

Good evening. Before I begin this evening, I want to take a moment to remember an extraordinary public servant and a friend to everyone in this room, who I know we are all missing dearly tonight – Alderman Sal Salvucci. Over the course of the last several years, I had the privilege of getting to know Sal, and I will always cherish the time I spent with him. He dedicated his life to public service and helping others, and he loved this community. His absence is felt strongly, and I know I can speak for everyone when I say that he is sorely missed. This year’s budget is dedicated to Sal, and the lasting legacy that he left behind.

I’m honored to be here this evening to present to you the FY15 budget. As I have said previously, a budget is not merely an accounting document. It is a reflection of a city’s vision and values. In 2010, when I took office, Newton faced a financial crisis, crumbling capital and infrastructure, and a poisonous tone in government that prevented our city from achieving the best outcomes for all of Newton. We all know we’ve come a long way since 2010—we have transformed how we govern and have made tremendous strides in moving Newton forward. In four budget cycles, we have come together—Board of Alderman, School Committee, Newton Public Schools, businesses, non-profits, and residents to make extraordinary progress to ensure Newton meets its full potential.

Our budget this year continues toward building a sustainable, livable model city for the 21st century. By adopting outcome-based budgeting, over the last four years we have been able to allocate resources in the most effective and efficient way possible for the short- and long-term interests of our city. We’ve worked to break down the typical silos in government that prevent us from taking advantage of the best solutions in order to address the eight outcomes that make Newton one of the best places to live in the Nation: excellence in education, long-term financial sustainability, unparalleled public safety, vibrant and diverse community life, improved capital infrastructure, environmental sustainability, robust economic development, and community engagement.

When I first took office in 2010, the City had no rainy day fund. We established that fund and have built it up to \$13 million, and plan to increase that number to \$15 million by the end of FY15. We have maintained our AAA bond rating from Moody’s Investment Services through the past 4 years, even while Moody’s has taken a much more critical look at municipalities. And as we have finally reached the end of another difficult winter, it is important to note that we have increased our annual allocation for snow and ice budgeting every year, and are now budgeting for 80% of the cost of snow and ice removal. And because of the cumulative effect of the union contracts we negotiated, which keep revenue in line with expenditures at 2.5% annually, we are saving \$20 million in this budget alone, compared to where we would have been based on the previous administration’s projections as well as the independent citizens’ advisory group. This significant change has enabled our city to invest in vital areas such as education, public safety, and infrastructure. Finally, when I took office we did not have a plan to address our OPEB or Other-Post-Employment-Benefits. You have on your desks this evening a report, authored by Alderman Fuller, discussing the very real challenges that face the City in this area—challenges that we must face head on. In 2010, I established an OPEB trust fund with an initial investment of \$137,000. We have since put together a plan to significantly increase our annual appropriation into this fund. In the next year we will be adding approximately \$900,000 to it, and within five years this fund will exceed \$10 million. We must remain vigilant in this area if we are to ensure our long-term financial stability.

Because of our work with the Board of Alderman, community, and the Commonwealth, new developments on Route 9 have turned previously blighted and underutilized areas into terrific resources for our community. The Street development has brought new restaurants and has improved the quality of life for Newton residents, and Chestnut Hill Square, where Wegman’s will open this weekend, will generate over \$1 million in revenue in the next fiscal year. A special permit has been approved by the

Board of Aldermen for the Riverside development project, which will not only add housing and commercial and retail space, but will bring an additional \$2 million in revenue annually.

We know that successful economic development also means creating regional partnerships. Newton, Needham, and our chamber of commerce have established the N Squared Corridor that aims to promote the Needham Street corridor as an exciting and attractive place for existing and new businesses. On Needham Street, we have established an economic target area for regional technology, which enables us to give incentives to new businesses, as well as allow existing Newton businesses to be eligible for state incentives. Our administration worked with the Patrick administration to create additional open space out of an old abandoned rail line that runs parallel with Needham Street. The rail trail will open this summer. And in March I joined Bierbrier Development to break ground for the Needham Street Village Shops slated to open this fall. This project will add to the vitality of the area with a walkable village design. This year we will continue to work with the State and Town of Needham for complete renovation of Needham Street.

When I took office, residents asked our city administration to encourage better retail options, such as restaurants—ensuring that existing restaurants are able to remain successful and new businesses are welcomed into the City. In the past four years, we have streamlined permitting processes and opened a small business center to make it easier for both new and existing businesses to thrive in Newton. From 2011 to 2013, new licenses for restaurants have increased 100 percent from eight to sixteen.

We know that there are a growing number of seniors aging in place here in Newton. At the same time, we will see growth in our younger population. We can look to address the needs of our residents, in part, in places like Newtonville. We look forward to working with our community and existing businesses to improve Newtonville through developing the Austin Street parking lot. Hearing directly from residents and businesses over the last several years, it is clear that in order to ensure the village remains vital, we must make improvements to parking and traffic as well as bring a needed mix of housing and retail near public transit.

We also look forward to working with you all to move to the next phase of zoning reform, which will play a critical role in economic development for many years to come.

In order to provide our community with unparalleled public safety, it is essential that we have the appropriate number of personnel and the right equipment to respond to any emergency situation. Last year we installed computers with GIS mapping systems in all of our fire apparatuses, and also added new systems to all of our police cruisers. These systems have allowed for faster, more efficient, and effective responses. This year we will make significant upgrades to our Manet Road communications tower and building, the hub of our public safety communications system. These improvements will ensure the most effective communications process possible for our first responders.

We are in the process of sending twenty-two firefighters to technical rescue training to ensure our preparedness for the diverse emergency situations that they have faced in recent years. In addition, this year we begin a multi-year plan to ensure that our Police Department has the staffing levels needed to provide the best response in public safety possible.

We know that a great education system is the bedrock of any successful community, particularly here in Newton. In the last three years we've seen growth in enrollment in our schools. As a result of our

citizens' support of last year's override we have been able to add approximately eighty teachers to our classrooms in the past two years so that favorable class sizes are maintained.

This year we also have expanded our partnership with NPS to provide critical services for our youth with the creation of Newton Cares and the highly attended and successful third Youth Summit.

We are pleased to report to you that each of our major school building projects—Angier, Cabot, and Zervas are all meeting project benchmarks and budget projections. As a result, Angier students will move to the Carr school, our renovated swing space this fall, and construction can begin on the Angier School as planned.

We have made significant progress rebuilding our roads and sidewalks, an important component of having a livable, walkable, and sustainable community, and an area that had been badly neglected for the past fifteen years. Thanks to our residents passing the override package last year, we are doing an unprecedented amount of capital and infrastructure work. We paved over 42,000 feet of roadway, built over 20,000 feet of new sidewalk, and repaired an additional 20,000 feet of existing sidewalks in the last year. We also created more than 26,000 feet of new bicycle lanes, and built over 150 handicap accessible sidewalk ramps. Next year, we will continue to build on that success by equaling those numbers in new locations across the city. Residents should also know that the funding we set aside for road and sidewalk work through the override will be increased to keep up with inflation each year, ensuring that we are able to make the proper investment in our roadways for years to come.

We have made enormous strides in energy efficiency, where we are not only reducing our carbon footprint but also helping our bottom line. Since 2010 we have converted six buildings from oil to gas heat, secured 100% green electricity for all of our municipal needs, and installed solar panels on four school buildings. All of this not only yields enormous energy savings, but has helped us save over \$2.5 million annually.

Next year, under our Energy Smart Newton initiative, we will reduce energy consumption by 10% on an annual basis. This will save the city over \$500,000 annually.

The success of our LED street light pilot program last year has paved the way for the installation of 8,400 energy efficient LED street lights before the heavy lighting season next fall. This investment will not only give us safer, better lit roadways, but will save us \$200,000 per year in utility costs.

For the last twenty to thirty years, Newton has not made appropriate investment in one of our most cherished resources: trees. In 2012, we insourced a three-person tree crew to help us ensure that we live up to our name of "The Garden City". Since they began, this crew, under the leadership of our Urban Forestry Director Marc Welch, has taken down our most vulnerable and dangerous trees, and has conducted an enormous amount of long-overdue pruning. They are also helping us realize significant cost savings. In FY11 we spent \$200,000 on emergency tree work, and another \$500,000 in FY12—work that is now being done in-house. Since bringing this crew on board, we have saved the City over \$150,000 on emergency work. This year, we will begin a multiyear plan of planting new trees throughout the City. The same could be said for fields and open spaces. For too long, these cherished resources had been badly neglected. This year we are building upon a field revitalization plan to improve our field usage experience for everyone in our city.

Providing an opportunity for people of all walks of life to be successful has been a cornerstone to Newton's success. We have worked to maximize the resources we have in the Human Service area through interdepartmental collaboration, innovation, and partnerships with the nonprofit and private sector.

Our growing Veterans' Center with over 250 sign ups, health and wellness programming, and expansion of transportation for our seniors, and the highly successful 21st century high school internship program are examples of how we continue to deliver services in the most creative and effective way possible.

Finally, serving our citizens in the most efficient way possible is a priority for this administration. Last summer we introduced a new smartphone app that allows residents to directly report issues to the City with a photograph and GPS feature, making the process easier and more streamlined than ever before. Since the inception of our online 311 program in 2011, nearly 100,000 requests have been resolved making City Hall accessible to residents on the web twenty-four hours a day, seven days a week. In the year ahead we will continue to grow our use of social media and technology to further engage and serve our residents.

Before I end this evening, I'd like to take a moment to thank the employees of our city. You make great things happen every day on our streets and in our public buildings, schools, and neighborhoods—you are the reason why Money Magazine and CNN named Newton one of the top five places to live.

I'd like to conclude this evening where I began four years ago. A budget is not an accounting document but a reflection of a community's values. We have made tremendous progress in the last four years due to an outcome-based approach to governance that is evidence-based and stresses effectiveness. As we continue to build a city that is sustainable and livable for the coming years we must use this approach, as well as work to keep the tone of our civil discourse at a level where we can find the best solutions for our entire community. I look forward to working with you to make Newton all it can be. God bless our city, the Commonwealth, and our country. Thank you.

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