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MAYOR

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April 20, 2010

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To: Honorable Board of Aldermen  
Newton Residents and Taxpayers

In accordance with Chapter 44, Section 32 of the Massachusetts General Laws, and Section 5 of our City Charter, I hereby submit the Fiscal 2011 Budget, totaling \$339,862,314.

This budget is balanced and sets the City on a stable footing, despite the fiscally challenging times we are experiencing. This budget is more than a math exercise. It reflects our values as a community and my team's approach to governing. Over the course of the last few months, we conducted eight town hall meetings with residents and another four input sessions with the Board of Aldermen. We did so for two reasons—to bring a new level of transparency and openness to the budgeting process and to understand more fully the community's priorities.

You told us that you wanted us to protect core municipal services and the things that make Newton the remarkable City it is. You wanted us to keep teachers in the classroom, police officers on the streets and fire fighters at the ready. We have done this notwithstanding the large gap facing us due to rising costs during a time of economic slowdown. We have delivered on our commitment: no police or fire fighter positions are being reduced. No teachers are being laid off. I credit my department heads and staff who took a hard look at what we could afford to reduce and found ways to provide the same or better levels of service more cost effectively.

Each of the twenty-four departments brought new thinking and a fresh perspective to their work, reducing their reliance on outdated and ineffective policies, and finding creative solutions to this challenge. Looking at internal processes with new eyes and a new business paradigm, we have saved over a million tax dollars. In the end, our City will be stronger and each community more vibrant.

This budget reflects a general fund increase of \$4 million in total revenues comprised in part by the property tax (81.7%), State aid (6.1%), other taxes such as the motor vehicle excise and hotel/motel/meals tax (4.9%), transfers from other funds (3.1%), use of reserves (0.9%), and other revenues such as building permits and parking ticket violations (3.3%). However this increase was offset by an even steeper climb in health care and pension costs, wages, energy rates, debt service, and general expenses needed to keep the City running.

In order to bridge the resultant gap and provide a balanced budget while maintaining services, hard work went into developing initiatives which reduced costs, most of which have long term consequences for the improved safety and operations of City government. The highlights of these efforts can be described in my focus areas over the past ninety days:

### ***Reducing Waste:***

- Decrease overall energy expenses by 10% as a result of both the favorable negotiation of a fixed cost contract with energy suppliers and a reduction in consumption. This reduction will be achieved through facility improvements, the closing of unused facilities in the winter months, and increased conservation possible through education and tighter management.

- Reduce the cost of our City fleet by managing a centralized pool of vehicles, eliminating the policy of taking cars home (pending union negotiation), and eliminating the purchase of excess automobile insurance coverage. From now on, where practicable, the purchase of our non-emergency fleet will be fuel-efficient as defined by the EPA, conserving fuel and defining Newton as a “Green Community” leader.
- Reduce the cost of City custodial supplies by as much as 20% through consolidated purchasing with the School Department.

***Eliminating Duplication:***

- Consolidate and streamline snow and ice removal contracts (currently split between both the Public Works and Parks & Recreation departments) thereby reducing costs.
- Shift from weekly to bi-weekly payroll, subject to union agreement.

***Reducing Non-Essential Costs:***

- Reduce our reliance on outside legal counsel by reorganizing staff work in the Law Department.
- Reduce staffing in the Elections Department by more effectively organizing and distributing work.
- Reduce staffing without effecting core services by redistributing work done by the Volunteer Coordinator in Health & Human Services to the Parks & Recreation Department.

***Making Government More Effective:***


- Consolidate the daily cleaning of City Hall, the Library, and the Police Station under the Building Department.
- Outsource routine maintenance work on our inventory of streetlights to a firm who specializes in this particular work.
- Turn yardwaste into compost and sell it to the private market.

***Investing For The Future:***

- Introduce a telephonic 311 system integrated with web-based software to automatically receive and track service requests from residents and transmit them to City departments for execution.
- Hire a building commissioner with a focus on capital asset management to assess and prioritize the infrastructure needs of the City. Conducting an assessment of our capital needs and priorities in the coming year is a top priority.
- Strengthen our information technology and provide resources to improve service to residents and productivity City-wide: on-line residential account look-up, Reverse 911, and department-wide software compatibility.

With these and more adjustments to the way business is conducted by our City government and the addition of new initiatives to make our available resources go further, I am pleased to present to you a budget that I am confident will keep Newton financially strong and maintain the quality of life we all enjoy. I look forward to engaging your comments and suggestions over the next 45 days.

Very truly yours,



Setti D. Warren  
Mayor