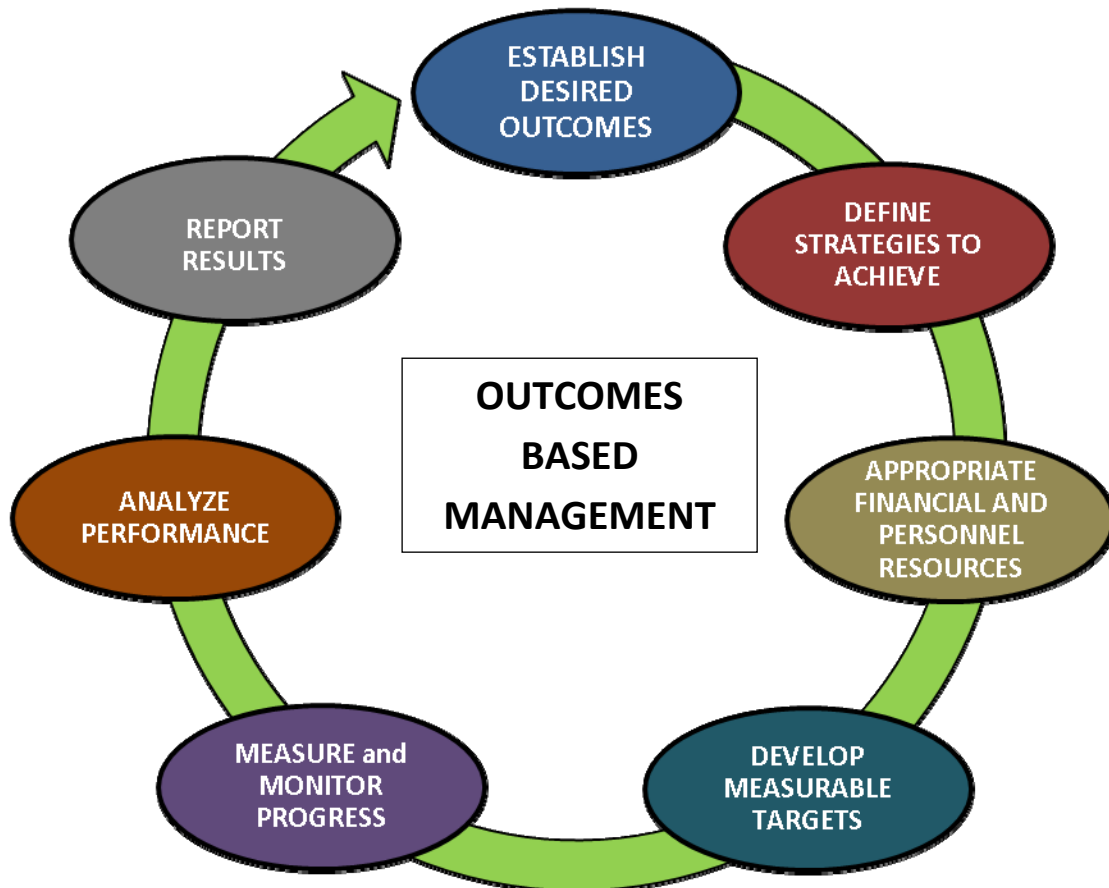
In 2012 the Mayor worked with the Executive Team to define eight desired outcomes at a broad, visionary level. These outcomes encompass the mission and purpose of the City of Newton Municipal Government and will serve as the platform and basis for both large and small-scale city initiatives for many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



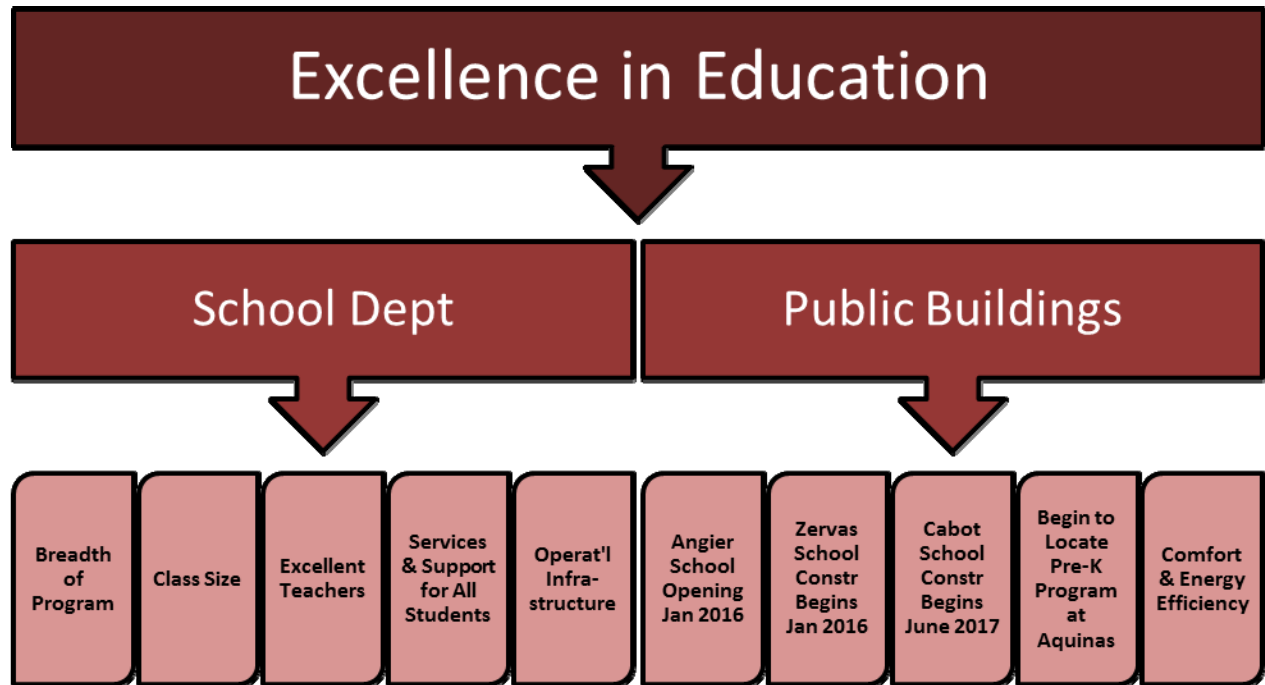
Whether or not through day-to-day municipal operations or through more global aspects of sustainability and zoning, residents want to ensure that City Government is keeping its promise to provide quality services in an efficient and effective manner. That demand never diminishes, and in fact has been 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 five years, to develop this strategic, outcomes-based approach in the development of the Fiscal Year 2016 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 FY2016 Budget that would accomplish the following among other things:

- Provide appropriate resources to accommodate changes in student population, including attention to rapidly expanding English Language Learners group, while maintaining reasonable class/team sizes, support and space for small group instruction, and breadth of programming;
- Provide strong professional development programs that improve teacher quality and strengthen the curriculum;
- Continue to pilot new initiatives and longer term investments in academic and SEL interventions;
- Ensure appropriate support for mid and long-range facilities planning, new and expanding schools;
- Provide sufficient support to maintain buildings appropriately and increase their energy efficiency;
- Deliver Special Ed services effectively and efficiently, w/attention to the 18 – 22 year old cohort;

- Ensure the district has the technology, training and infrastructure necessary for effective teaching, learning and administration; and
- Ensure support to effectively assess/address the mental health and well-being of all students K-12.

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.

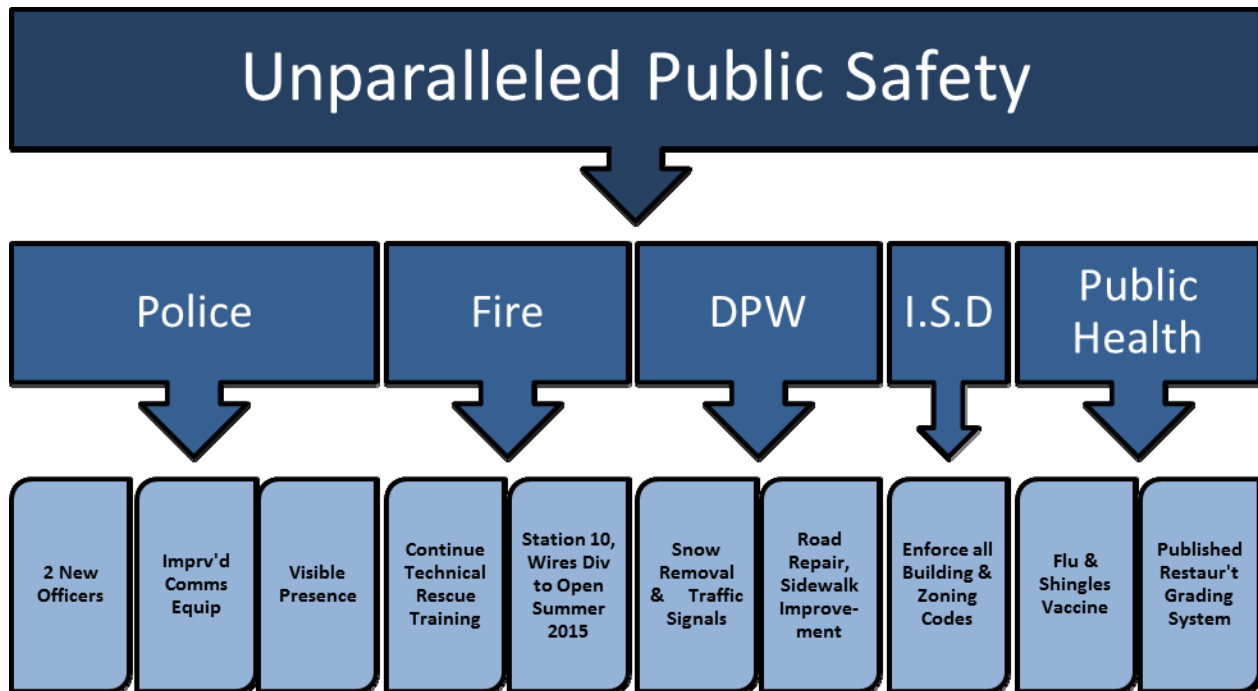
The NPS Operations Department in conjunction with the Public Buildings Department continues to focus on improving the heating and ventilation systems of the buildings to provide for the comfort of all occupants in the teaching and learning environments. Preventive maintenance (PM) is a large component of this effort. In 2011, a PM plan was crafted to include boilers at each school; by FY14, 450 pieces of equipment were added to the program for annual, semi-annual, or quarterly service. In FY15, an additional 200 pieces of equipment were added. This represents 21% of the approximately 3,000 pieces of equipment now benefit from preventive maintenance. All new equipment is added to the program as it is installed; older pieces of equipment are added annually. Each piece of equipment receives at least one PM service per year with the exception of generators, which are serviced quarterly.

As part of the City's energy programs, designed to reduce energy consumption while increasing occupant comfort, Countryside and Peirce were retrofitted with wireless transducer electronic thermostats, allowing for remote access for day/night room temperature adjustments and monitoring of air pressure and temperatures throughout the building. Franklin and Underwood were fit with new steam vacuum return systems, reducing boiler run times while improving overall climate. And, in FY14, major upgrades were made to the HVAC systems at Lincoln-Eliot, Bowen, and Mason-Rice, while controls were added to the Education Center, Franklin and Williams.

As of FY15, Phase 1 of an energy efficient LED lighting program has been incorporated into large areas of nine schools: Newton South, Brown, Bigelow, Day, Oak Hill, Countryside, Lincoln-Eliot, Mason-Rice and Peirce. Other energy conservation measures include HVAC Building Management Systems at nine buildings as follows: Newton North, Newton South, Day, Brown, Oak Hill, Burr, Bigelow, Carr and the Education Center.

In FY15, construction/renovation projects that added to or reconfigured educational space within existing buildings continued to be necessary. Projects to create and improve space were undertaken at 12 schools throughout the district. Operations staff continues to work closely with the City's Public Buildings Department on internal renovations, capital projects, and the capital planning process. The Carr School swing space renovation, which is accommodating the Angier School during construction of the new facility, was completed on time and under budget. When the new Angier opens in January 2016, the Carr building will accommodate the Zervas School, as Zervas will be under construction beginning in 2016. The Cabot School is in the Feasibility Phase of the MSBA school construction process and is scheduled to move to the Carr School as its swing space upon completion of the Zervas School.

Outcome #2: Unparalleled Public Safety



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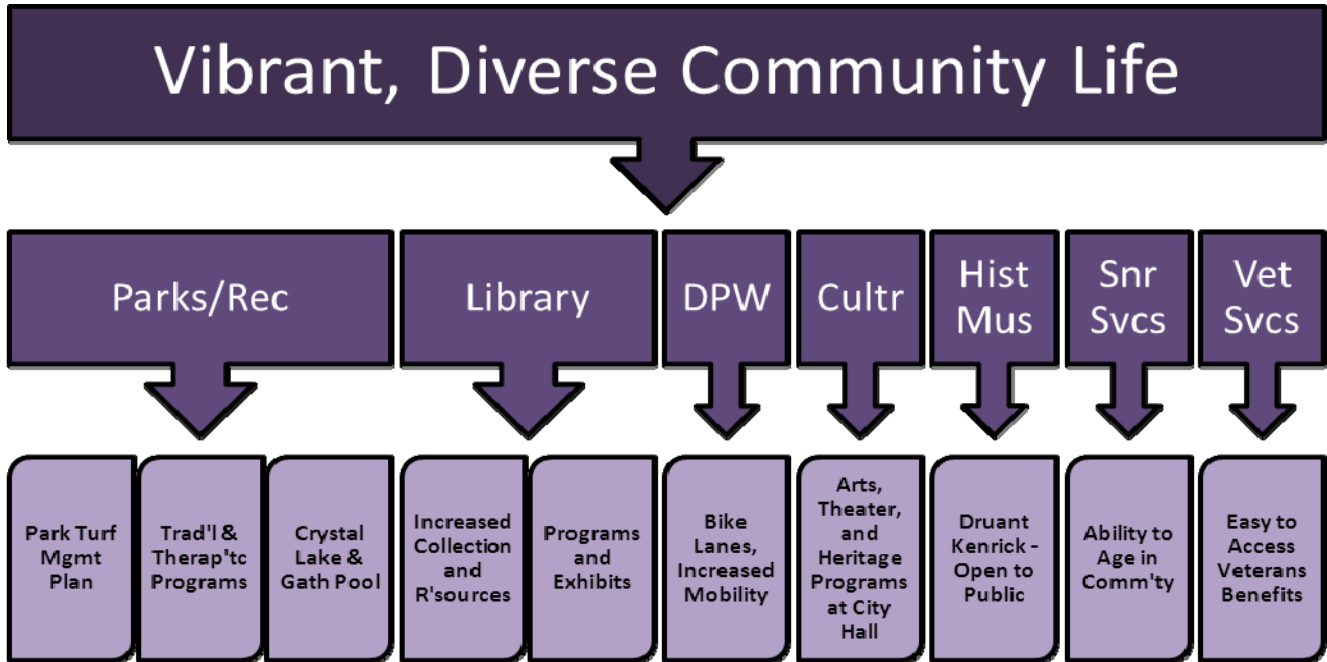
Unparalleled public safety for the citizens of Newton through the delivery of the highest level of police, fire, inspectional, public health and emergency medical services to the community, ensuring the public's safety and security through prepared responses to emergencies and disasters of all kinds 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: expanding police presence by once again increasing the number of sworn officers; 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; 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.

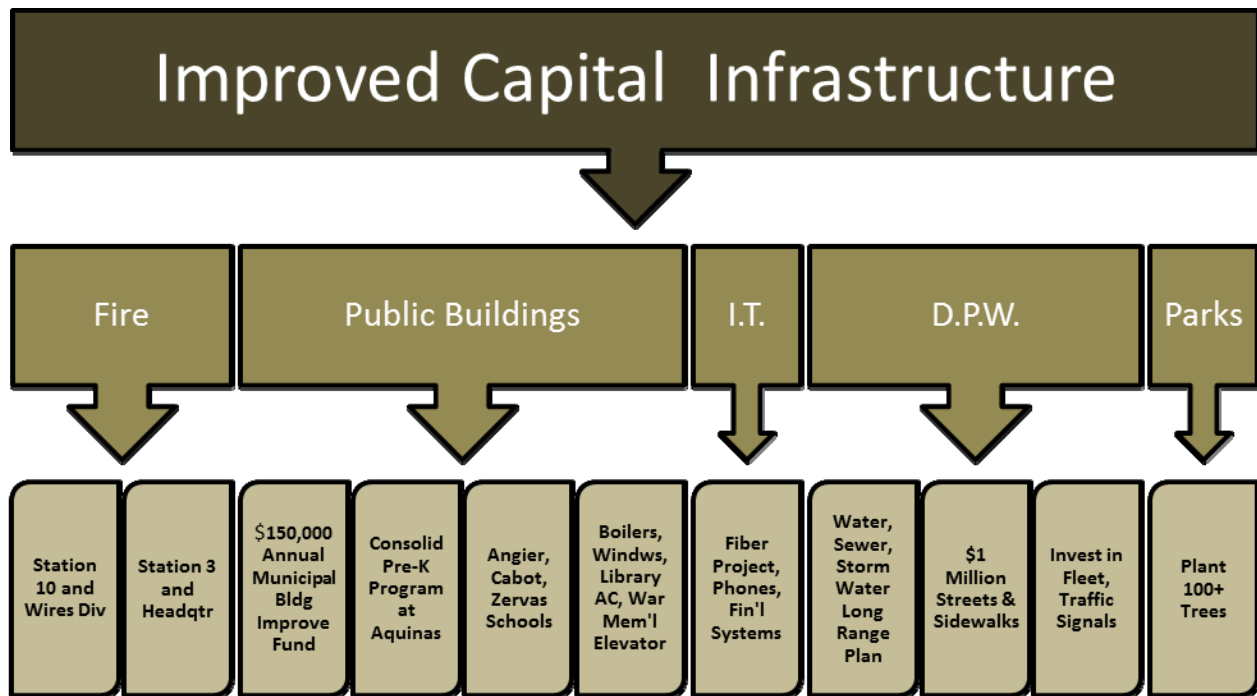
Strategy for Achievement

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-array 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; completion of the elevator project and handicapped accessible restrooms at the War Memorial Auditorium for increased community utilization, and aggressively restoring the tree inventory to maintain the City's shade canopy.

Outcome #4: Improved Capital Infrastructure



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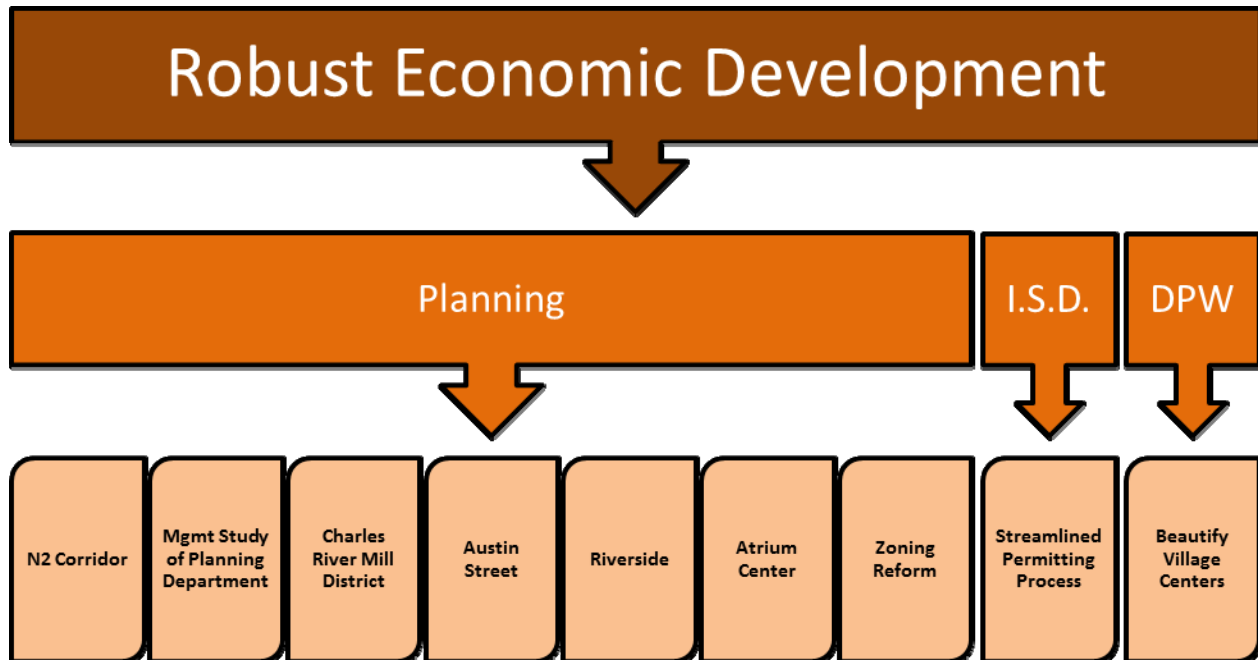
Well maintained school buildings, fire stations, municipal buildings, roadways, parks, recreational spaces, and water, sewer, and storm water facilities.

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; paving nine miles of roads; 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 and sewer infrastructure.

The Comprehensive Citywide Capital Improvement Plan and the recently passed 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. This 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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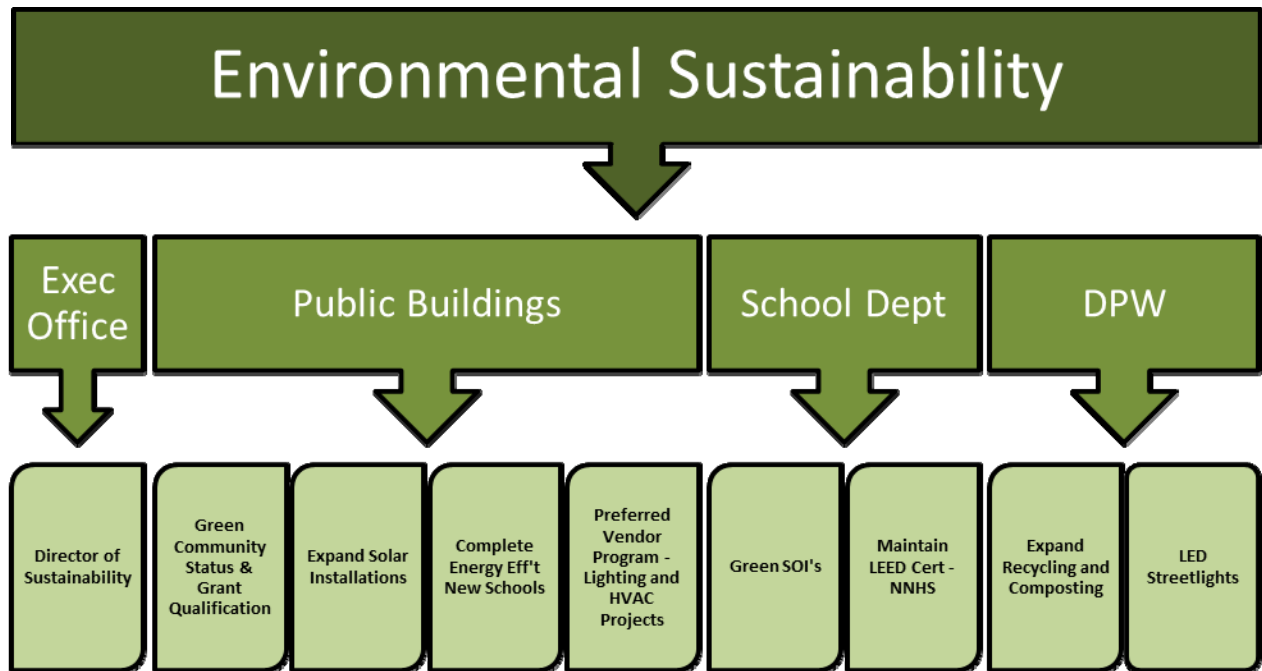
Robust economic development through collaborative efforts with commercial property owners, business owners and developers so that all commercial districts are functioning at their highest and best use, contributing to the City’s tax base and helping to achieve the City’s vision and goals, while ensuring 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. With the revamping of the role of the Economic Development Director in the FY14 budget, the City has established an economic development vision that is comprehensive, holistic and effective. 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.

The City will continue to advance a number of long-term projects as well, which will provide long-term benefits for Newton, including continued work on the Riverside Project, Austin Street and the transformation of Needham Street. Creating a business-friendly planning environment is also key to a successful economic development strategy. 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.

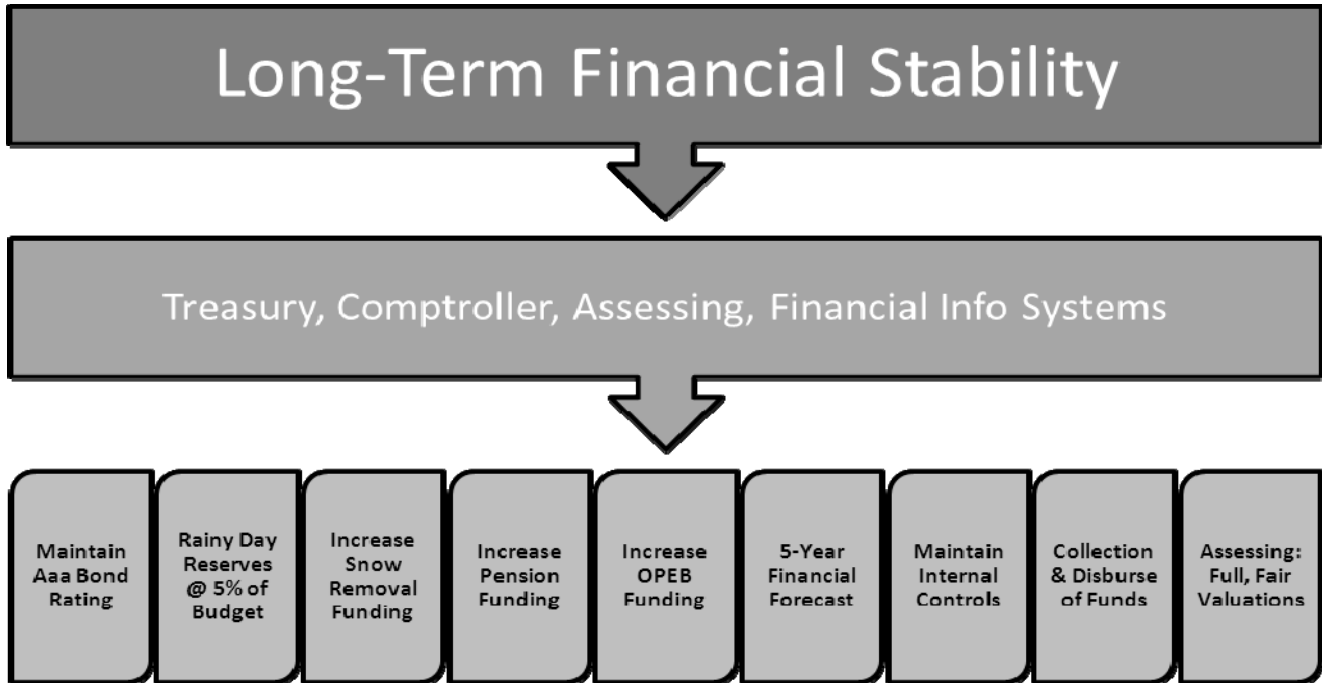
Strategy for Achievement

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 from the state.

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; the City’s fleet toward more fuel-efficient vehicles, continued commitment to building efficiencies through the Preferred Vendor Program, and additional solar installations.

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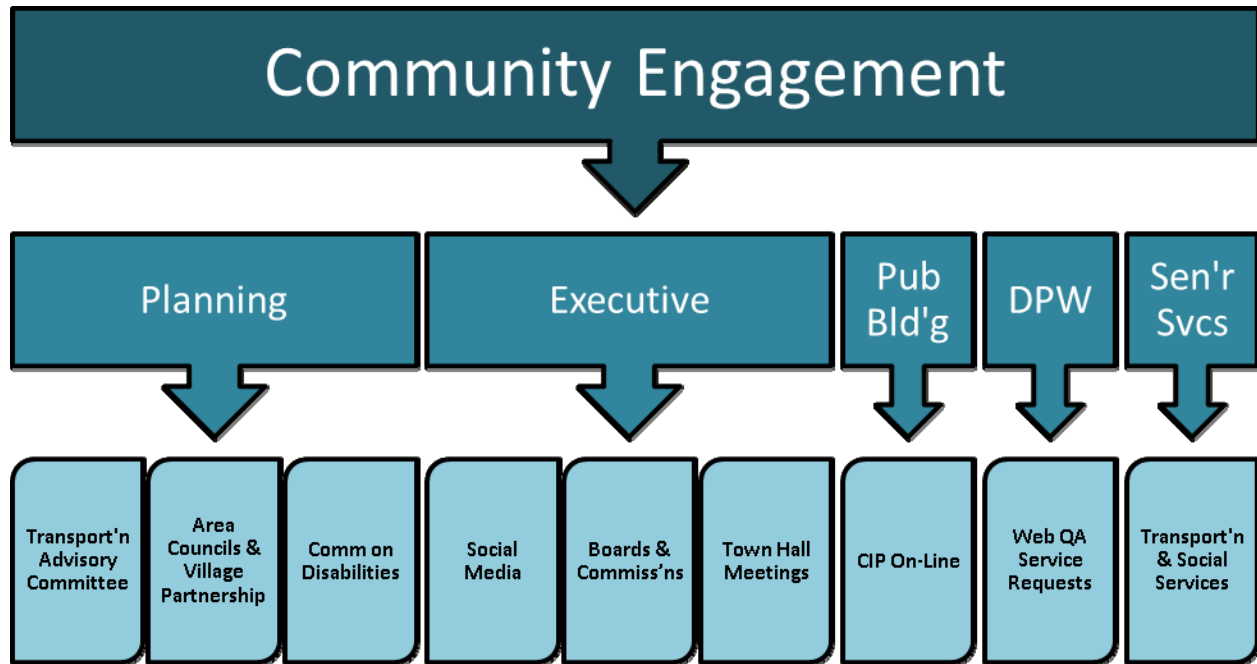
Long term financial stability evident through maintenance of the City of Newton’s Aaa Bond Rating, improved financial reserves, annual unqualified audit opinions, conservative financial forecasting, implementation of comprehensive financial policies, elimination of the “structural deficit”, reduction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

Strategy for Achievement

For the past five 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 2006 and 2007 Bonds (similar to refinancing a property) the City will realize approximately \$2 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 FY16, 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 Program, conduct surveys and focus groups, and foster partnerships with the many civic organizations that are active throughout the City. Additionally, the City will highlight a new, advanced DataStat Newton Program and opportunities for citizens to utilize technology to track snow plowing operations. The FY2016 Budget provides resources to enable the City to enhance the customer service organization to ensure that residents' concerns are heard, and expectations are met.