

# *Outcomes-Based Budget Overview*

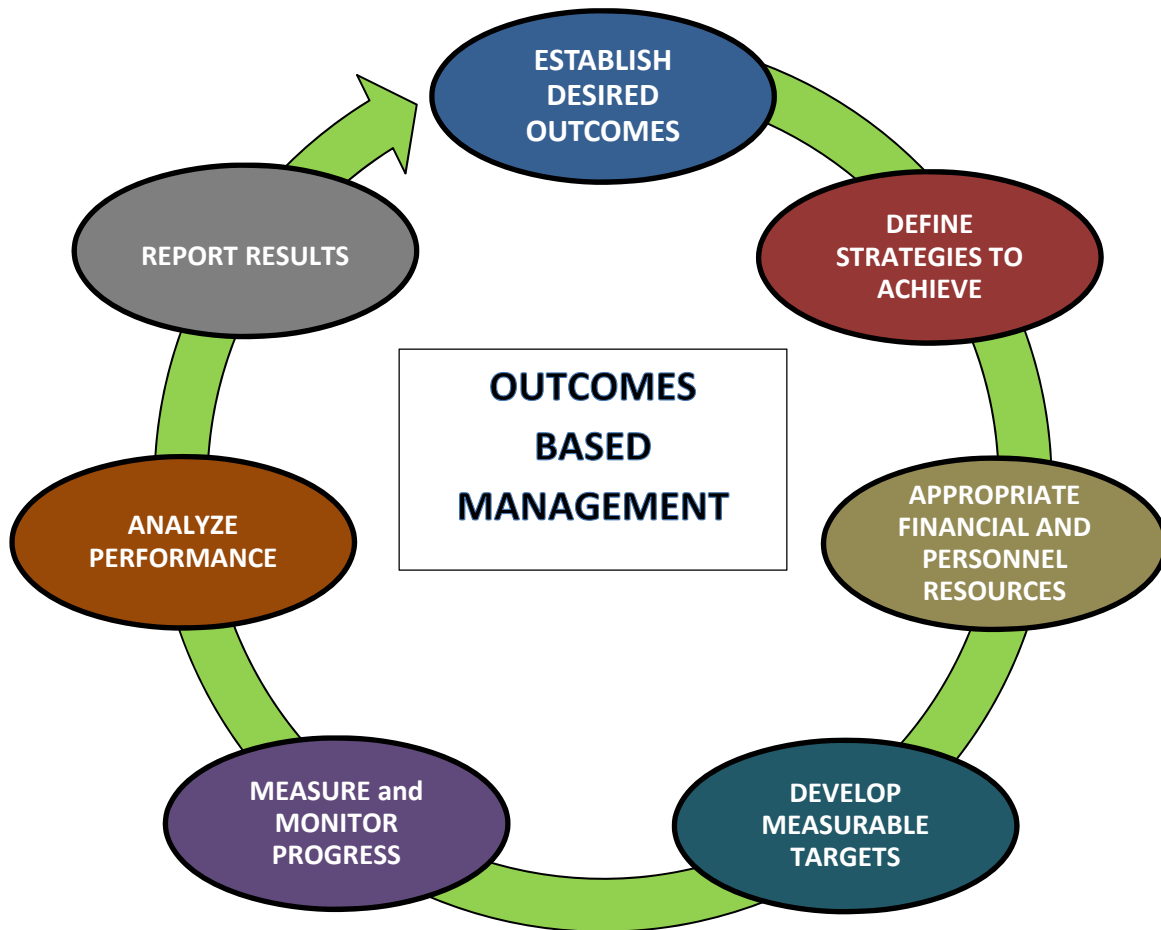
The new fiscal reality facing cities and towns across the Commonwealth necessitates that communities must be more judicious and prudent than ever before in their approach to providing services. Much thought and analysis should be devoted to identifying the desired end results before allocating valuable resources toward projects. Performing the “wrong” activities - no matter how efficiently – is a counterproductive exercise.

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 now 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 in strategic planning, performance management, and a zero-based approach to annual resource allocation.

Outcomes-based budgeting requires the Mayor, Executive Team, and Department Heads to develop an approved set of government priorities for the coming year, such as enhanced public safety or increased economic development. These larger priorities then cascade down through the departments and permeate each of their own annual workplans. Resources are then calibrated toward the specific activities that are designed to realize those outcomes.

The Administration has continually made progress in this budgeting philosophy in each of the last three budgets. This budget builds upon the Administration’s previous performance management efforts and budgeting practices by introducing several new elements. First, it adds more in the way of conventional performance indicators for departments in support of their individual outcomes. Following these indicators will inform all stakeholders as to whether departments are achieving the goals they set for themselves and whether strategies are working, and in limited cases provides opportunities to gauge Newton’s performance, as compared to other communities. Including these indicators in the City’s budget is an important part of its performance management strategy.

Second, an additional section has been added to each strategy and action item which shows how the strategy is congruent with the Mayor’s vision for the City of Newton and subsequent outcomes. This will paint a more comprehensive picture of the approach the City takes with regard to municipal operations and financial management. The ultimate goal is to ensure that each dollar the City spends has a well-designed purpose and is held accountable to that purpose.



## **The Process of Defining Desired Outcomes & Budgeting**

As the ultimate arbiters of the City's performance, citizens concern themselves, not so much with the day-to-day minutiae of municipal operations, but with whether or not 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 since the 1970's; 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 three years, to develop a strategic, outcomes-based approach in the development of the Fiscal Year 2014 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.

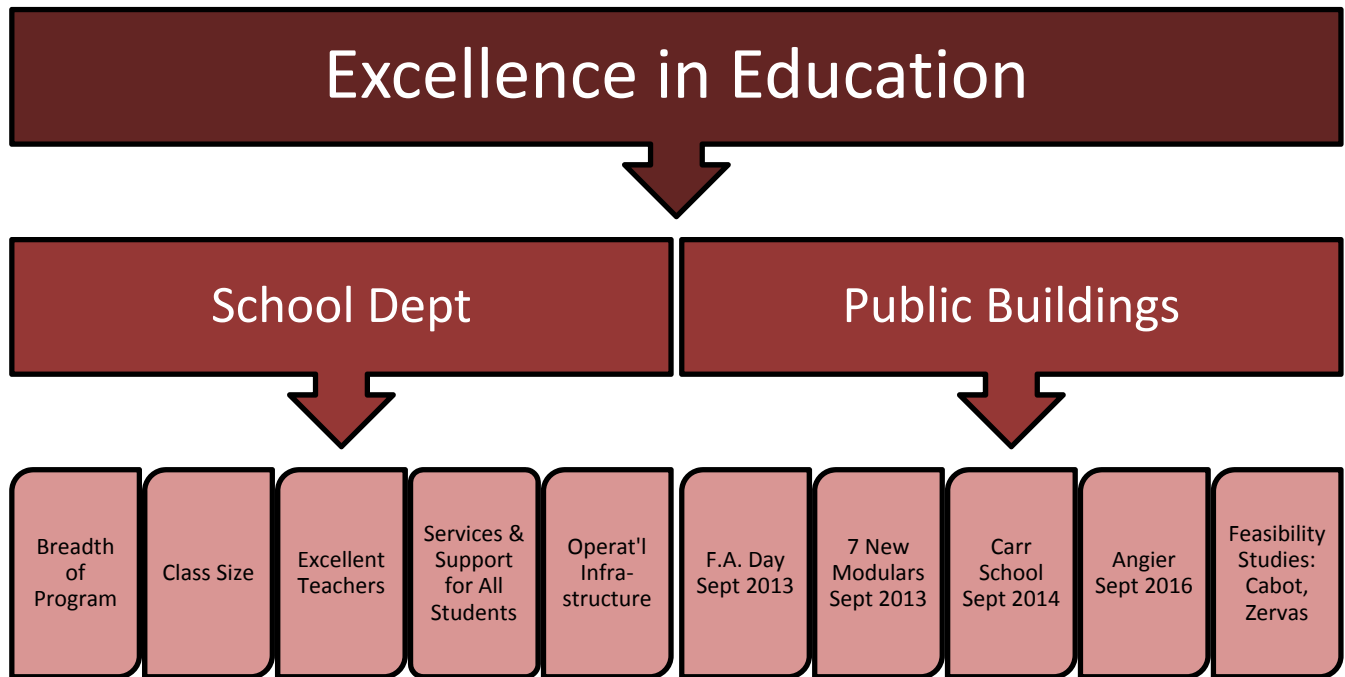
At the outset, the Executive Team defined eight desired outcomes at a broad, visionary level. These outcomes serve as the platform and basis for both large and small-scale city initiatives. Next, the Executive Team began a series of meetings with each department in December to review the progress made toward FY13 outcomes, as well as discuss major initiatives that would be undertaken by each department in FY14 and, the alignment of each department's goals and objectives with the Mayor's citywide desired outcomes.

Based upon these collaborative discussions, outcomes were defined, required resources were identified, projected expenditures were calculated, strategies were developed, and performance targets were established.

Throughout the course of the coming year, formal performance reviews will be integrated into the City's regular functional cluster meetings. These regular performance management meetings will focus on departments' progress towards each of these outcomes. This continuous monitoring of performance will allow the City Team to recognize any obstacles to achievement of desired goals and outcomes. Once identified both the Executive Team and individual departments will establish a strategy to overcome those obstacles and later, determine whether or not those strategies were successful.



## Outcome #1: Excellence in Education



### Outcome #1 – Excellence in Education

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. As with each one of the Administration's eight desired outcomes - the Executive Team will work with the key players in order to define and implement strategies to enable the City to achieve the vision.

The Newton School Committee directed the School Administration to prepare an FY2014 Budget that would accomplish the following:

- ❖ Prioritize resources to improve student achievement for all to further narrow subgroup gaps including sustained focus on literacy program improvements and intervention strategies.

- ❖ Improve quality of teaching and learning with continued emphasis on curriculum alignment to Common Core, a variety of assessment strategies and use of digital tools and to support differentiated and small group instruction.
- ❖ Advance 21st century teaching and learning through new or expanded initiatives that both provides inventive opportunities for students as well as fosters innovation, critical thinking and collaboration.
- ❖ Further support educator collaboration, including the use of summer professional learning and PLCs.
- ❖ Effectively implement the new Educator Evaluation System with a focus on teaching and learning.

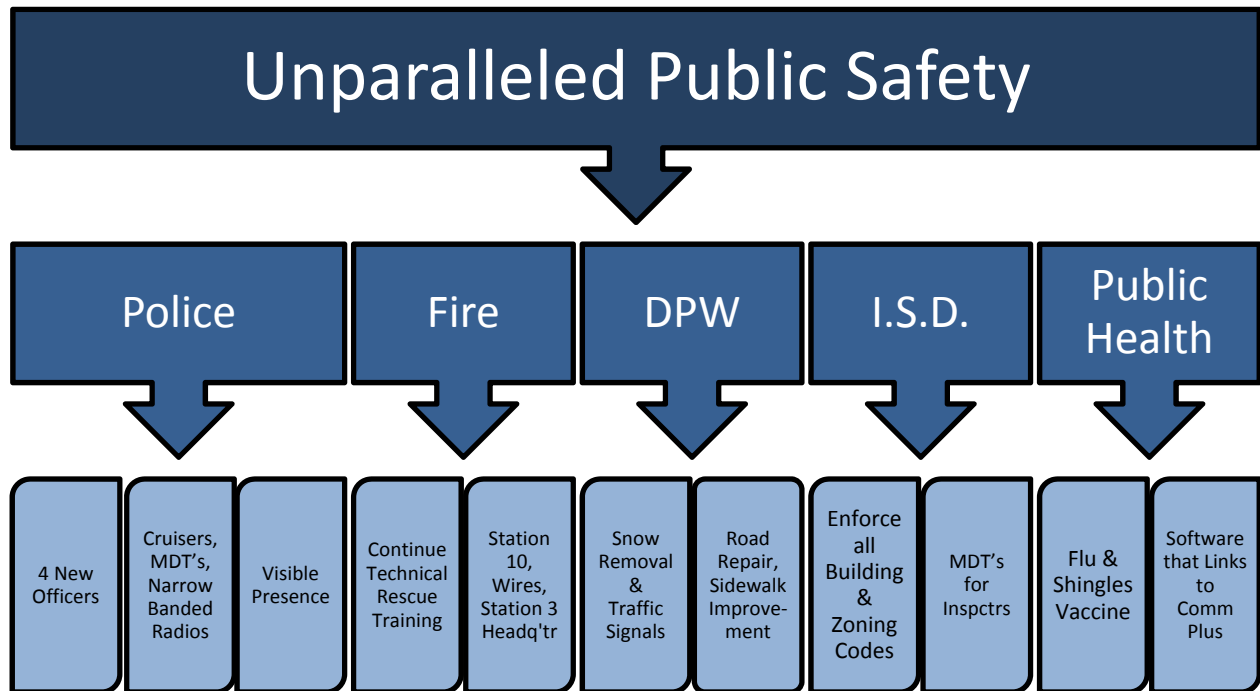
The School Administration has worked to develop a Budget that will accomplish the goals listed above. However, the Public Buildings Department is also key in the delivery of an excellent education and as such will focus on the delivery of daily operations & maintenance, implementation of energy reducing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

The Executive Team will work closely with members of the School Committee, School Administration and the Public Buildings Department in order to facilitate the achievement of the delivery of an excellent education in the City of Newton.

Earlier this year, the City's residents cemented Newton's place as a leader in public school education by approving an operating override designed to mitigate significant overcrowding issues as well as two debt exclusions for both Angier and Cabot Schools. The condition of both schools had reached a point where education has been negatively impacted. Much credit should be given to the Newton Public Schools for finding creative ways to effectively address these issues, however, they were meant to be short-term fixes to long-term problems. The increased funding and new buildings will allow NPS to address the changing needs of students of both today and tomorrow.

The City also provides support services designed to increase the well-being of Newton's schoolchildren which has a positive effect on education. The Health & Human Services Department is dedicated to providing strong school nursing and other support services to students, while the Public Buildings and Inspectional Services departments are committed to making sure that Newton's children are in a safe environment conducive to learning by focusing on response times to both emergency and non-emergency repair requests.

## Outcome #2: Unparalleled Public Safety



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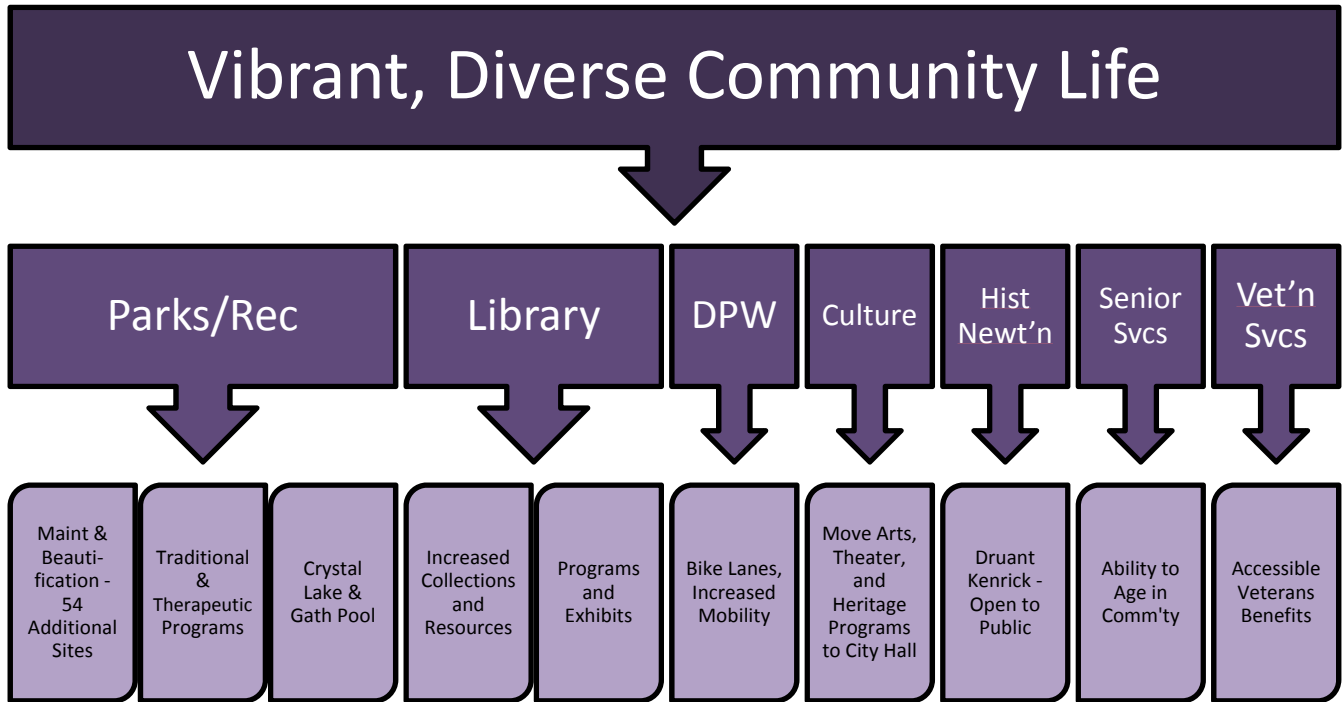
Unparalleled public safety for the citizens of Newton through the delivery of the highest level of police, fire, inspectional, public health and emergency medical services to the community, ensuring the public's safety and security through prepared responses to emergencies and disasters of all kinds 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, Health, and Inspectional Services departments.

Strategies for achievement in this area include: expanding police presence by 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 a 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.

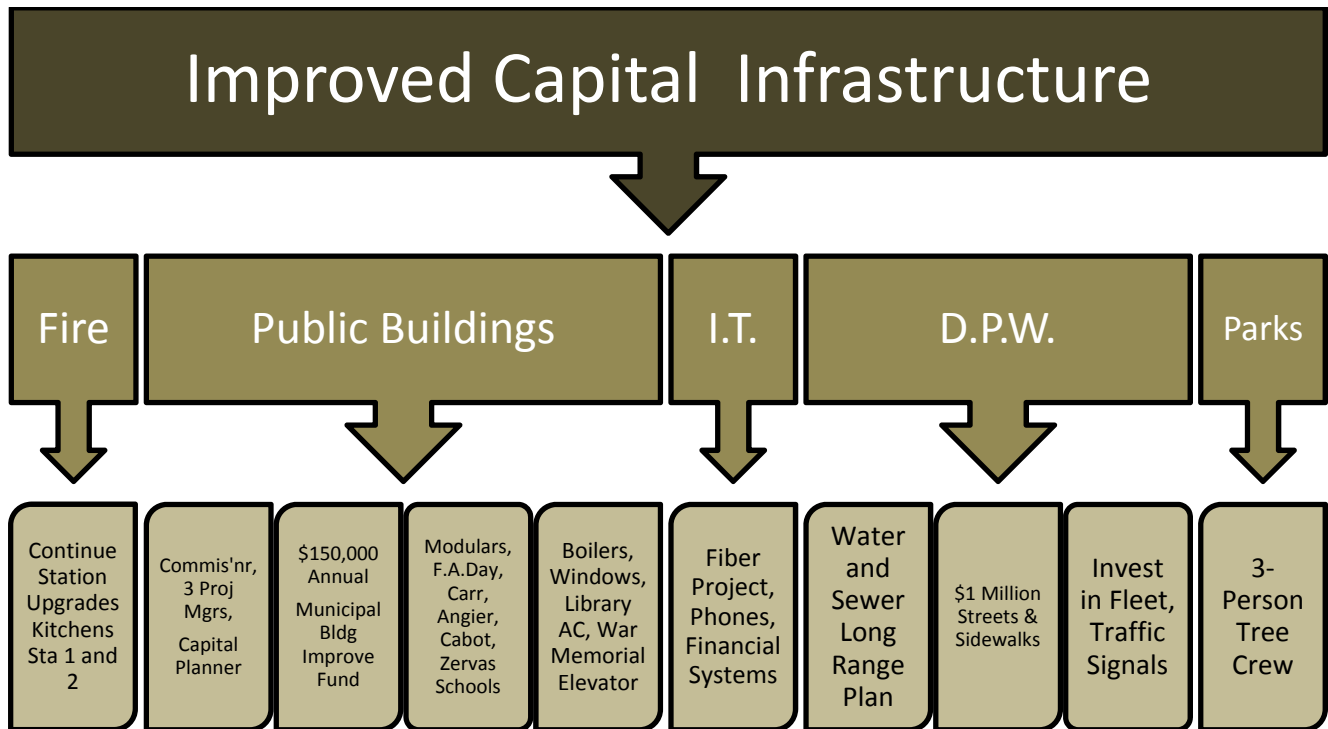
### Strategy for Achievement

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.

To achieve this, the City will focus on determining the programs and services that best meet the needs of the residents of both today and tomorrow. Newton is fortunate to have several departments that offer a wide-array of programming 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 also focus on improving its physical recreational assets, including; improving natural resources such as Crystal Lake; increasing pedestrian and bicyclist mobility throughout the City; promoting the first-of-its-kind regional Veterans' Center, maintaining and enhancing Gath Pool, upgrading the War Memorial at City Hall 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 stormwater facilities.

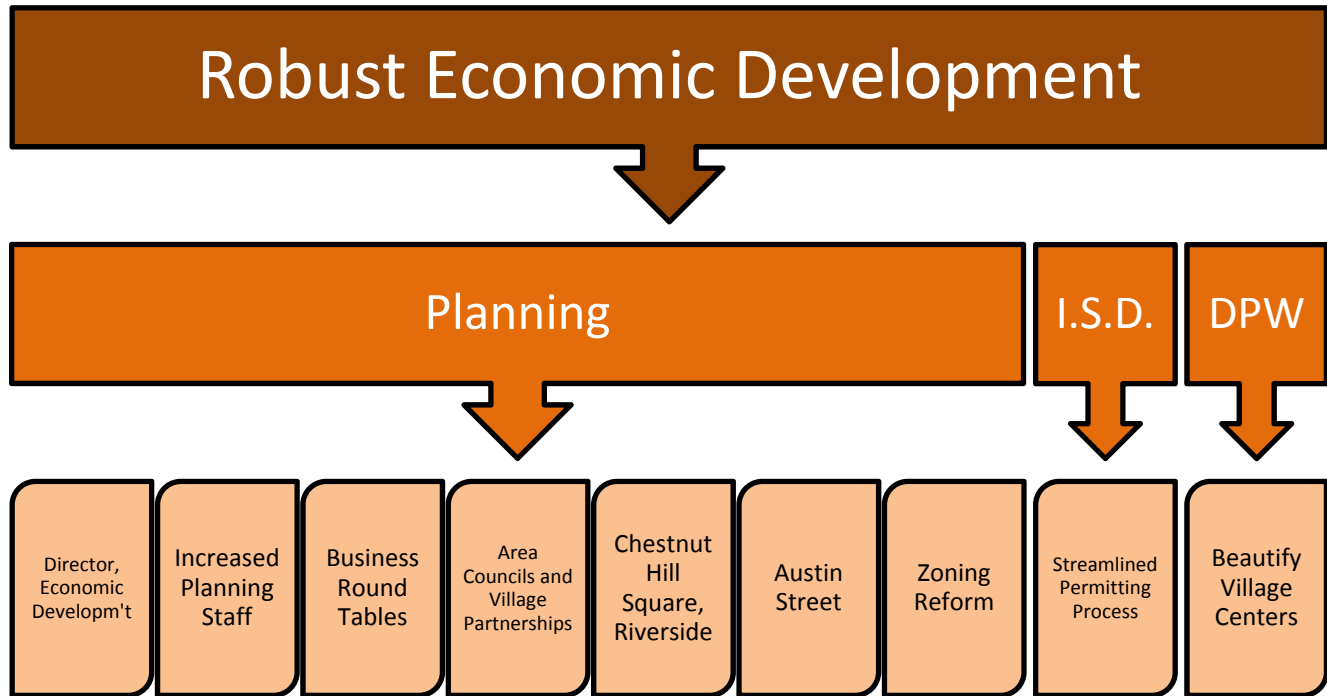
### Strategy for Achievement

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 eight miles of roads; repairing or building one mile of sidewalks; improving traffic signals; implementing lighting and energy efficiency improvements; establishing an annual \$150,000 municipal building improvement fund for projects under \$75,000; 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 Carr, Angier, Cabot and Zervas elementary schools and Fire Station upgrades on the horizon, the City will redeploy significant financial and personnel resources to the Public Buildings department to ensure projects stay on time and on budget.



## Outcome #5: Robust Economic Development



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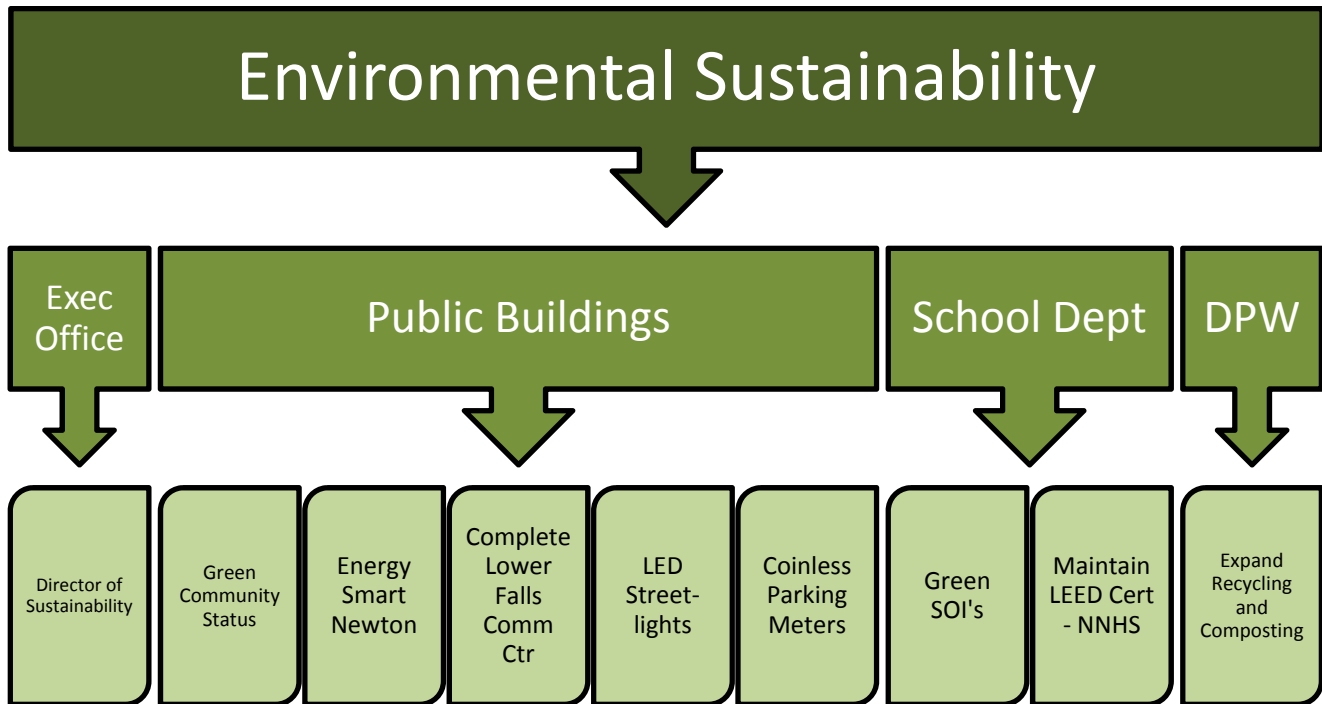
Robust economic development through collaborative efforts with commercial property owners, business owners and developers so that all commercial districts are functioning at their highest and best use, contributing to the City’s tax base and helping to achieve the City’s vision and goals, while ensuring 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. This budget provides for a revamping of the role of the Economic Development Director, which will enable the City to establish 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 Chestnut Hill Square 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 is devoting 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.

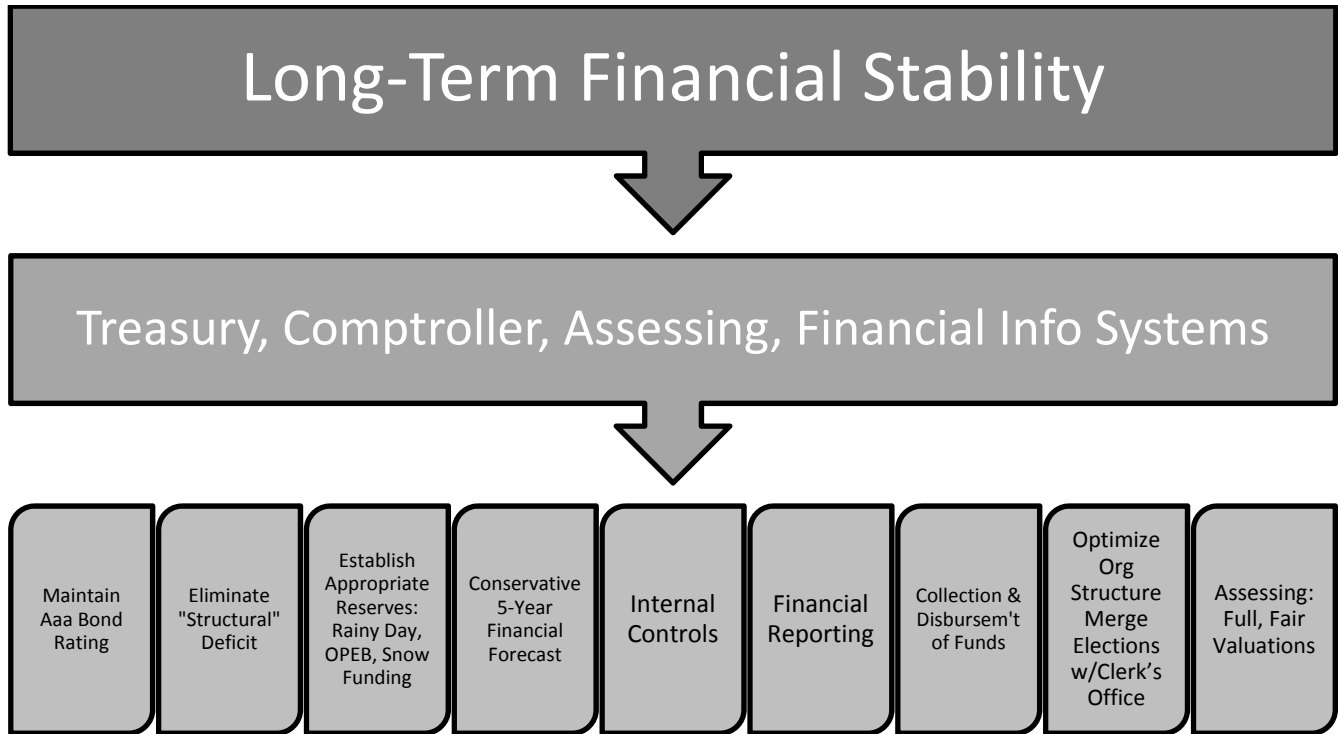
#### Strategy for Achievement

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 advancing the “Energy-Smart Newton” partnership between, municipal, residential and business sectors working to reduce energy consumption by 20 percent citywide by the year 2020. Additional strategies include: increasing recycling initiatives; increasing the utilization of bike lanes and other alternative transportation measures; and moving the City’s fleet toward more fuel-efficient vehicles.

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 begin a program to replace streetlights with LED bulbs, strategically upgrade HVAC systems, and incorporate energy conservation measures throughout several city buildings. This 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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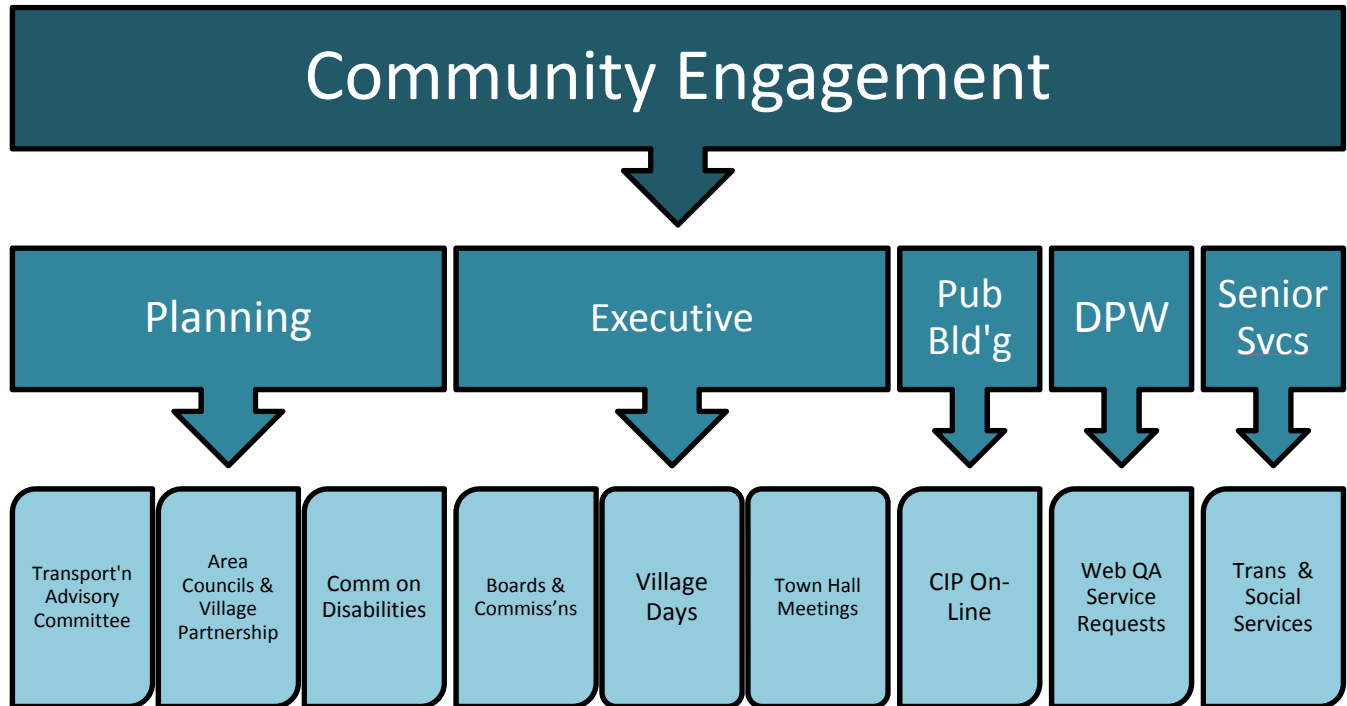
Long term financial stability evident through maintenance of the City of Newton's Aaa Bond Rating, improved financial reserves, annual unqualified audit opinions, conservative financial forecasting, implementation of comprehensive financial policies, elimination of the "structural deficit", reduction of non-recurring funding sources to balance the annual budget, and appropriate investment in capital infrastructure

### Strategy for Achievement

For the past three 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 successful negotiation of all 17 Collective Bargaining Agreements, 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 and investment 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, reviewing internal policies and procedures, revising collection and disbursements functions in outlying departments, implementing new policies in Human Resources and IT, and revising procurement ordinances.

## 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 and advances of the City, but more importantly by listening to residents' concerns. In FY14, Customer Service will play a more important and broader role in interfacing with citizens with its WebQA system. Additionally, more opportunities will be available for citizens to serve on boards and commissions such as the Commission on Disabilities and the Transportation Advisory Committee.

Additionally, 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.