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Honorable City Council
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To the Residents of Newton and our Honorable City Council,

What a difficult year it has been. COVID-19 challenged all of us in so many ways. 4,330 of our neighbors contracted the virus and tragically 214 succumbed with it. I know we're on Zoom, but I ask all of us to pause for a moment of silence.

May their memories be a blessing.

Although COVID-19 has not yet been defeated, we can take pride in how our community rallied together in the face of a health crisis, economic meltdown, job losses, fear, anxiety, isolation, a racial reckoning and loss. We stood up programs and gave generously to help neighbors in need of shelter, food, or a helping hand. We supported Newton's businesses by shopping locally and ordering takeout. Healthcare heroes and essential workers inspired us.

Newton has a big heart and so do our City and School employees who met the moment in so many ways:

- Our educators reinvented teaching again and again in a year of learning like no other
- Our police officers, firefighters and dispatchers worked 24/7 surrounded by a highly contagious virus
- Our Clerk's office made sure we voted safely and securely in three elections
- Our Health and Human Services, Senior Services and Human Resources staff provided COVID-19 information, linked residents and employees to support services and vaccination sites, and helped save lives
- Our school and city staff provided over 400,000 Grab 'n Go meals
- Our Housing, Planning and Economic Development teams helped keep residents housed and supported our restaurants and local businesses
- Our Buildings and Custodial staffs tackled cleaning and ventilation
- Our Information Technology team pivoted to Zoom, remote access, and paperless systems
- Our financial staff recalculated budgets, and never missed processing a paycheck for our employees or a payment to our vendors
- So many people helped me provide clear, timely and frequent information with a special shout out to Ellen Ishkanian, our Director of Community Communications

As the world, our country and this city emerge from the shadow of COVID-19, I ask all of us to follow whatever the current health guidelines are, get a vaccine, and continue to put our neighbors first.

The FY2022 Budget

In this spirit, I am pleased to present this Proposed Budget for Fiscal Year 2022.

As always, a City budget is not simply a mathematical exercise but rather a reflection of values. This year is no different.

I am mobilizing our City budget and our one-time American Rescue Plan Act funds to support the vulnerable, to recover and reopen, and to make critical investments in Newton's future. This is a really exciting budget.

Our plan calls for a \$462.7 million Operating Budget, \$60.5 million in Water, Sewer and Stormwater Enterprise funding, and \$4.8 million in Community Preservation Funds, all of which will strengthen Newton.

How?

First, I am so pleased that we are in a position to help our community recover and reopen by restoring funding and returning City of Newton activities and services that the pandemic forced us to forgo for the past year.

A year ago, our Budget focused on protecting essential services and supporting our residents, businesses and non-profits during the pandemic. We paused almost all capital investments, slowed spending, filled only critical open positions, adjusted the Newton pension funding schedule, trimmed the use of consultants, and postponed a lot of work. We made the difficult decision to furlough approximately 100 part-time employees.

A year later, I can say our careful, responsible financial approach worked. We weathered the economic storm. We leveraged federal and state funding to cover COVID-19 expenses wherever possible. Our City's finances are rock solid. We are moving forward from a position of strength.

This year's proposed budget is larger than last years by \$26.2 million or 5.2%. These resources will allow us to go beyond this first goal of restoring activities and services.

My second goal is to support the vulnerable. This includes our younger and older residents, and people who are more vulnerable due to their financial circumstances or the impact of systemic racism. Let me give three examples of where we are making meaningful investments:

- Supporting students and the Newton Public Schools with a 4.1% increase in funding for full in-person schooling and support for the academic and social and emotional needs of approximately 12,340 students returning to classrooms in the fall after such a difficult year and a half.
- Supporting residents of all ages who are shouldering the weight of isolation, anxiety and

depression by bolstering Health and Human Services and Senior Services by almost a half million dollars in additional funding. This allows us to provide additional support for mental health counseling and intervention, mental health court sessions (a new initiative), suicide prevention, substance use initiatives, early diagnosis and support for youth, an additional school nurse, and support for our older residents, including connections to food resources, and restarting in-person classes and programs while continuing the virtual ones which have become so popular.

- Taking meaningful actions to build a more equitable and inclusive community with \$250,000 in funding for a Diversity, Equity and Inclusion initiative

My third goal is to make critical investments in Newton's future and build a better Newton, rather than simply return to the old normal. We will spur economic development and invest in a Newton that is even more livable, more vibrant, more green, more inclusive, and more sustainable.

I am so proud that our FY2022 Budget provides for substantial increases to improve our playgrounds, athletic fields and parks, and tree canopy. We significantly increase funding for paving roads and calming traffic. We provide funding to implement our Climate Action Plan and, for the first time ever, we fund for a full year an Energy Coach to help guide us all in using less and greening the rest. We support our land use and planning efforts with more resources; our goal is to provide more analysis and to engage more residents in the zoning and development decisions so together we create the Newton we want. In our Inspectional Services Department, we add funding for a seasonal inspector who will proactively enforce the new leaf blower and landscaper registration program. We fund more repairs and better maintenance of our City buildings. We address new needs that have emerged during the pandemic, for example, by expanding the funding for digital resources in the Library. We support our employees and our ability to do financial planning and analysis with additional personnel in Human Resources and a reorganized Financial Services Department.

Notably, my proposed budget does not increase our Water, Sewer and Stormwater rates this fiscal year for our residents and other property owners. As our reserves in these Enterprise Funds are strong, we can continue to move all projects forward with no increases.

The Supplemental Capital Improvement Plan

Turning to our Capital Budget, a year ago we paused almost all our major infrastructure projects unless they had already received funding or were crucial to our operations, such as the addition of three classrooms at the Oak Hill Middle School.

Tonight, I am thrilled to say that we will again move forward with our investments in infrastructure.

I am submitting our Supplemental Capital Improvement Plan tonight which, with the help in part of American Rescue Plan Act funding, (more on that in a minute), complements our Operating Budget and invests in roads, sidewalks and parking lots, schools and city buildings, athletic fields, our water, sewer and stormwater systems, and more.

We will move forward with the expansion of the Children's Room at the Newton Free Library.

We take the critical next step with our Center for Active Living or NewCAL, with funding for its design at the site of the current Senior Center in Newtonville.

Paving projects are funded, including those that address high priority complete road and sidewalk improvements.

The renovation of the Newton Early Childhood Program at 687 Watertown Street starts anew. We resume our work on the new home for the Lincoln-Eliot School at 150 Jackson Road, plan for Franklin and Countryside Elementary School projects, move forward improvements at Horace Mann, and determine next steps for Ward and Underwood.

We forge ahead with additional infrastructure projects across the City: the rehabilitation of athletic fields, lights at Newton North, improvements in the Newton Highlands village center, the renovation of Gath Pool, the restoration of the Comm Ave carriageway in Auburndale, and the replacement of water meter transponders.

The Outcomes and Strategy for the Newton Police Department

I also want to highlight an unusual feature of this year's Budget book. The section on the Outcomes and Strategy for the Police Department is particularly lengthy and comprehensive.

At this moment, the leadership of the department is changing. I am so grateful for the steadiness and experience of Interim Chief Howard Mintz who stepped out of retirement to help the City. We will welcome Chief John Carmichael on June 7th at his swearing-in.

Chief Carmichael will assume leadership at a time of intense scrutiny of police departments in Newton and around the country. The Newton Police Reform Task Force took a close look at policing in Newton and provided me with substantive recommendations. Newton Police Department employees, City Councilors, School and City staff, business leaders, community groups and residents shared their ideas and recommendations. I have had many preliminary discussions with Chief Carmichael about his vision for the Newton Police Department.

The Outcomes and Strategies for FY2022 for the Newton Police Department in the Budget book pulls together these ideas and includes a longer-term perspective on the vision, values and mission of the NPD.

Taken together, it outlines actions that recommit this good department to being the role model for community policing that is fair, just, respectful, safe and effective.

The Outcomes and Strategy calls for investing more in our people within the NPD, trying to prevent mental health crises in our community and improving our responses when they do. A non-lapsing fund for training is proposed so NPD's employees are better equipped to de-escalate conflicts, help those in crisis, and deliver bias-free community policing. It calls for reviewing NPD's roles and the department's organization structure. It also bolsters community policing which includes collecting and sharing up-to-date data and information about who is being stopped and arrested and when, against whom and under what circumstances force is used in an effort to be as transparent as possible. It recommends evaluating our hiring processes to create a more diverse Department. It proposes improving facilities, equipment, training and work regimes to support wellness and professionalism.

I am grateful to Newton's Police Department and optimistic about its next chapter.

American Rescue Plan Act

Let me turn now to funding for Newton from the American Rescue Plan Act, often called ARPA.

The amount of funds was revised a few days ago and now we can expect the City to receive approximately \$63 million dollars. These ARPA funds must be incurred or used by December 2024.

My goal is to invest these one-time ARPA funds to seed initiatives that will help Newtonians and our city stabilize and recover and also permanently be more resilient, more livable, more vibrant, more inclusive, and more sustainable. We will invest the funds using the lens of equity, ensuring all geographic areas of Newton, all ages, all races, all ethnicities, and all people are supported while we help those hurt by the pandemic.

Our ARPA investments will be strategic and complement those of State and Federal programs.

We will continue to be transparent and open about the sources and uses of federal and state funds. In this year's budget, we created a new section called "The Coronavirus Pandemic and COVID-19 Funding" which details all federal and state funding that Newton has received or is expected to receive, as well as how we used that funding.

We will also be mindful that these are one-time funds as we do not want to set ourselves up to fall off a financial cliff after December 2024.

There are very specific requirements and rules for how a municipality can use its ARPA funds. They include responding to the public health emergency and its negative economic impacts and providing government services to the extent of the reduction in revenue due to the COVID-19 public health emergency. The U.S. Department of Treasury just two days ago released somewhat more specific guidelines which we are reading closely.

I have only made two investments with ARPA funds so far.

First, because of the impact of the pandemic on the City's finances last year, we cut \$4 million dollars of spending out of our paving budget; I am moving forward now with restoring \$2.5 million of that as our roads need so much work.

Second, we continue to face softness in revenues. We expect, for example, to have lower than usual receipts from hotel and meal taxes as well as interest income, building permits, and parking. I am augmenting our FY2022 operating budget by 1%, or \$4.6 million with ARPA funding.

Our team at City Hall has begun to identify exciting opportunities for ARPA investments. Here are a few that we're considering:

- Providing more on-ramps to the road to financial self-sufficiency for Newton residents at all different life stages. We will start with a targeted community needs assessment focused on our

most financially vulnerable residents to help us design and implement effective support programs.

- Finding more ways to support the mental health of all our residents with partnerships, education and services.
- Improving the facilities, especially for training, at Newton Police Headquarters as training is the foundation by which NPD ensures that officers and employees provide fair, just, respectful, safe and effective policing.
- Expanding our work on roads and sidewalks, pedestrian and bicyclist accommodations, trees and athletic fields, playgrounds, and arts, culture and community efforts.

I look forward to listening to all of you, our residents, elected officials, business and non-profit organizations, and community groups on what to invest in and how to prioritize our needs.

Looking Ahead

This is the fourth Budget I have developed as Mayor. The decision making was challenging again this year as the recovery of the economy is still unpredictable, our needs are so great, and the Federal funding guidelines are still somewhat unclear.

That said, I am so pleased that together we can boldly move forward to achieve our shared goals for this good City:

- Helping the vulnerable;
- Teaching and supporting our children well;
- Providing public safety in a fair, just, respectful, safe and effective manner;
- Making Newton more “all age” friendly with a special focus on our older residents;
- Paving more roads and rebuilding more sidewalks, collecting our trash and recycling, and plowing our streets;
- Building a road network that is safer and more accessible for drivers, bicyclists and pedestrians alike;
- Reinvesting in our school buildings, recreational facilities, water and sewer systems and more;
- Preserving what we love about our neighborhoods;
- Increasing affordable housing and diversifying our housing options;
- Promoting vibrant, walkable and financially robust village centers and commercial corridors;
- Being a leader in the Commonwealth in addressing climate change and sustaining our environment;
- Protecting our woods and open spaces;
- Caring much more for our parks, trees, athletic fields and recreation spaces;
- Fostering art, culture and community life;
- Providing excellent and responsive City services; and,
- Assuring the City’s ongoing financial health and spending wisely.

I will continue to do this important work by trying my best to lead with compassion, listen to people from all our villages, communicate clearly and frequently, be accessible, and be guided by our core values of respect, diversity and acceptance.

Let me close with some thank yous.

Maureen Lemieux, Jonathan Yeo and our department heads have been phenomenal: caring, hardworking, and creative. Our employees have been extraordinary, serving during this pandemic those who live, work and play in Newton so effectively. People across our villages have been admirable: taking the necessary steps to slow the spread of COVID-19 and finding so many ways to support each other. Together we have wrapped those in mourning in our virtual embrace. This sense of purpose, determination, and empathy will sustain us as we work together for our common good.

I thank every one of you.

Warmly,



Ruthanne Fuller
Mayor, City of Newton