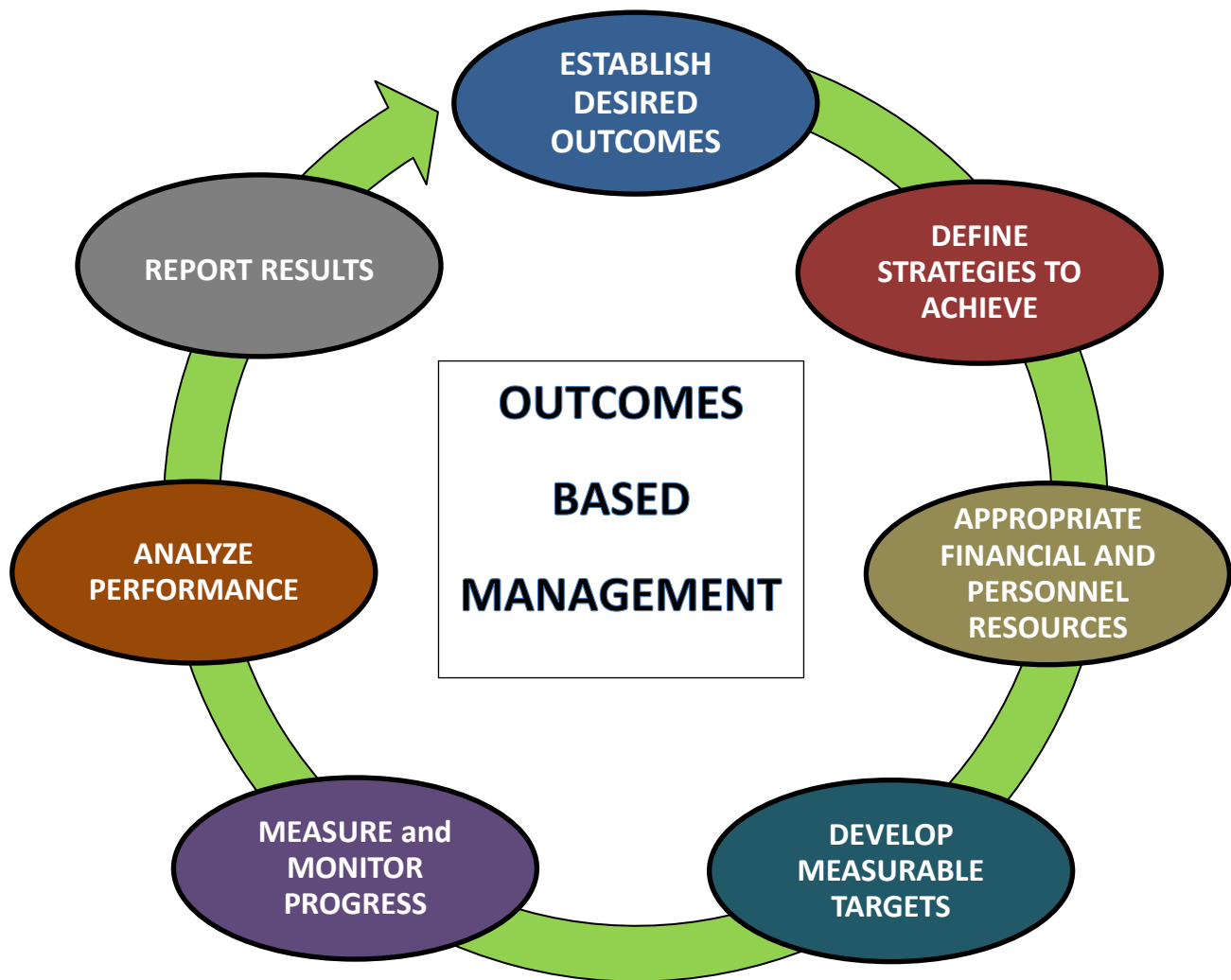


Outcomes-Based Budget Overview

As was mentioned in the Executive Summary section of this document, throughout the course of the past two years, the City of Newton has embarked on a new performance-based management initiative utilizing a systematic approach of mapping, analyzing and improving the City’s processes, throughout operational as well as administrative departments, in order to make the delivery of services more effective, more efficient, and more capable of adapting to an ever-changing environment.

This section of the FY2013 Budget details how the City of Newton has taken this process to the next level by incorporating an “Outcomes-Based” approach to preparing the budget, setting targets and developing criteria upon which the Administration will measure progress toward desired outcomes. Additionally, this Outcomes-Based approach has driven the allocation of financial and personnel resources, will enable the Administration to evaluate performance and measure progress toward its goals, and will ultimately enable the Administration to achieve the City’s top priorities.



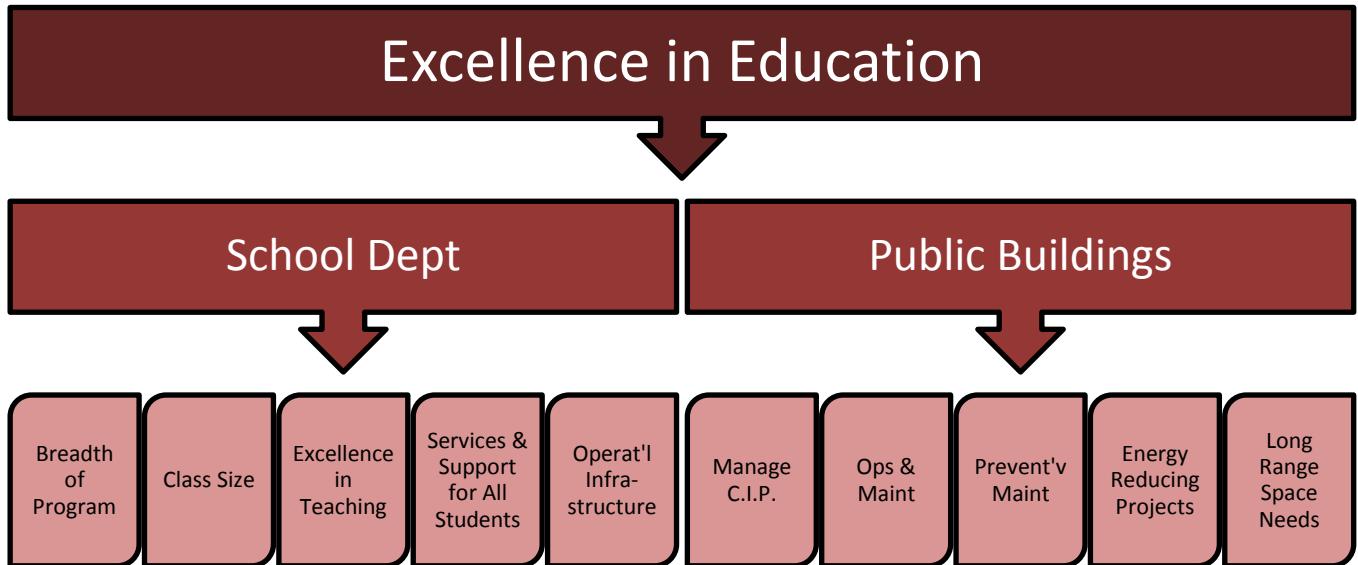
Defining Desired Outcomes

As noted in Mayor Setti Warren’s State of the City address in January 2012, the City of Newton should be a community that attracts old and young, families, seniors and people of all backgrounds and offers a quality of life and ladder of opportunity that is unique in America today. To accomplish that vision the Administration has built on the performance initiatives of the past two years, to develop a strategic, outcomes-based approach in the development of the Fiscal Year 2013 Budget. This FY13 outcomes-based budget will provide a blueprint by which the Administration has defined desired outcomes, established targets, appropriated resources, and now will measure and monitor progress, analyze performance, and report results.

The Executive Team has defined eight desired outcomes at a visionary level which then cascade throughout the City’s Functional Clusters and ultimately to the departmental level. This outcomes-based budget will be the blueprint to be utilized in achieving these eight desired outcomes throughout the next two years.



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 FY2013 Budget that would accomplish the following:

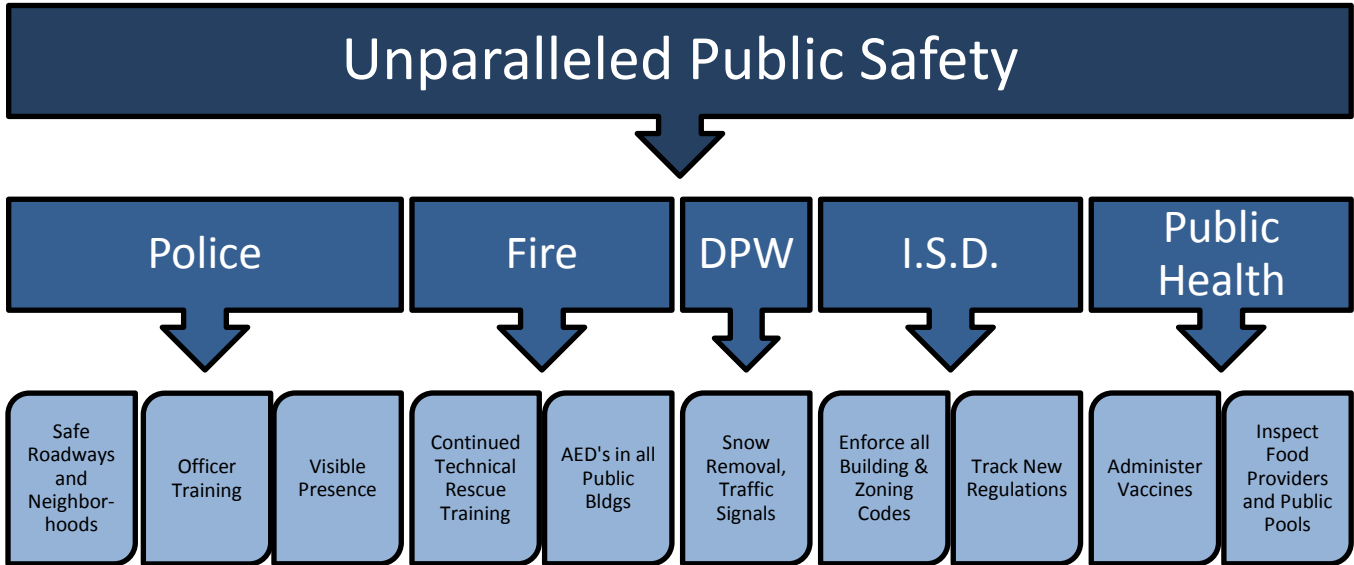
- ❖ Remain focused on the priority goal of improving student achievement,
- ❖ Maintain or improve the quality of teaching and learning by preserving critical educational supports,
- ❖ Address the significant increases in student enrollment and the concomitant intensity and diversity of student needs,

- ❖ Allow the schools to continue to get better in a few explicit areas, in very focused ways,
- ❖ Work toward achieving equity by allocating resources based on student population and program needs,
- ❖ Place emphasis on early elementary education resources and most effective interventions,
- ❖ Advance 21st century teaching and learning, including expanding the use of education technology,
- ❖ Identify investment opportunities for increased revenues and/or creative programs while offsetting budget reductions, and
- ❖ Provide a 3-5 year financial projection reflecting revenue, expense and enrollment.

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, and the 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.

Outcome #2: Unparalleled Public Safety



Outcome #2 – Unparalleled Public Safety

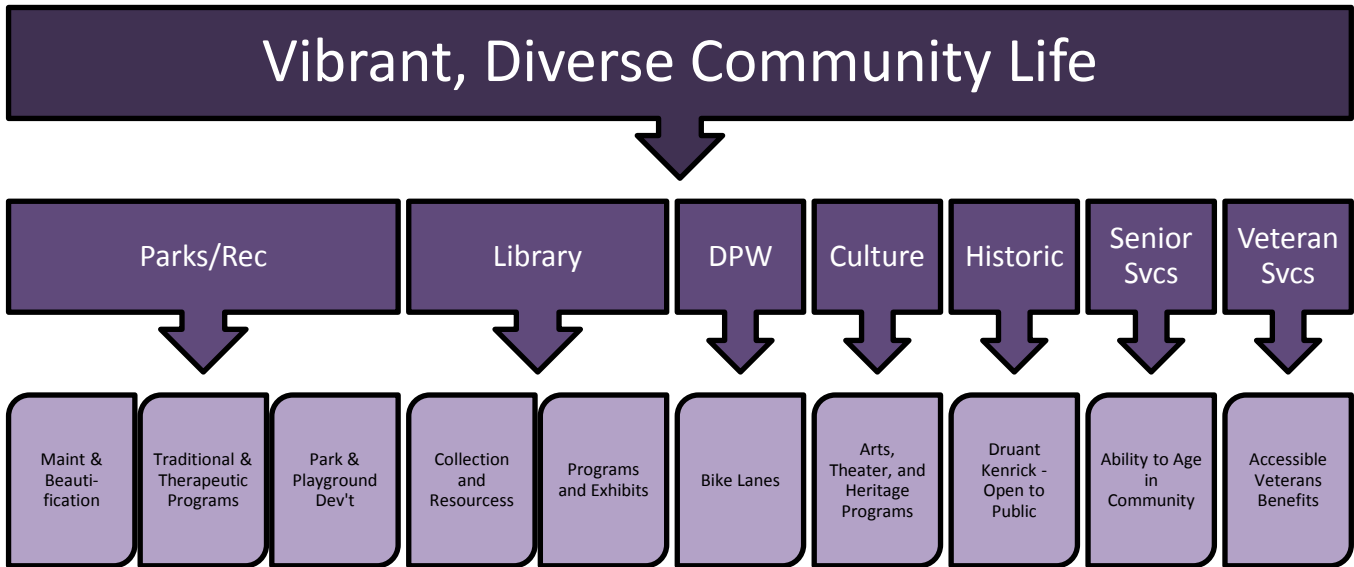
Unparalleled public safety for the citizens of Newton through the delivery of the highest level of police, fire, inspectional, public health and emergency medical services to the community, ensuring the public's safety and security through prepared responses to emergencies and disasters of all kinds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

Strategy for Achievement

The delivery of true public safety involves much more than simply staffing the Police and Fire Departments. It includes such things as the selection of the ambulance provider, issuance of building, plumbing & electrical permits, enforcing all building and zoning regulations, inspection of food establishments and public pools, the administration of medical vaccines for at-risk populations, and the maintenance of safe roadways during snow and ice emergencies.

Strategies for achievement in this area include the expansion of the police canine unit, continued training of all emergency personnel, visible presence of public safety personnel, the establishment of a Director of Emergency Medical Services, establishment of a Technical Rescue Team, deployment of Automatic Emergency Devices in all Public Buildings, understanding of all new building regulations, the ability to provide Flu, Pneumonia and Shingles vaccines to the City's elderly and at-risk populations, and vigilant inspection of the City's food establishments and public swimming pools.

Outcome #3: Vibrant, Diverse Community Life



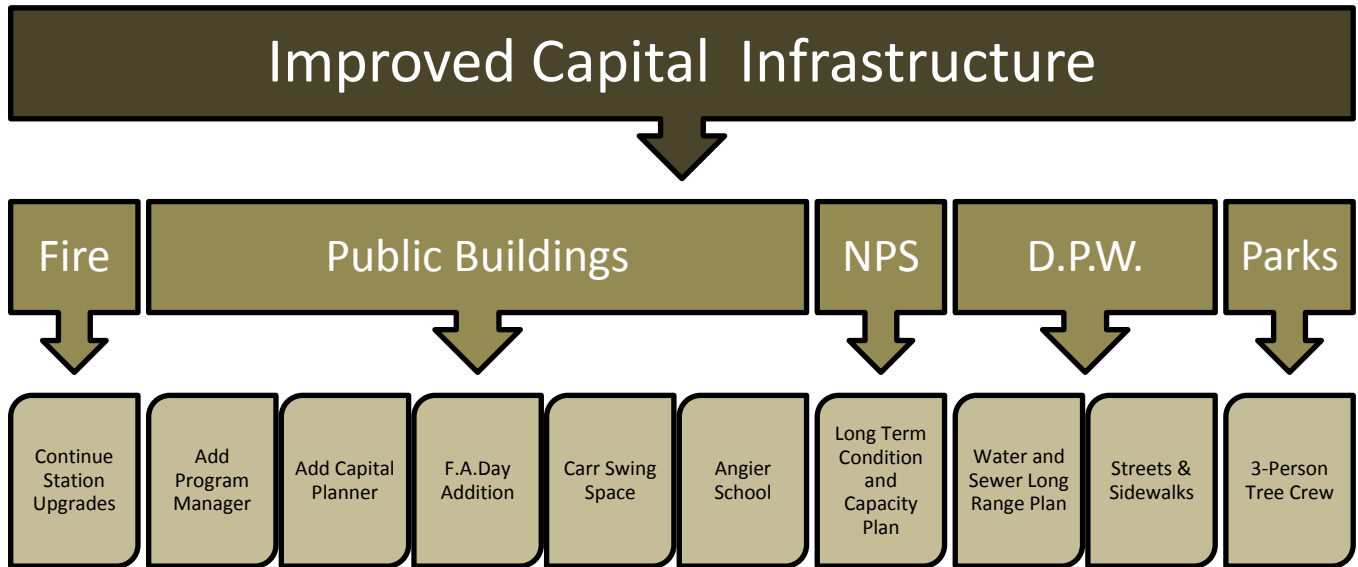
Outcome #3 – Vibrant, Diverse Community Life

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

The City of Newton has enjoyed a vibrant, diverse community life for many years, something that is perhaps one of the most valued attributes of the City. Maintaining and improving upon the community life here in the City requires the efforts of many departments and personnel and includes such items as maintaining the City's parks and fields, offering a wide range of programs, creating off-leash dog parks, maintaining an unparalleled collection in the Newton Free Library, establishing bike lanes on 5% of the City's roadways by the year 2015, enabling the City's senior population to age in the community gracefully, assisting the City's veterans in securing the resources necessary for a quality life, preserving the rich history of the City, and providing cultural programs and experiences that enable the diverse community here in the City to learn about each other, to experience each other's cultures and perhaps most importantly to celebrate each other's differences.

Outcome #4: Improved Capital Infrastructure



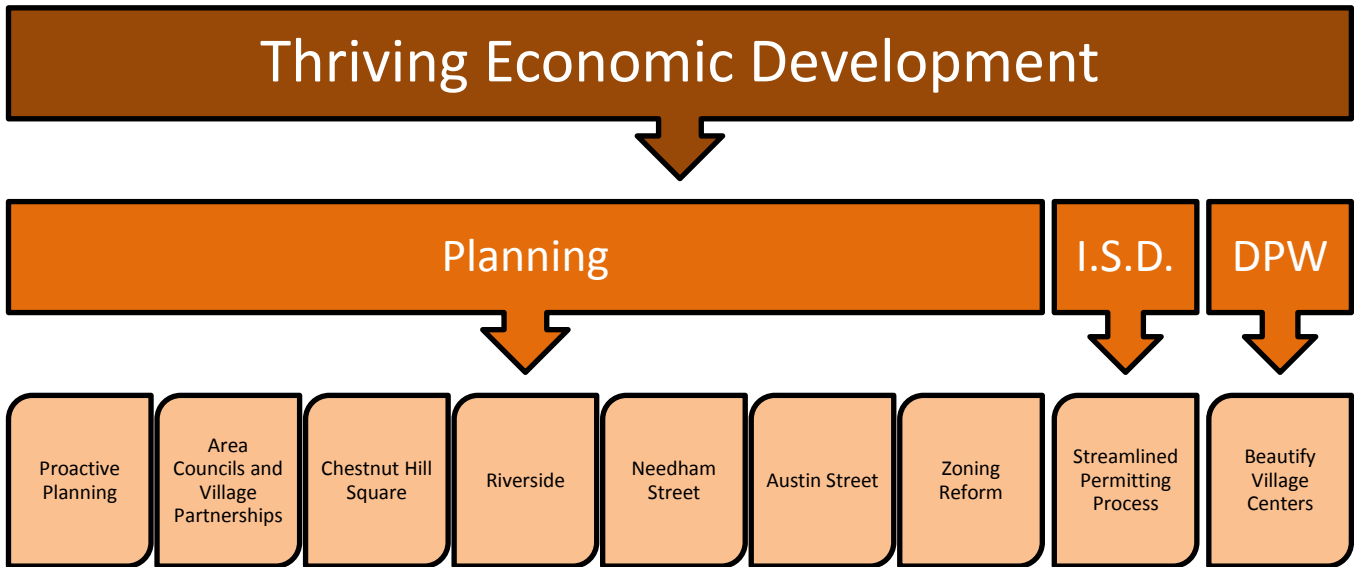
Outcome #4 – Improved Capital Infrastructure

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

Strategy for Achievement

On November 7, 2011, the City of Newton unveiled its “1st of its kind”, Capital Improvement Plan as a result of the Comprehensive Citywide Infrastructure Assessment which was undertaken to enable the administration to ascertain the current condition of the City’s facilities, maintenance history, operating cost information, and most importantly to enable the development of a long-range maintenance and replacement plan for the City’s Capital Assets. Achievement of an improved citywide infrastructure will take many years, however, the Fiscal Year 2013 Budget incorporates the first steps in the implementation of this Capital Improvement Plan. Strategies for success in this area include the addition of a Capital Project Manager, the addition of a Capital Planner, planning, design and construction of school building projects that will increase capacity (F.A.Day), develop swing space (Carr), and completely renovate older structures that no longer meet the educational and programmatic needs of the District (Angier). However, school buildings are not the only structures that have not received attention in the past two decades. Fire stations, City sidewalks, streets, water and sewer systems, and the 30,000 street trees that line the City are all in need of significant investment. This budget addresses each of those areas and has established measurable targets to enable the City to begin to achieve an improved capital infrastructure.

Outcome #5: Thriving Economic Development



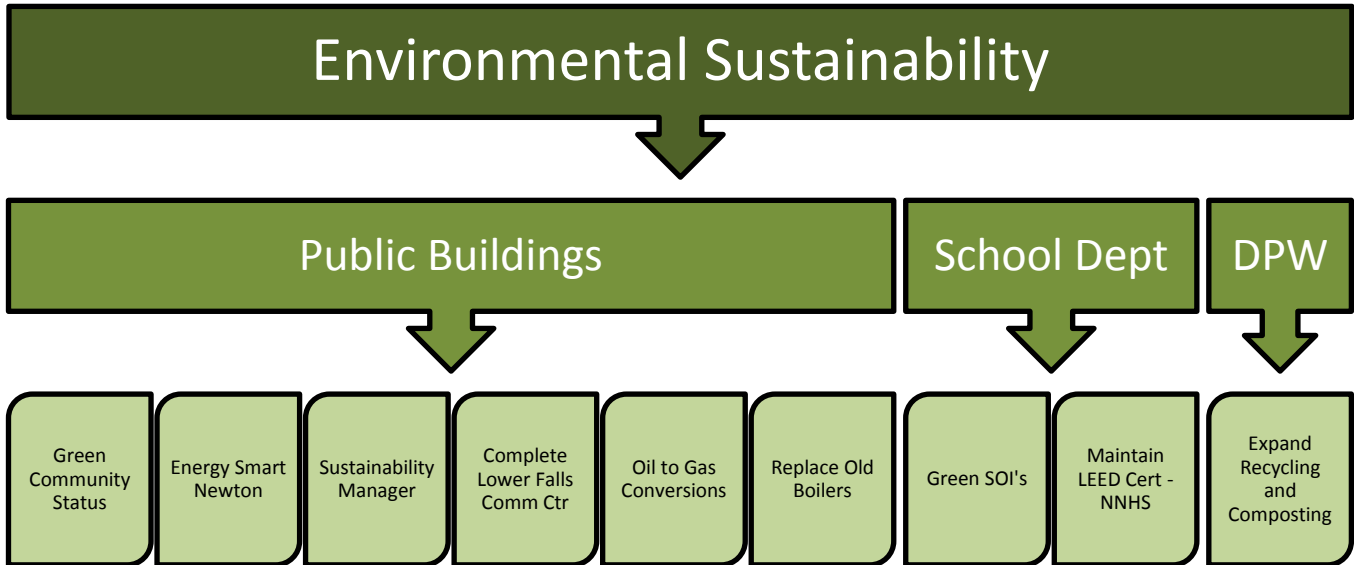
Outcome #5 – Thriving Economic Development

Thriving 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

The City of Newton has limited opportunity for economic development, and therefore, must make the best decisions for the community. Strategies for achievement of a climate of robust economic development include proactively identifying development opportunities, quarterly business roundtables between the Mayor and business owners, establishment of area councils and village partnerships, continued work with the developers of the Chestnut Hill Square Project, continued work with the Board of Aldermen through the Special Permitting Process for Riverside, implementation and approval of the design plan for Needham street, implementation of the recommendations of the Zoning Reform Group, streamlining the permitting process, and instituting a “Beautify Newton” program designed to create a welcoming environment throughout the village centers and the City’s neighborhoods.

Outcome #6 - Environmental Sustainability



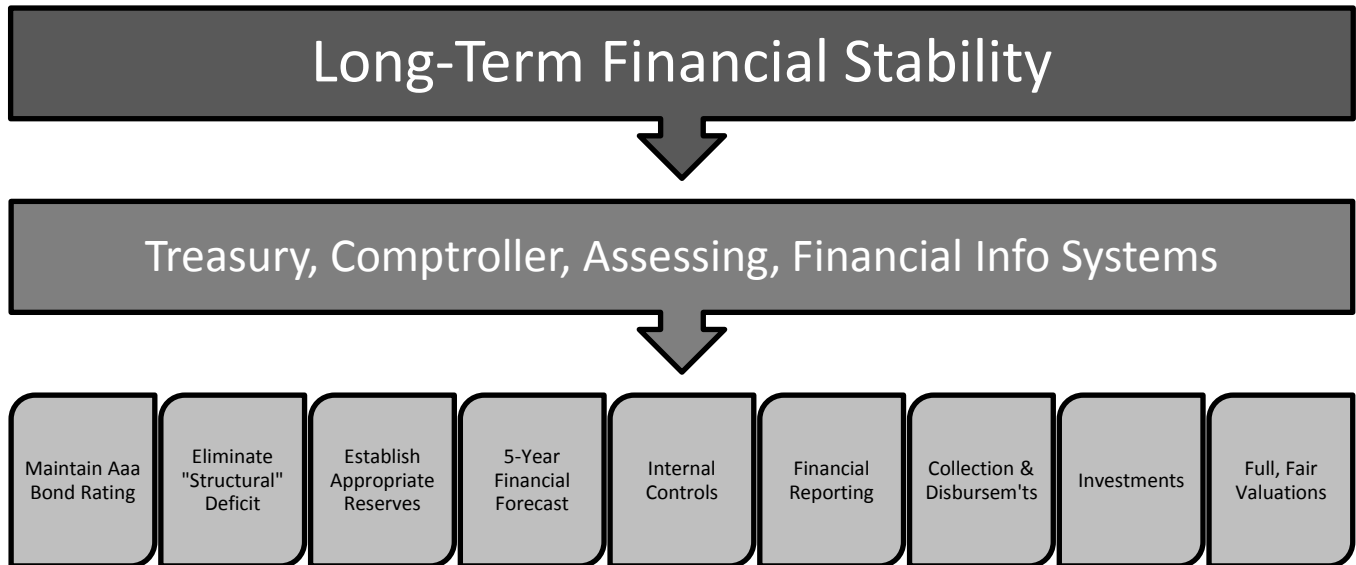
Outcome #6 – Environmental Sustainability

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

The City of Newton was the first community in the Commonwealth to adopt the “Stretch Code”, which requires higher energy efficiency levels in new construction and additions to residential and commercial buildings and makes the City eligible for state grant funding. Additionally, the City has recently unveiled “Energy-Smart Newton”, a partnership between the municipal, residential and business sectors working to reduce energy consumption by 20 percent citywide by the year 2020. Strategies to accomplish this goal include completing the Lower Falls Community Center renovations, converting additional buildings from oil to gas, replacing old boilers, and expanding the City’s recycling and composting programs.

Outcome #7 - Long-Term Financial Stability



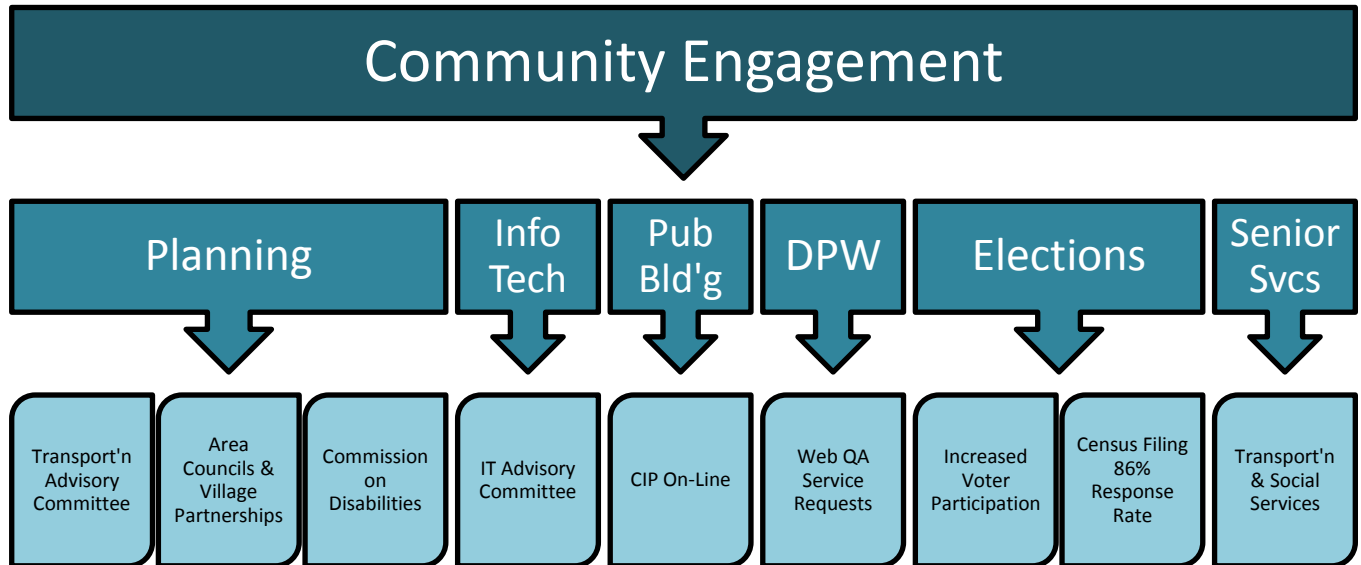
Outcome #7 – Long-Term Financial Stability

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 two 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 funding plan for the City’s Other Post-Employment Benefits, the development of a five-year financial forecast, the unveiling of the City’s first of its 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.

Outcome #8 - Community Engagement



Outcome #8 – Community Engagement

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

Strategy for Achievement

Strategies for achievement in this area include the involvement and thus 'engagement' of citizens from all areas of the City. Community Engagement has been encouraged through the establishment of Area Councils and village partnerships, establishment of the Commission on Disabilities, Transportation Advisory Committee, IT Advisory Committee, deployment of 311 Online Service Requests, redesign of the City's website and search engine, and the introduction of the City's on-line, interactive capital database and Capital Improvement Plan.