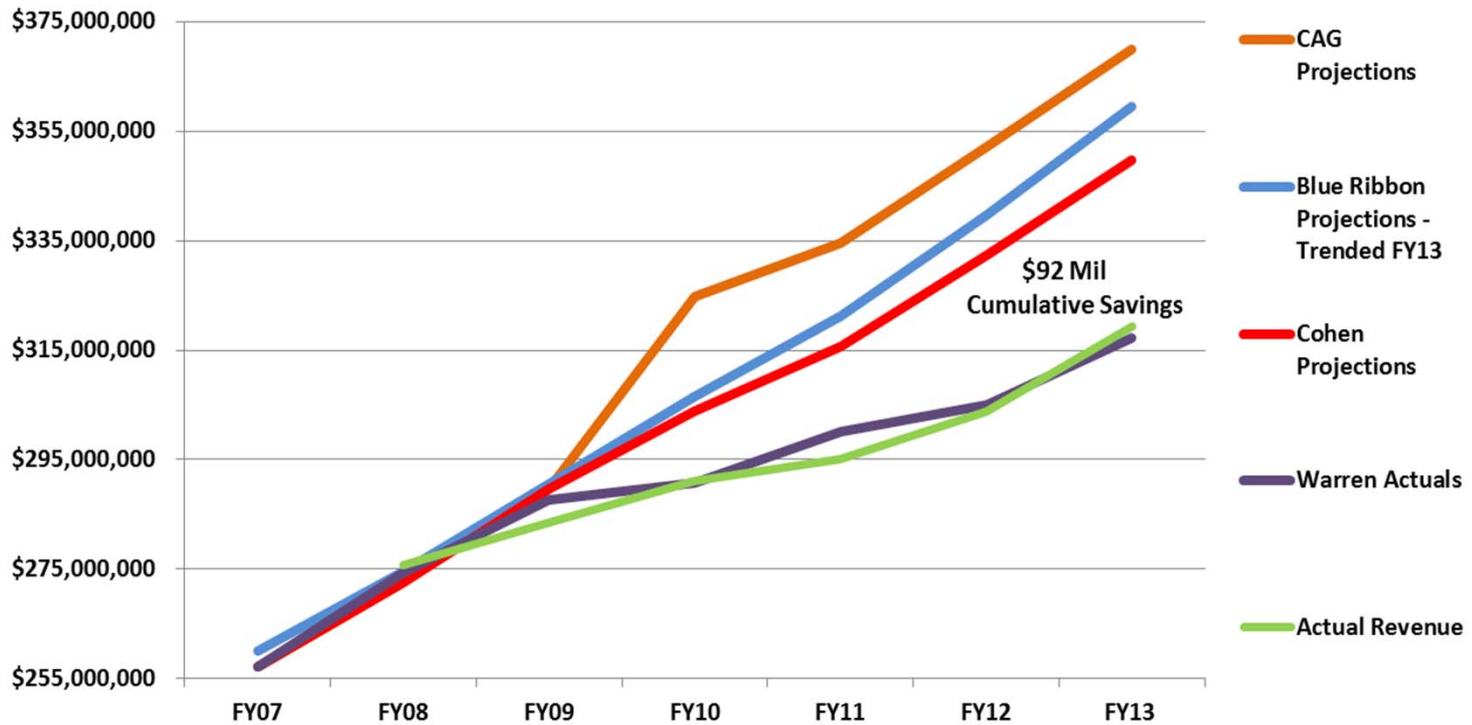


**FY17 – FY21
CAPITAL IMPROVEMENT PLAN
AND
FIVE YEAR FINANCIAL FORECAST**

October 05, 2015
City of Newton, Massachusetts
Setti D. Warren, Mayor

Newton's Financial Picture January 1, 2010

C.A.G., Blue Ribbon, and Cohen Administration Expenditure Projections
vs.
Warren Administration Actuals through FY2013

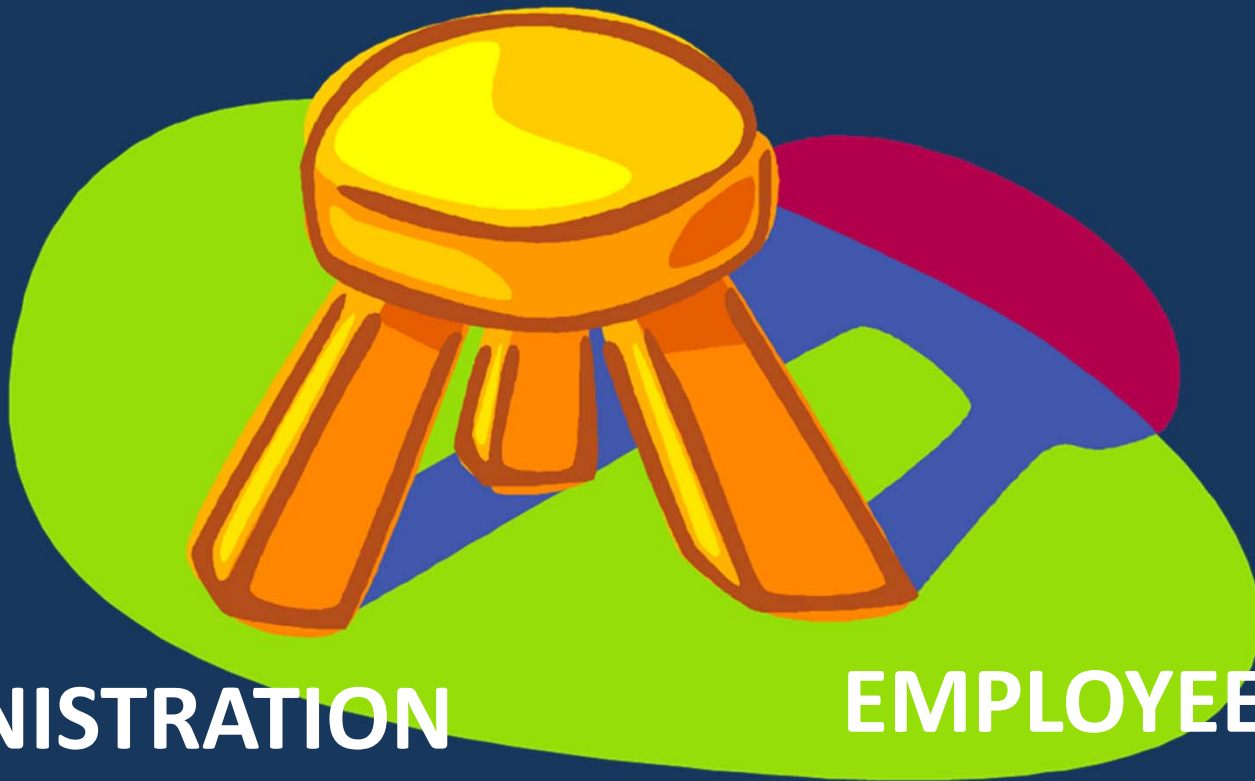


Achieving Financial Stability

- **Zero-Based Budgeting**
- **Performance-Based Management**
- **Economic Development**
- **Comprehensive Citywide Infrastructure Assessment**
- **Collective Bargaining Agreements**

A “THREE LEGGED STOOL” or THREE LEGGED PARTNERSHIP

TAXPAYERS



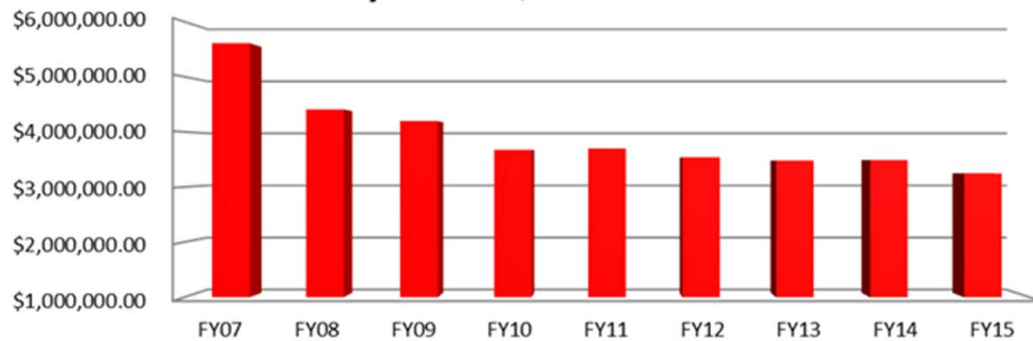
ADMINISTRATION

Elected & Appointed

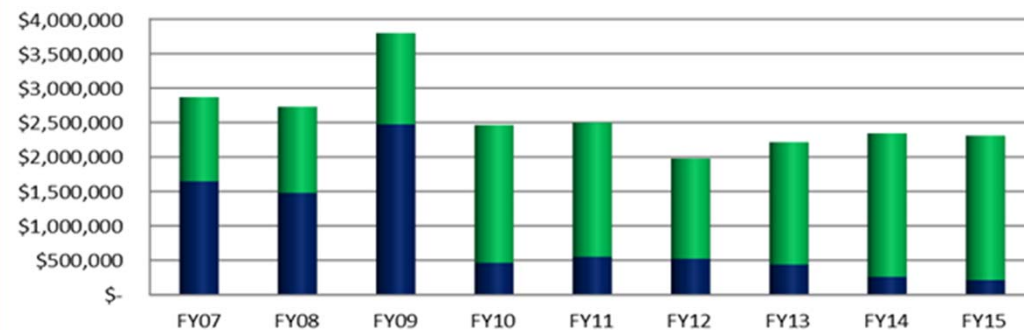
EMPLOYEES

ZERO-BASING THE BUDGET

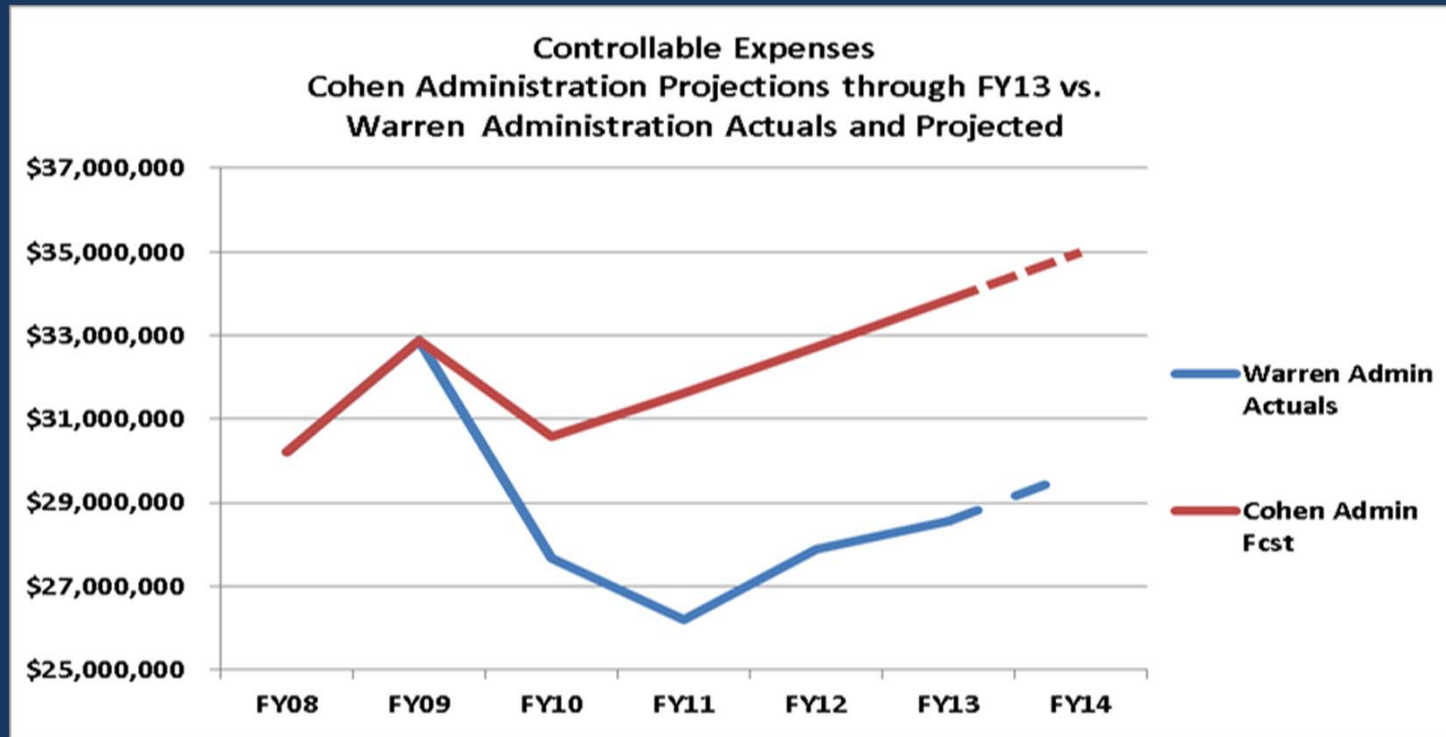
Electricity Costs - \$2 Million Less Per Year



Total Natural Gas/Heating Oil

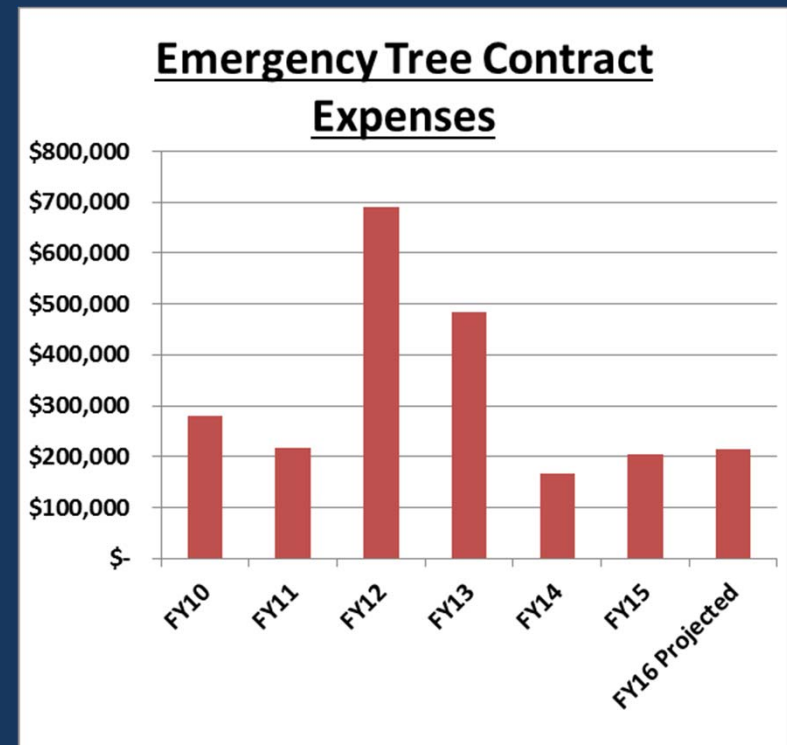
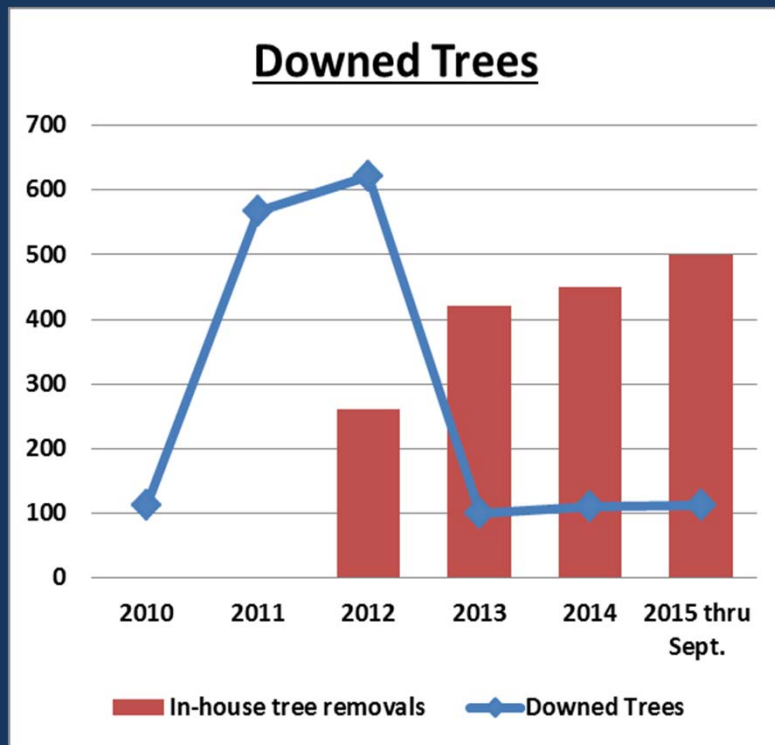


ZERO-BASED SAVINGS APPROXIMATELY \$5 MILLION PER YEAR



Utilities, Outside Labor Counsel, Solid Waste, Services, etc

DATA-DRIVEN MANAGEMENT



ECONOMIC DEVELOPMENT CHESTNUT HILL SQUARE AND “THE STREET”



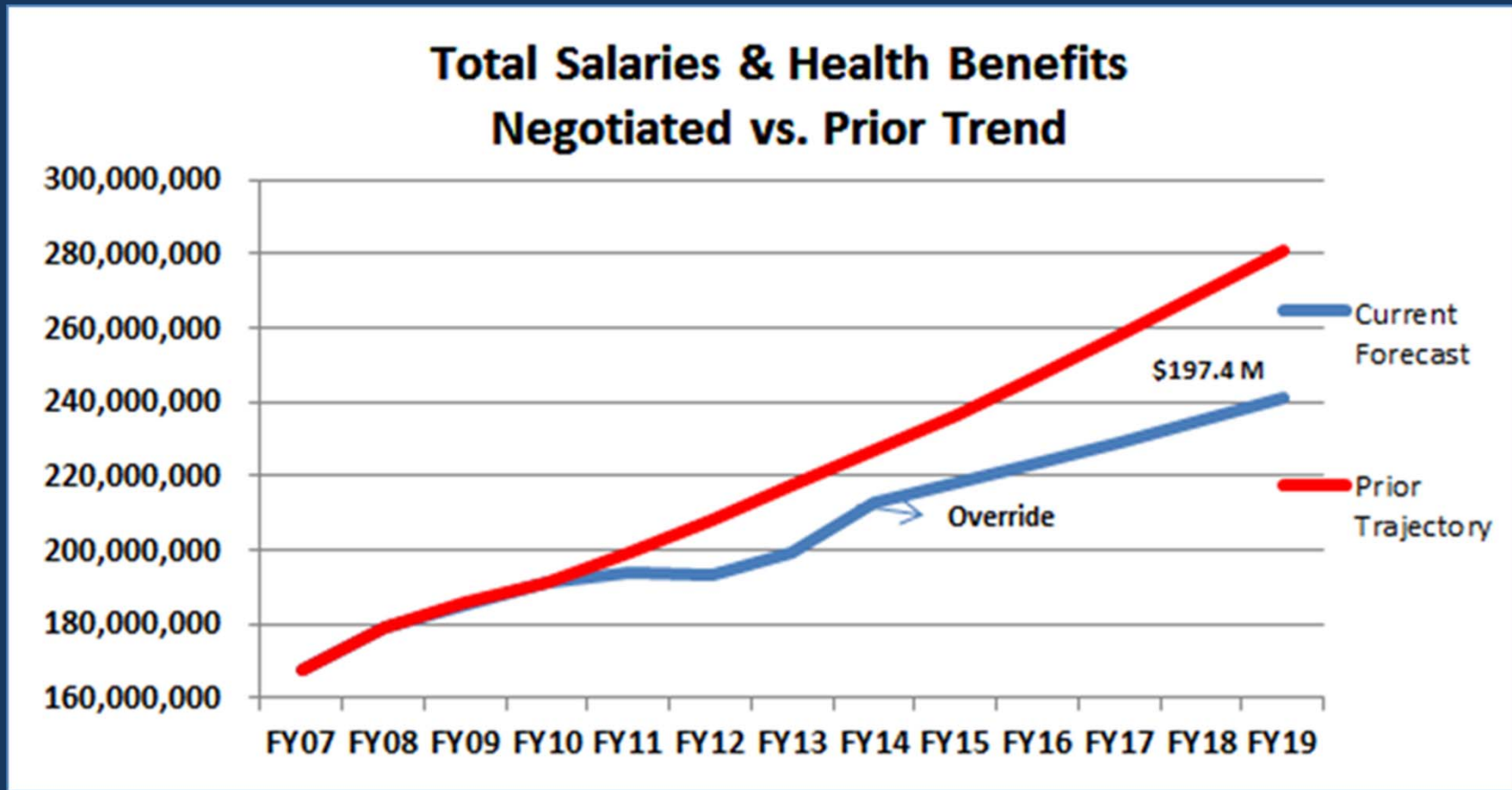
\$1.5 Mil R/E Revenue



\$800 K R/E Revenue

COLLECTIVE
BARGAINING
AGREEMENTS

EMPLOYEES and COLLECTIVE BARGAINING AGREEMENTS



CAPITAL
INFRASTRUCTURE
ASSESSMENT

What did we find???

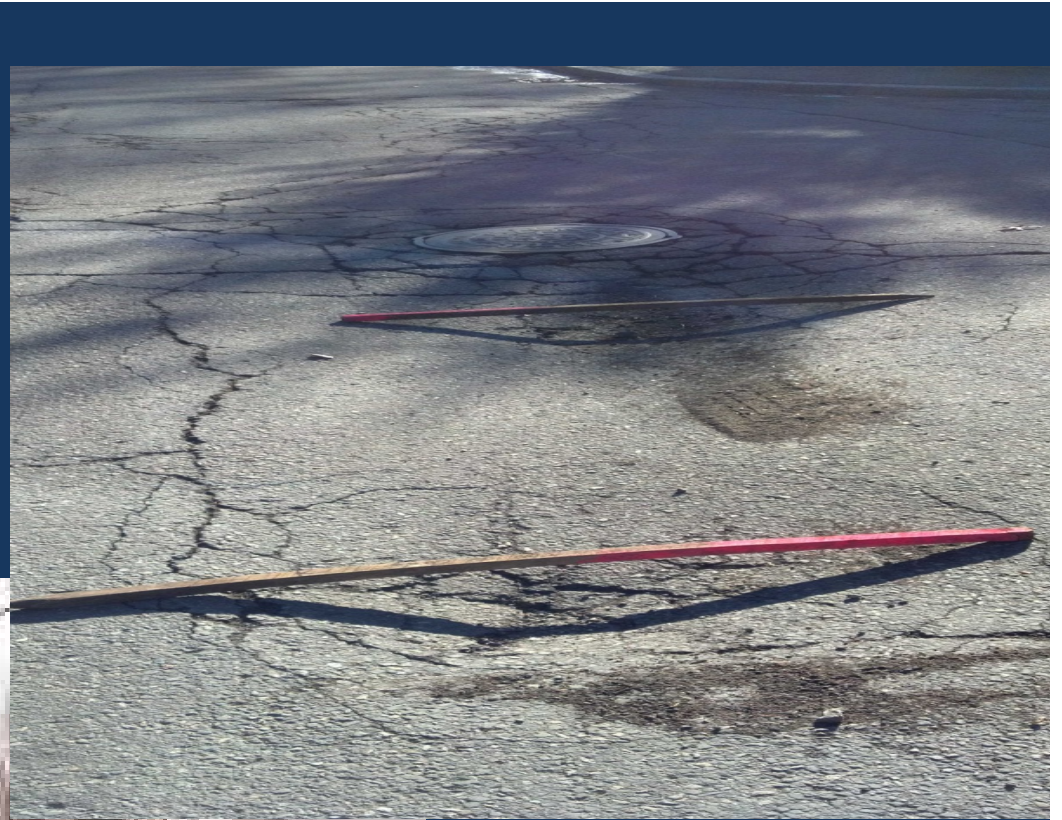


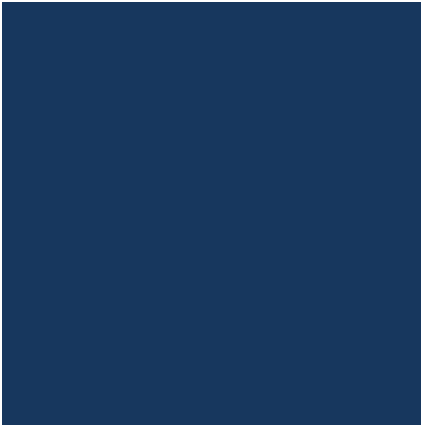


01.20.2012



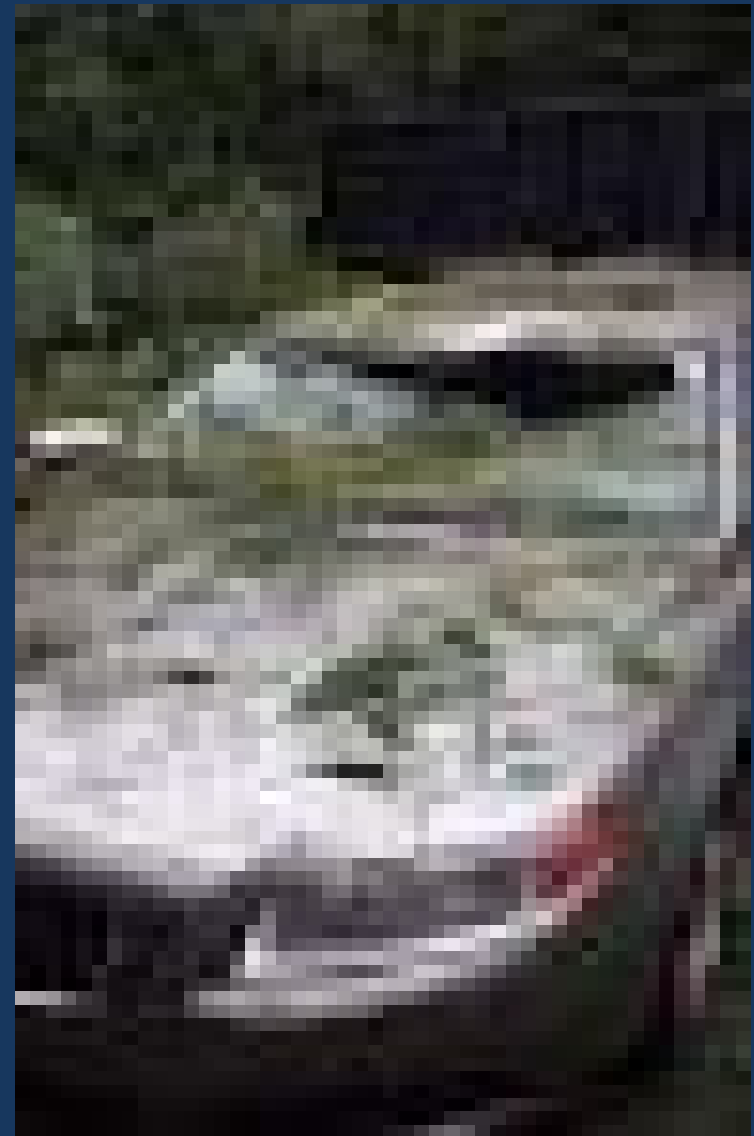
STREETS AND SIDEWALKS





01.20.2012







01.20.2012



**EXCELLENCE IN
EDUCATION**

**COMMUNITY
ENGAGEMENT**

**UNPARALLELED
PUBLIC SAFETY**

IDENTIFYING OUR NEEDS

**LONG-TERM
FINANCIAL
STABILITY**

**VIBRANT,
DIVERSE
COMMUNITY LIFE**

**ENVIRONMENTAL
SUSTAINABILITY**

**IMPROVED
CAPITAL
INFRASTRUCTURE**

**ROBUST
ECONOMIC
DEVELOPMENT**

Excellence in Education



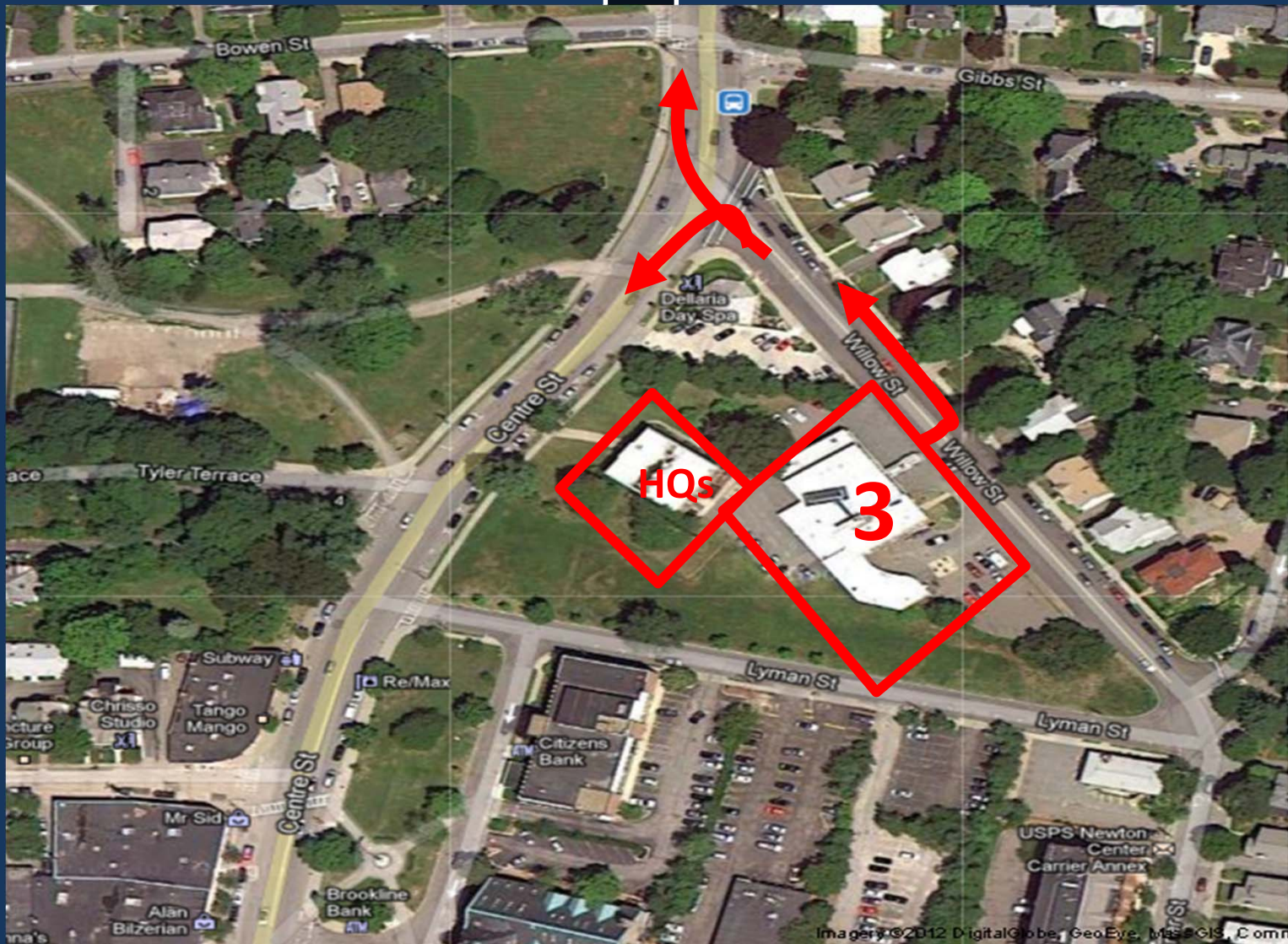
AQUINAS



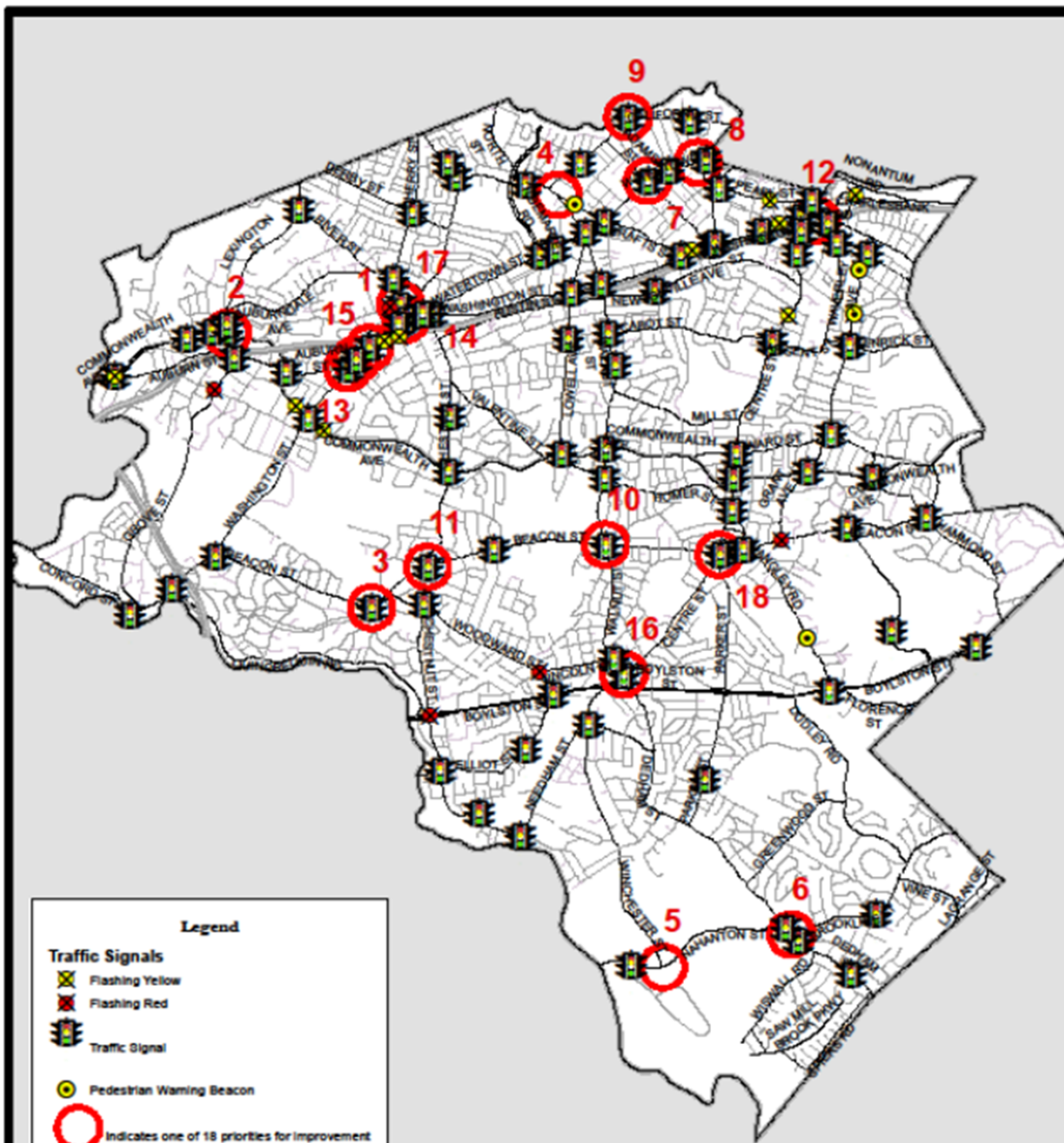
Unparalleled Public Safety



Unparalleled Public Safety



Unparalleled Public Safety – Traffic Signalization



- Angier – Beacon @ Collins
- Beacon @ Grant
- Crafts @ Linwood
- California @ Bridge
- Nahanton @ Winchester
- Auburndale Square
- Watertown @ Adams
- Watertown @ Pearl
- West Newton – Washington St,
@ Chestnut, Watertown,
Cherry & Elm
- Washington @ Auburn
Prospect & Perkins
- Centre @ Walnut
- Cherry @ Webster
- Dedham @ Nahanton
- Dedham @ Brookline
- Beacon @ Walnut
- Beacon @ Chestnut
- Newton Corner

Vibrant, Diverse Community Life



Vibrant, Diverse Community Life Accessibility to ALL of City Hall



Improved Capital Infrastructure



Street Flooding on Homer St.



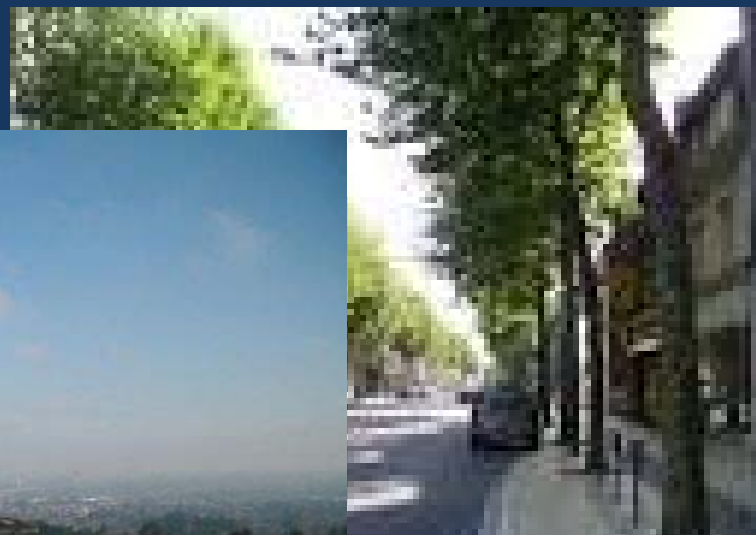
Robust Economic Development

Chestnut Hill Sq, The "Street", Riverside, Needham St

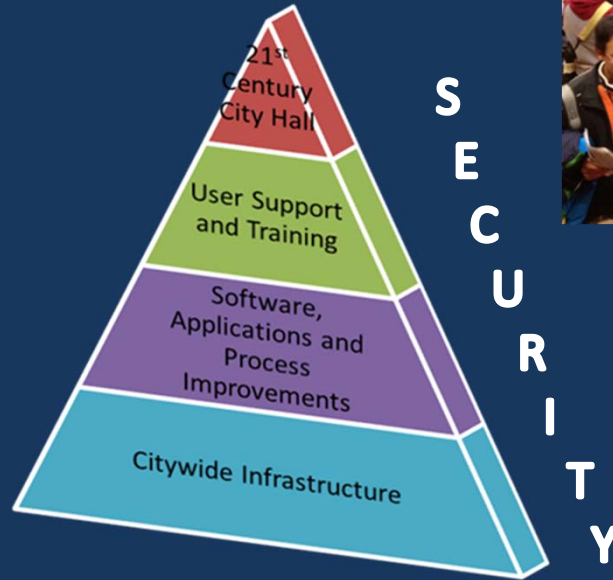


Liberty
Credit Cards, Mobile
Payments, Smart Cards,
and Coins

Environmental Sustainability



Community Engagement



Technology



**COLLECTIVE
BARGAINING
AGREEMENTS**

**EXCELLENCE IN
EDUCATION**

O.P.E.B.

**COMMUNITY
ENGAGEMENT**

**RAINY DAY
RESERVES**

**UNPARALLELED
PUBLIC SAFETY**

**LONG-TERM
FINANCIAL
STABILITY**

**WEATHER
EVENTS**

**VIBRANT,
DIVERSE
COMMUNITY LIFE**

**ENVIRONMENTAL
SUSTAINABILITY**

**Aaa
BOND RATING**

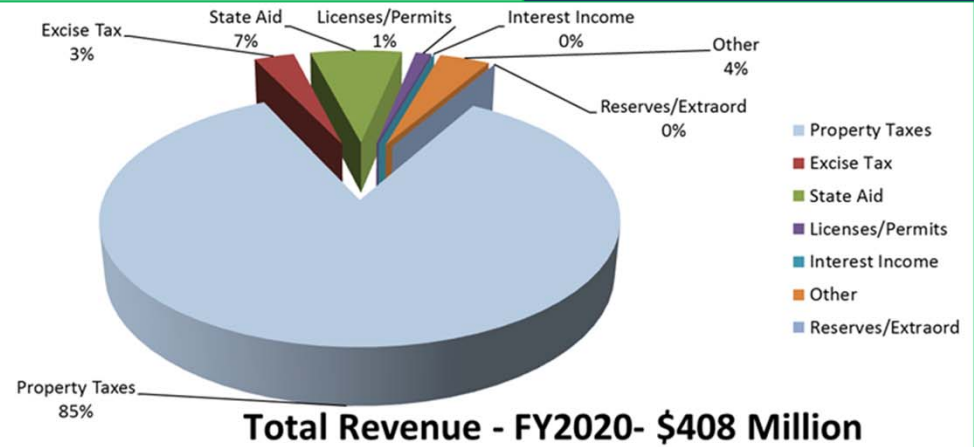
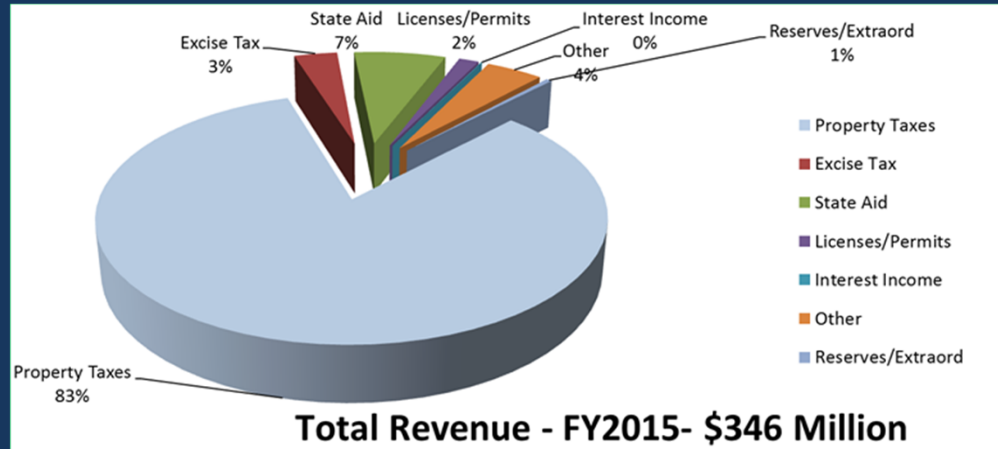
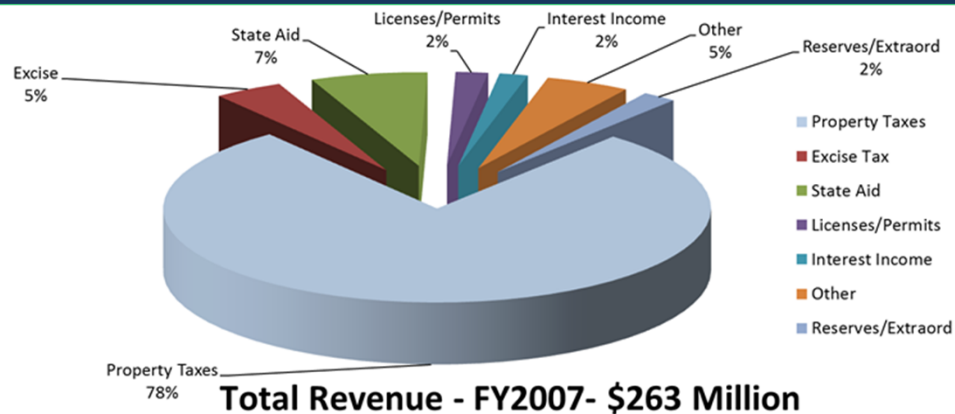
**IMPROVED
CAPITAL
INFRASTRUCTURE**

PENSIONS

**ROBUST
ECONOMIC
DEVELOPMENT**

**HEALTH
INSURANCE**

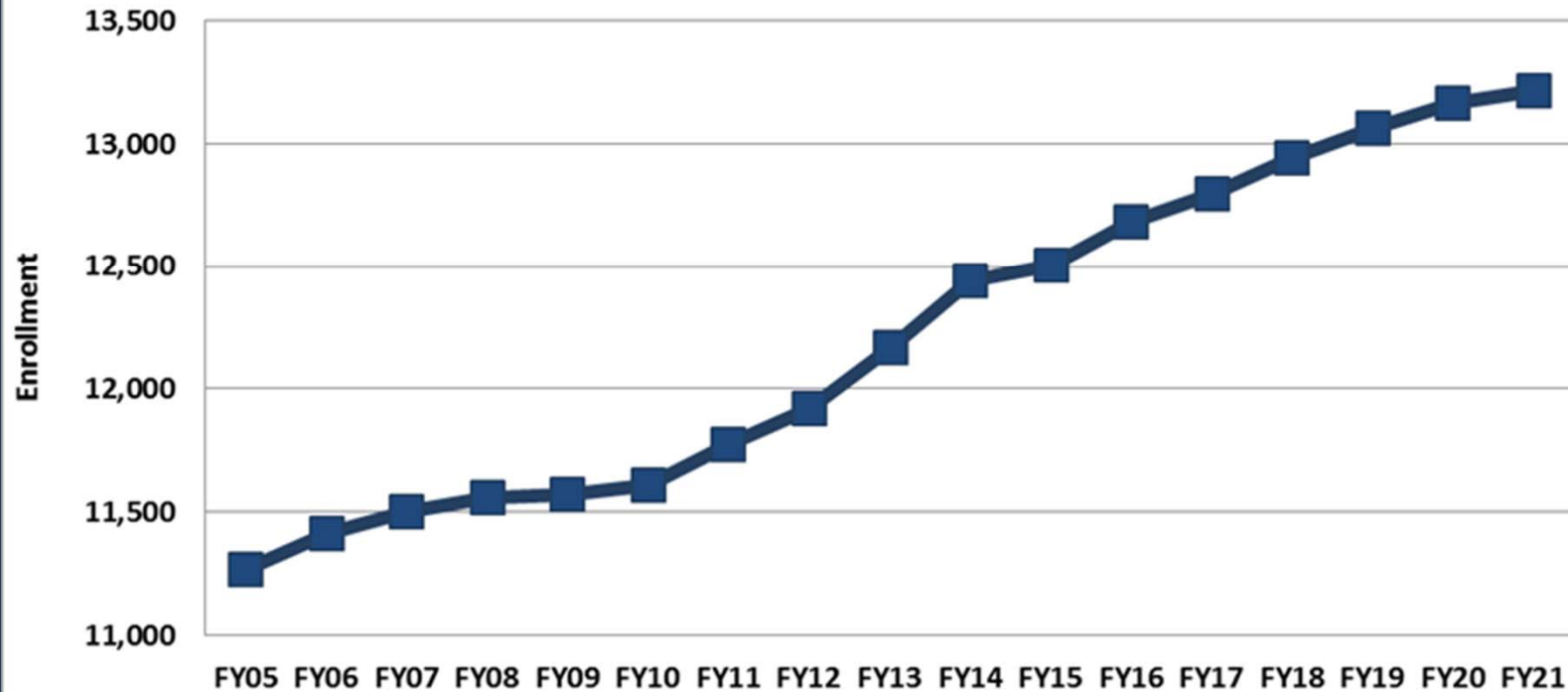
Revenue



UNDERSTANDING MAJOR COST DRIVERS

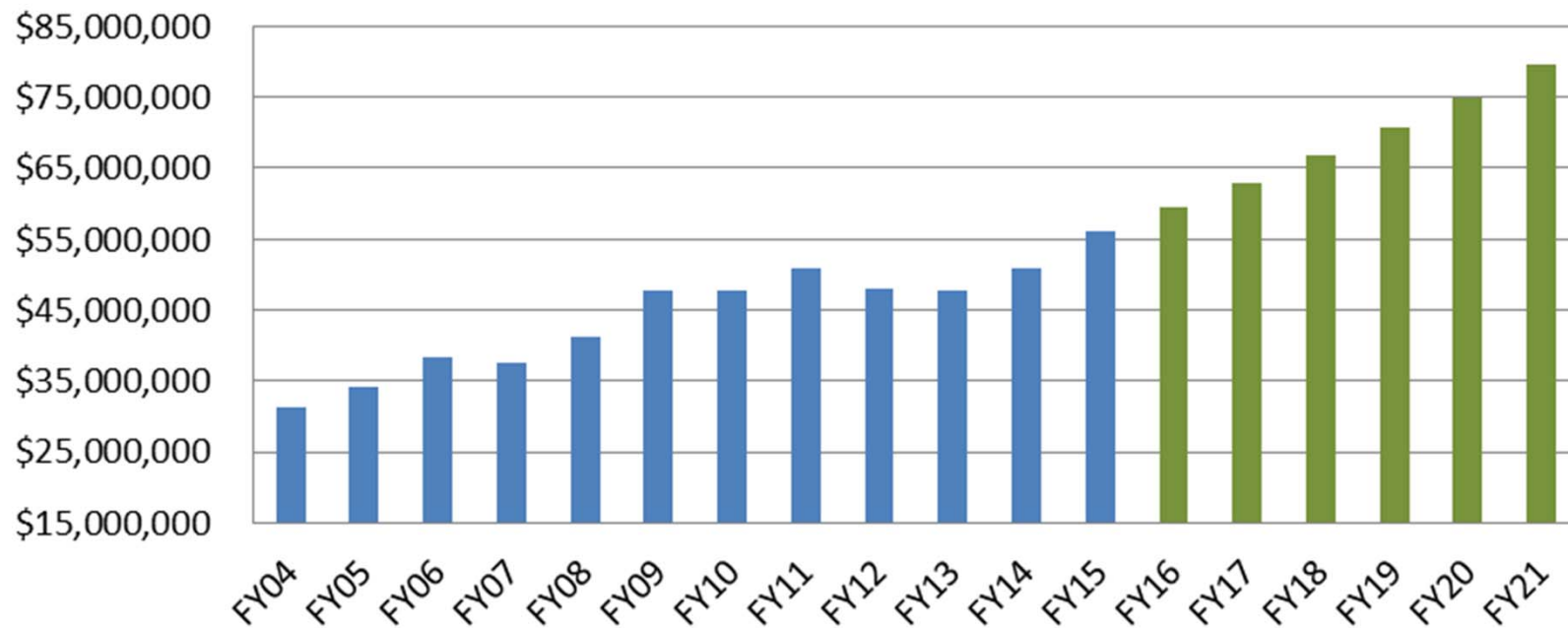
Student Enrollment

Newton Public Schools Projected Enrollment



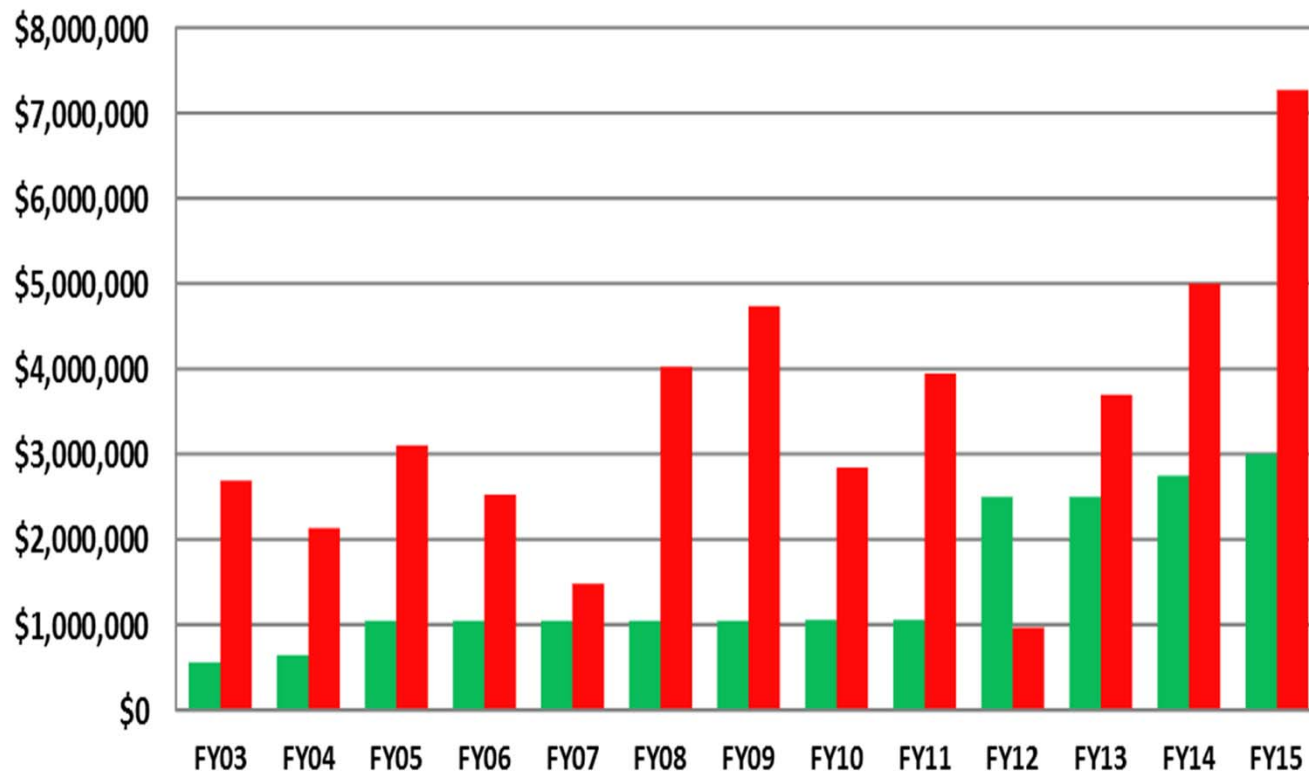
Health Insurance

Total Cost of Health Insurance Program 7.20% Avg Annual Increase FY04-FY15



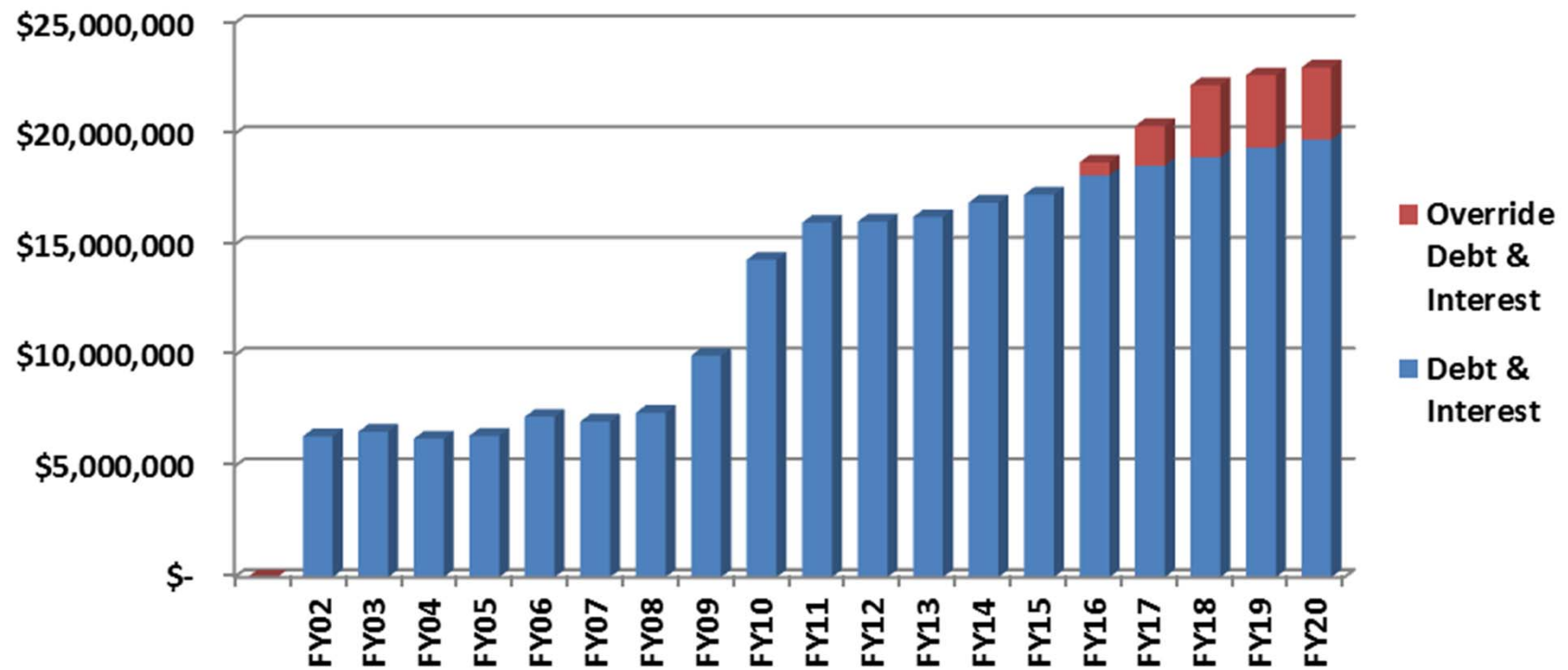
Cost of Snow Removal

Snow/Ice Removal Costs - Budget vs. Actual



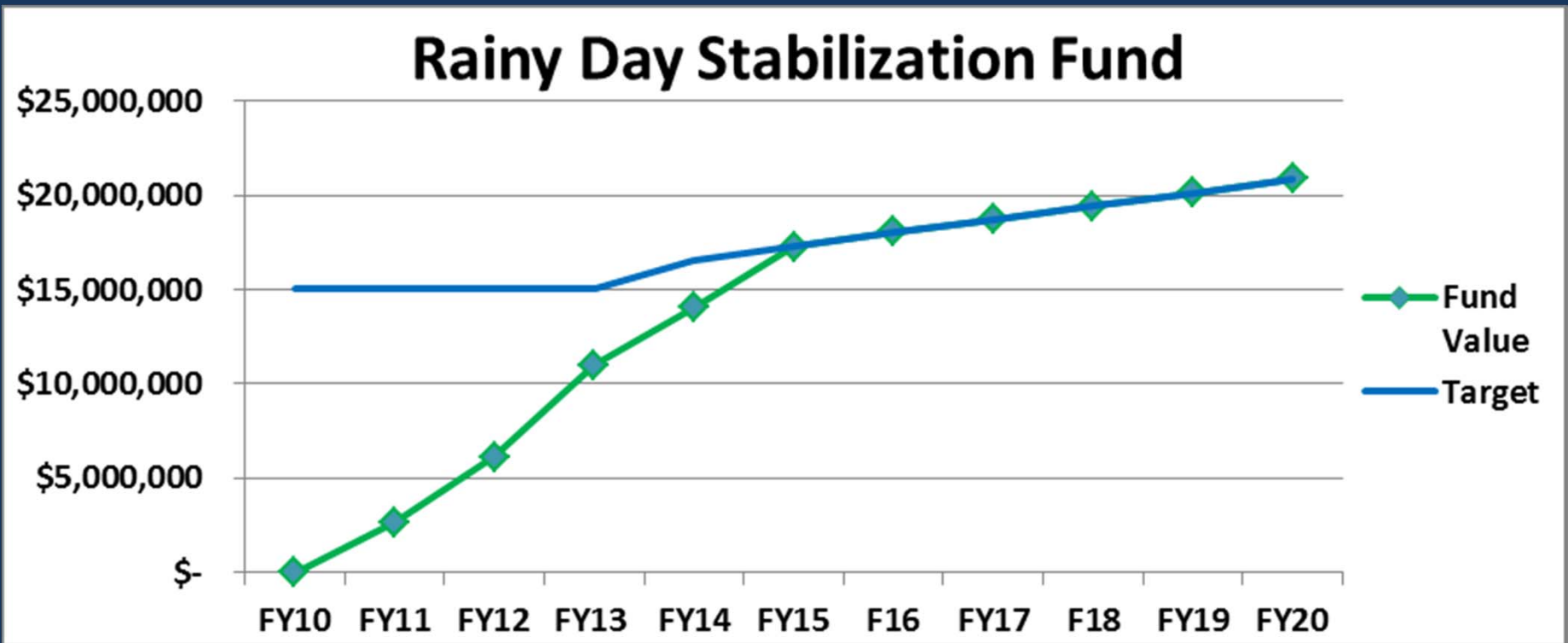
Debt Service & Our Aaa Bond Rating

Debt Service

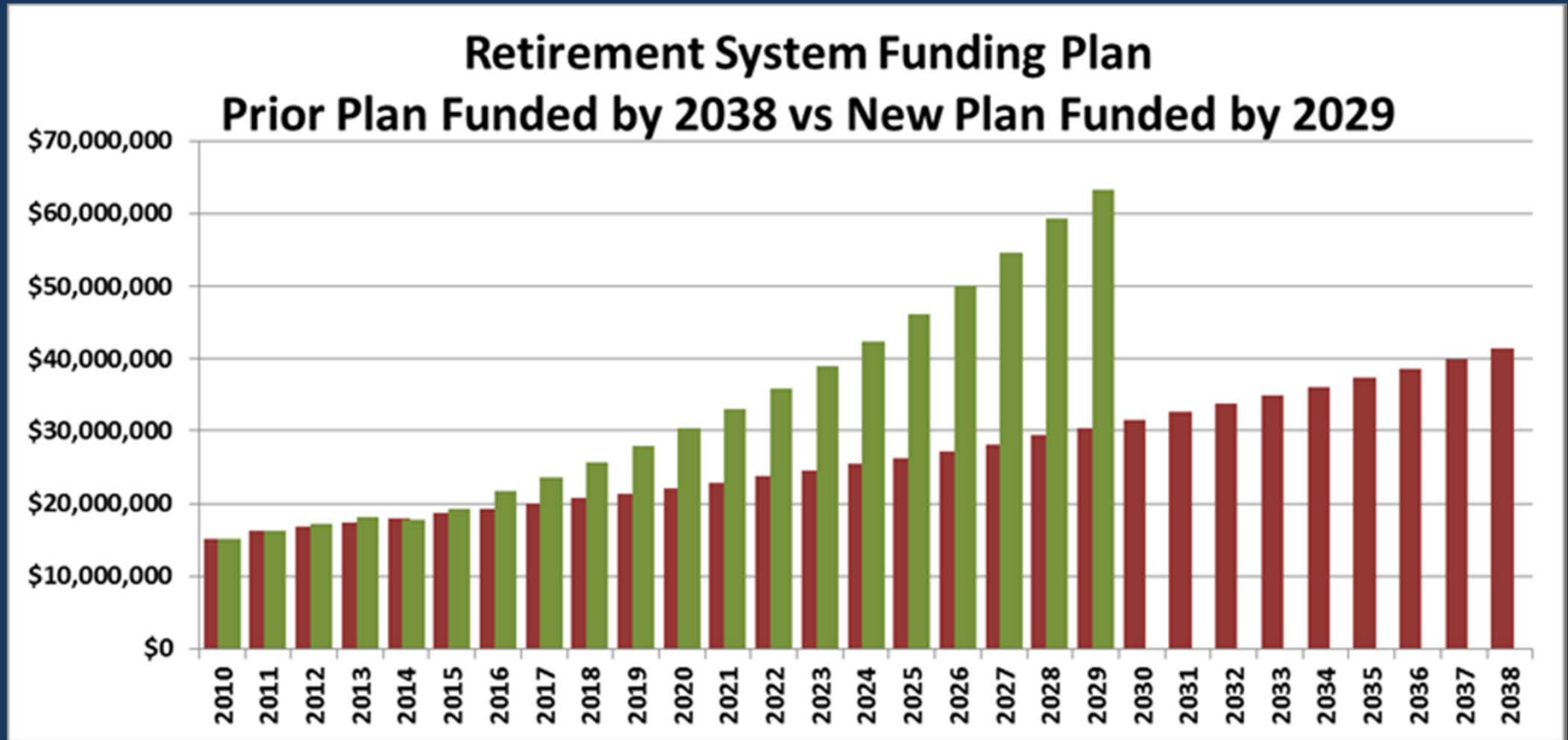


Funding Reserves
and
Long-Term Liabilities

Rainy Day Stabilization Fund

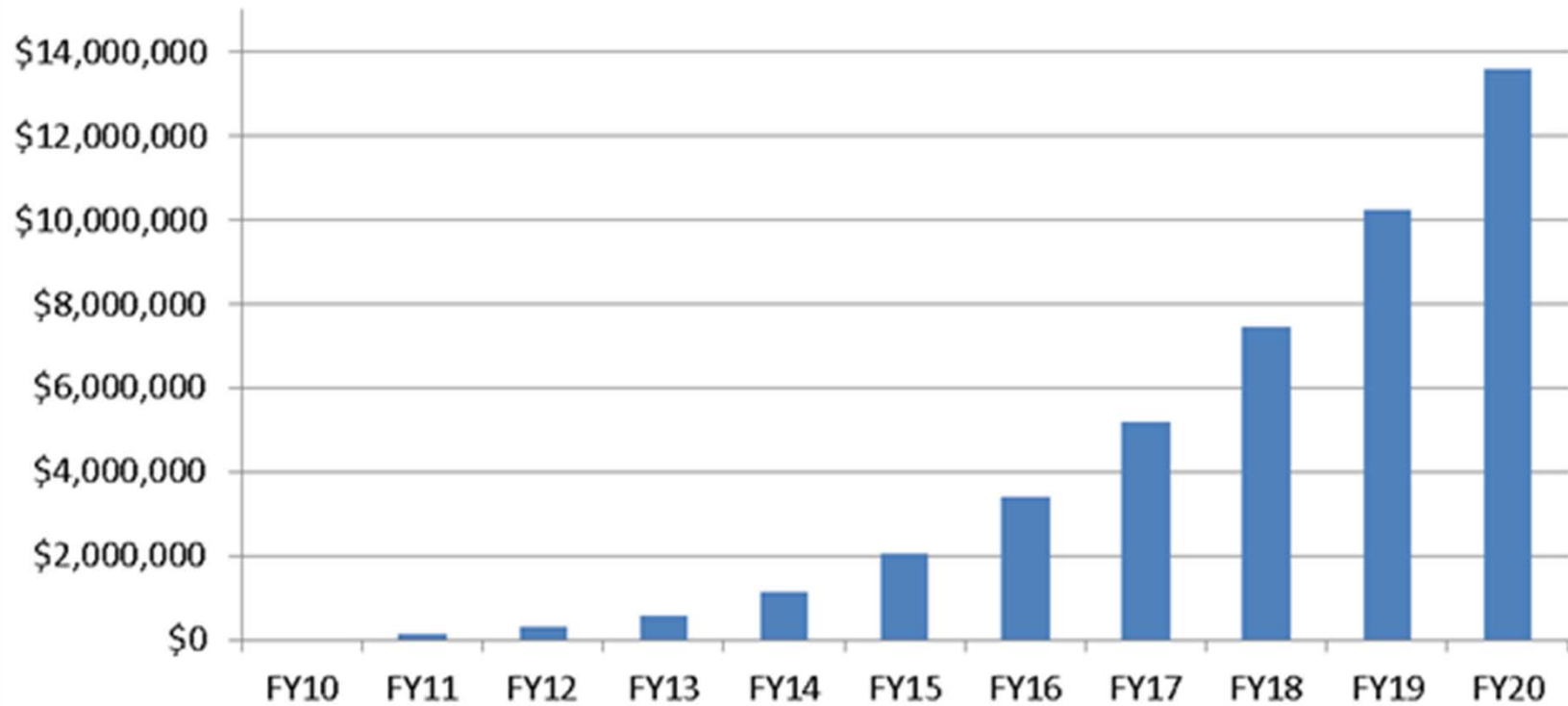


Retiree Pensions



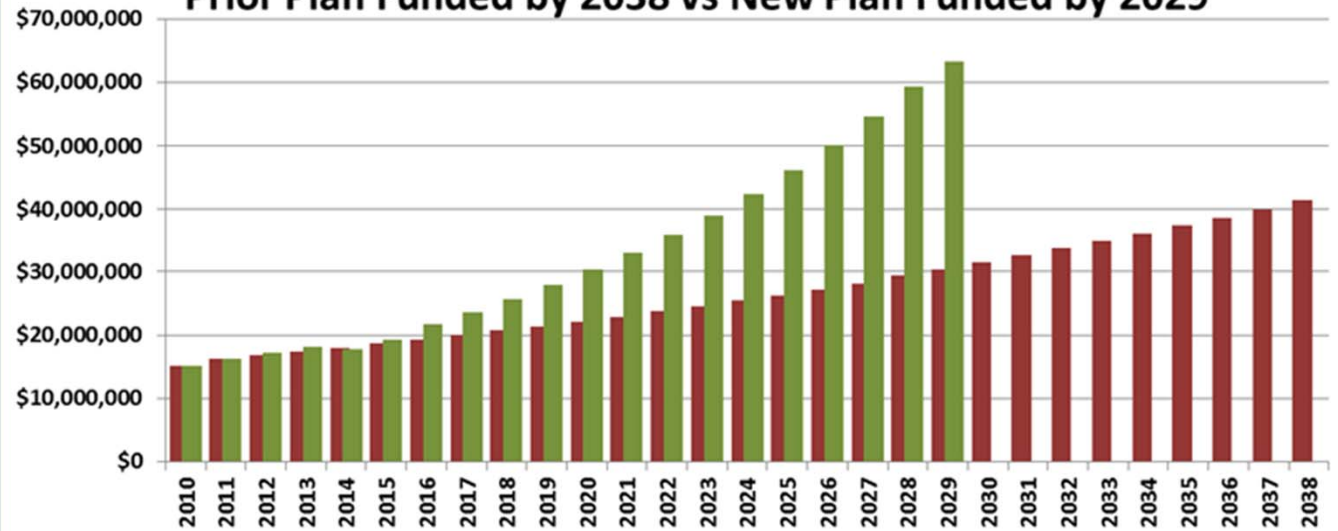
Other Post Employment Benefits

FUNDING O.P.E.B. TRUST FUND BALANCE

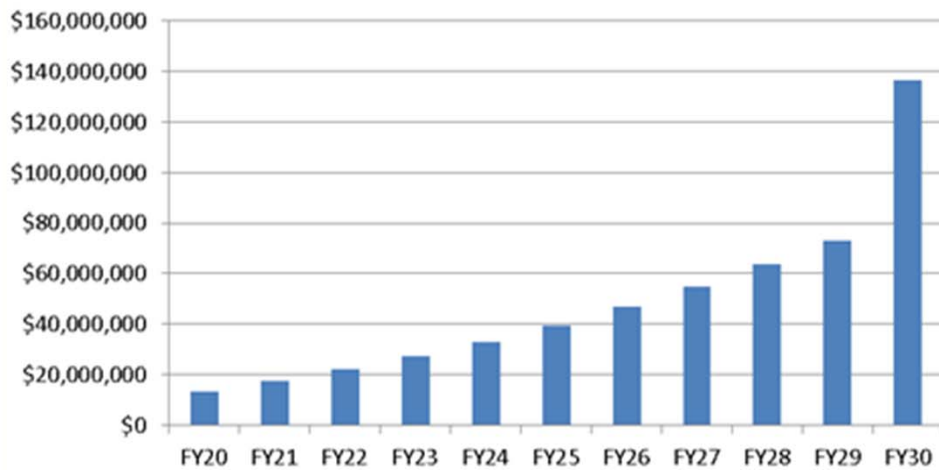


O.P.E.B. Long-Term Funding Strategy

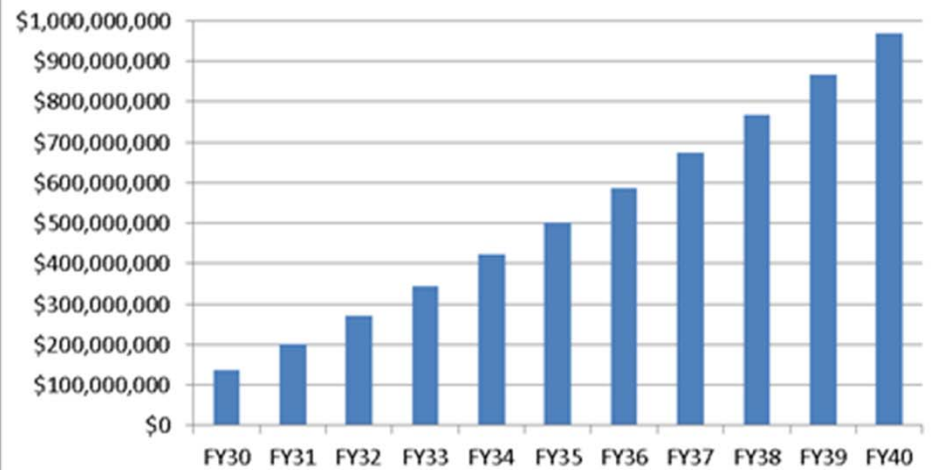
Retirement System Funding Plan Prior Plan Funded by 2038 vs New Plan Funded by 2029



FUNDING O.P.E.B. TRUST FUND BALANCE



FUNDING O.P.E.B. TRUST FUND BALANCE



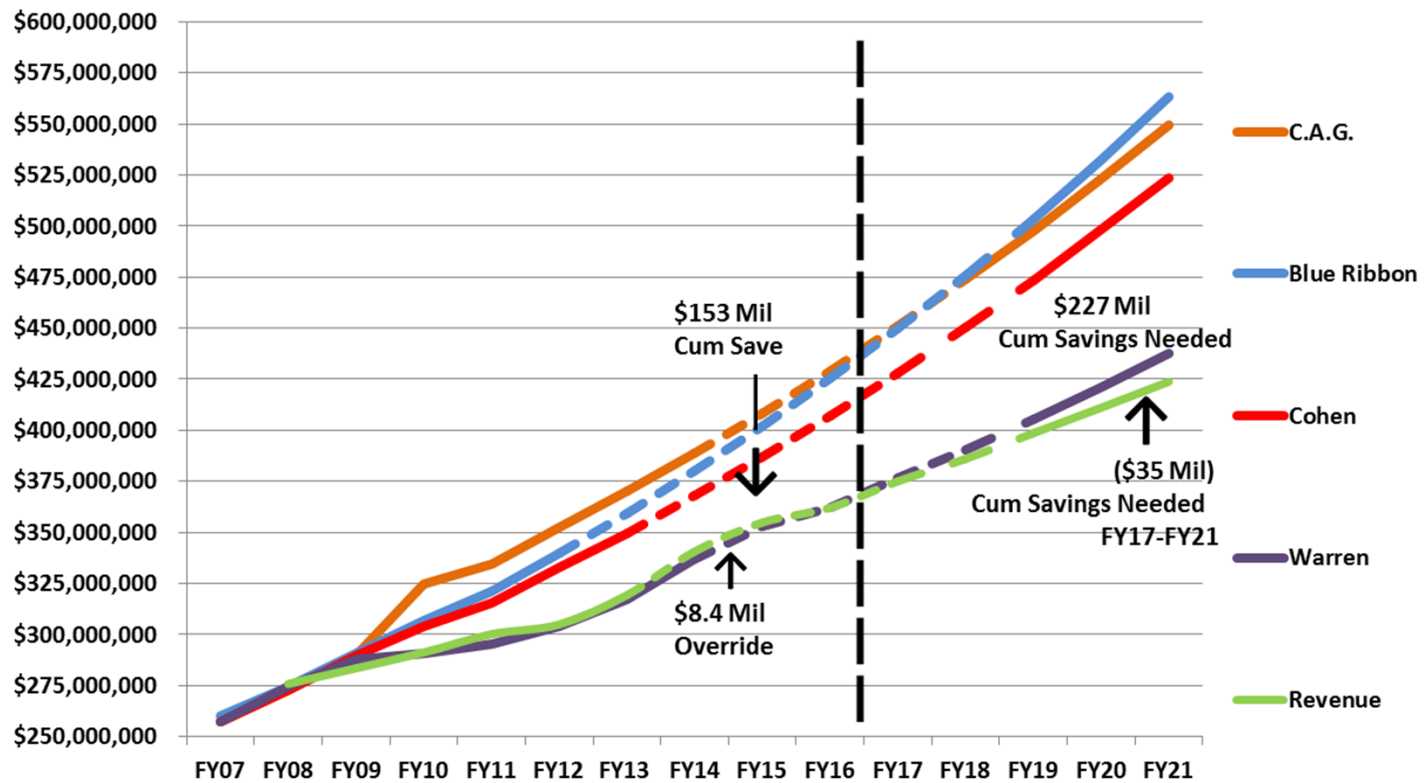
Developing
an
“Aggressively, Conservative”
Roadmap for the
Future

Where are we now???

C.A.G., Blue Ribbon, and Cohen Administration Expenditure Projection Trends

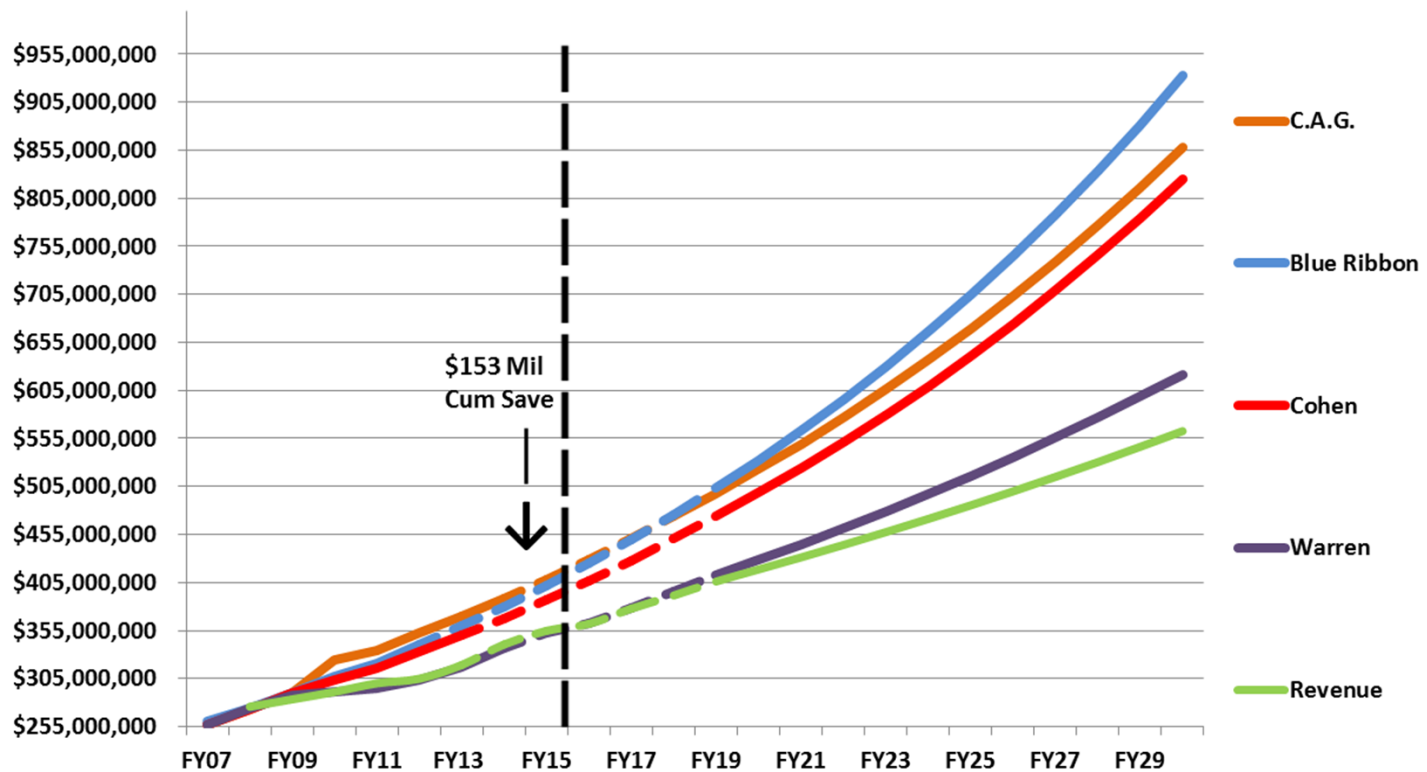
vs.

Warren Administration Actuals through FY2015, FY2016 Budget, and FY2017-FY2021 Forecast



Roadmap for the Future

C.A.G., Blue Ribbon, and Cohen Administration Expenditure Projection Trends
vs.
Warren Administration Actuals through FY2015, FY2016 Budget, and FY2017-FY2030 Forecast



“The journey of a thousand miles begins
with the first step”*Lao Tzu*



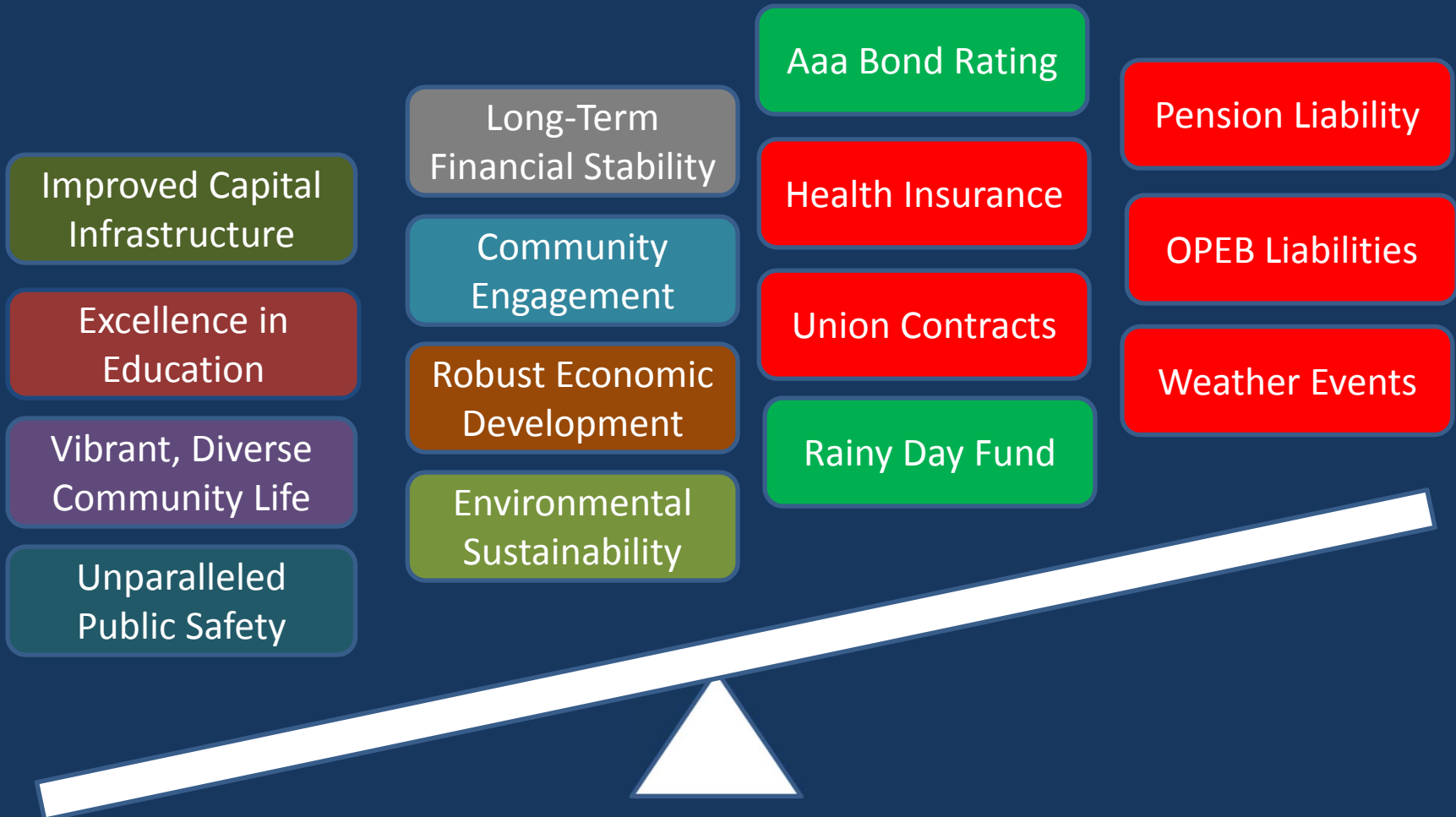
Opportunities to Increase Revenue

- **New Growth/Redevelopment – Avg – 1.4% per year**
 - **Riverside**
 - **The Atrium**
 - **Austin Street**
 - **Wells Ave**
- **Chapter 70 Education Funding - Growth in Enrollment**
- **Permitting Revenues**
- **Interest Income**
 - **2007/2008 ≈ \$ 4 million**
 - **2015 ≈ \$205,000**

Opportunities to Control Expenditures

- **Compensation - Collective Bargaining Agreements – ½ of 1% each year yields \$20 million over 15 years**
- **Health Insurance - 1% less average annual growth yields Annual Savings ≈ \$13 million over 15 years**
- **Advanced Refunding Opportunities**
- **Solar Projects**
- **Rainy Day Fund – Interest Earned**

Creating a Livable, Sustainable City



Creating a Livable, Sustainable City

Improved Capital
Infrastructure

Long-Term
Financial Stability

Aaa Bond Rating

Taxpayers'
Dollars

Excellence in
Education

Community
Engagement

Health Insurance

Pension Liability

Vibrant, Diverse
Community Life

Robust Economic
Development

Union Contracts

OPEB Liabilities

Unparalleled
Public Safety

Environmental
Sustainability

Rainy Day

Weather Events

