



RUTHANNE FULLER
MAYOR

City of Newton, Massachusetts Office of the Mayor

Telephone
(617) 796-1100

Telefax
(617) 796-1113

TDD
(617) 796-1089

E-mail
rfuller@newtonma.gov

October 17, 2022

Honorable City Council
Newton City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

Councilors:

I respectfully submit the City of Newton FY2024–FY2028 Five-Year Financial Forecast and Long Range Financial Plan and the FY2024–FY2028 Five-Year Capital Improvement Plan.

Since January 1, 2018, our team at City Hall has continuously updated our Financial Plan so we can meet the needs of our residents and students, make the investments required in our capital assets, support our business and non-profit community, and respond to crises. We have judiciously invested every hard-earned taxpayer dollar and all available revenues in this pursuit.

Over the past two and a half years, this financial planning has sometimes felt like an ever-changing 3D chess board.

With the dramatic human and financial impact of the pandemic, we paused almost all capital investments for a time, slowed some initiatives, while simultaneously increasing funding for health measures, human services, emergency housing relief, mental/social/emotional supports, distance learning, ventilation, PPE, and COVID-19 testing. And now, both our municipal and school department staffs are managing in an environment replete with inflationary price increases, staffing challenges, and supply chain disruptions.

One-time federal funds from FEMA, CARES, ESSER and ARPA have been a godsend. These Federal dollars let us make investments quickly in our students and schools, our COVID response, and human services. We are providing both immediate emergency relief and a forthcoming economic stability and mobility program to those hurt disproportionately by the pandemic. We are funding new affordable housing and retrofitting our current stock to be more energy efficient. We helped the youngest users of our Library by building a new and improved Children's Room and the oldest residents of our City by designing a new Senior Center and acquiring property next door to the site for more green space. At a time when the outdoors provided a healthy outlet, we are investing in our parks, athletic fields and lighting, trails, playgrounds and recreation facilities . . . and planting more trees. We are paving streets and making routes to schools, in our villages, and across our neighborhoods safer. We are making our sidewalks and playgrounds more accessible. We are supporting small businesses, restaurateurs and artists. We have set aside the funding for a new reading curriculum once NPS decides which one is best for our students. We are investing in the designs for future improvements to the village center in Newton Highlands, to Washington Street, to our police facilities, and to four elementary school buildings – Lincoln-Eliot, Countryside, Horace Mann and Franklin. These investments of Federal funds, while only one-time monies, are helping Newton recover, make transformative changes, and provide a better future for all of us.

We have managed the City's finances carefully and are rock solid, despite the dramatic economic cycles all of us are enduring. Working with Finance Chair Becky Grossman and the City Council, we are ensuring taxpayer dollars are invested wisely. Accountability and transparency are core to our approach; for example, residents can track on our website every Federal dollar we received. Every year that I have been Mayor, the City of Newton has received the highest credit rating possible from Moody's, a triple Aaa; this in turn means we have the lowest possible borrowing rates.

Our mantra is continuous improvement. We focus on driving efficiencies and top notch customer service. We implemented a state-of-the-art municipal information and permitting program, NewGov, streamlining our process for users and making our employees more effective; kudos to John Lojek and Deb Finamore in Inspectional Services, Sherri Lougee in Health & Human Services, and Nick Cence in the Department of Public Works. We saved money and improved service by in-sourcing yard waste collection; thank you, Waneta Trabert, our Director of Sustainable Materials Management, and DPW Commissioner Jim McGonagle. We are taking advantage of technology to merge our financial functions, make our Treasurer's Department more efficient, and move towards a paperless future with gratitude in particular to Joe Mulvey and Ron Mendes, our IT Director and Treasurer respectively. We moved away from paper and onto online, consolidated systems for bus registrations and so much more for parents and guardians with appreciation to Liam Hurley's team at NPS.

It's clear that this work is done by people. I know I speak for all of us when I thank the employees of our City and Schools. I am grateful to each and every one of them for making Newton such an extraordinary place, for their willingness to partner with us, and for serving our residents, students, businesses, non-profits and visitors so well.

We do all this good work by attracting and retaining great staff through fair salaries, good working conditions, excellent health care plans, funded pensions and retiree health care, training and professional development. My Administration will continue to work collaboratively and respectfully with union leadership on agreements that are fair to the employees and taxpayers alike, and are financially sustainable.

Tonight, I am delivering to our residents, the City Council and the School Committee two plans - our Capital Improvement Plan for Fiscal Years 2024 to 2028, and our Long-Range Financial Plan & Five-Year Financial Forecast.

The Capital Improvement Plan is mission and risk-based. The investments over five years will sustain our schools, help our older adults, improve our streets, reduce our carbon footprint, and add to the vitality of our villages. Water, sewer and stormwater systems, buildings, and public safety assets will be improved and updated. Current and future Newtonians will benefit from the investments that enhance our open spaces, parks, and recreational and cultural facilities. Funding these capital assets is important and necessary.

The Long-Range Financial Plan & Five-Year Financial Forecast is a comprehensive, multi-year, fiscally sustainable roadmap for meeting the current and long-term needs of our City. The Financial Plan weaves together our bonded debt outlays, appropriations within the City's operating budget – including the allocation for the Newton Public Schools (by far our largest department and the beating heart of our community), possible uses of funding from the Community Preservation Act, as well as funding from the Feds, the State and Free Cash.

The Financial Forecast makes clear the challenge we face. Funds from the general operating budget, our debt capacity, the one-time Federal pandemic funding, and other revenue sources cannot absorb all our essential capital and ongoing operating investments in a timely manner and keep us a triple Aaa rated City.

We are blessed to live in Newton for Newton is one of the best places to live, raise a family and retire. In March Boston Magazine again named Newton as one of the great communities in which to reside. A few weeks ago, our schools were listed as among the best in the Commonwealth by Niche. In the heart of the pandemic last year, Dr. Ashish Jha declared that Newton was one of the safest places in the world with respect to the coronavirus. It's all true. We have one of the best school systems. We are one of the safest cities in the country. We are surrounded by neighbors helping neighbors. The Paddy's Road Race and Harvest Fair yesterday were living proof of what a great community this is.

We are right to have high expectations. Like all of you, I'm conscious of how much work lies ahead so we continue to be the community of choice that has attracted, in particular, so many families, generation after generation – how much of our aging infrastructure and roads still need updating; how much more we need to do for our students and older residents; how many more actions we must take locally to confront the global climate crisis; how much more care our athletic fields, parks, playgrounds and trees need. We have much that needs to be done and done soon.

Therefore, tonight I will present another important step in the path to build toward the future and meet our expectations of what kind of community we believe we should be.

I have docketed a proposal to increase the tax levy by way of a general operating override and two debt exclusion overrides.

The general operating override of \$9,175,000 includes seven elements:

- \$4.5 million for our public schools to support a strong and engaging academic program of study that meets the needs of all learners, address the rising mental health needs of our students, and continue the use of modern, innovative, and readily accessible technology for personalized and engaging learning
- \$775,000 of annual bonding for the needed addition to and renovation of the Horace Mann Elementary School – thus right-sizing classrooms and providing a cafetorium, a library, and special education and student service spaces for a school bursting at the seams
- \$1 million to improve and do the necessary maintenance on our athletic fields, courts, parks and playgrounds which stretch over 600 acres and include 165 locations
- \$500,000 to move our City and School buildings away from fossil fuels and accelerate our progress to carbon neutrality, environmental sustainability and climate resilience
- \$500,000 to replant our urban tree canopy and nurture our trees, making Newton more beautiful, heat resistant, and less flood prone
- \$500,000 to provide our older adults, our largest and fastest growing group, with the programs, services and support they are asking for and deserve
- \$1.4 million to repair our crumbling roads and sidewalks and to make them safer and accessible for people walking, biking, riding and driving

The two additional debt exclusion overrides which total \$5.8 million of annual bonding allow us to completely rebuild and renew both the Countryside and Franklin Elementary Schools. The new schools

will be modern, accessible, and green. Like Angier, Zervas and Cabot, they will be designed to sit well on their individual sites with a cafetorium, a library, a gym, classrooms, art, music and support spaces, thus serving as quality facilities for teaching and learning for our Kindergarten through Grade 5 students.

I propose the City hold a special election for this purpose next spring on March 14, 2023.

This will be almost exactly 10 years since Newtonians approved the last override and 20 years after the preceding one. The money from the 2013 override was well spent; carefully invested in projects completed on budget and resulting in improved services, schooling and roads; students, educators and fire fighters are now in terrific new buildings – Angier, Zervas, Cabot, Fire Station 3 and Fire Headquarters. The strong leadership provided then from people including Commissioner of Public Buildings Josh Morse continues today.

Importantly, a March vote would allow Newton to have a timely answer as to whether our school system would have the resources to address the needs of our students appropriately in next year's budget.

Some in our community would have preferred that we ask for even more than the total of \$14,975,000 and might suggest this is not enough to address all our needs.

Yet, I know for others in our community, this additional investment will be difficult.

To that end, I've docketed this evening the paperwork to double our tax relief assistance in our seven programs for eligible residents who are disabled, older, or veterans as well as the paperwork to expand access to our other two relief programs, Newton's tax deferral and water/sewer discount programs.

What will be the financial impact of this proposal for each of us? We have just put a calculator on the website. Go to newtonma.gov to find it and much more information about our proposal.

The calculator shows that for owners of a home valued at Newton's median of \$1.2 million, the impact would be \$290 next year, growing by another \$183 in 7 years' time when all the bonding is in place for the Countryside and Franklin school buildings. For perspective, for the owner of a residence valued at \$750,000, the impact is \$173 next year and an additional \$110 by FY30.

While tonight I am presenting a proposal for an override, this is a community decision. I've listened to so many people who live and work here since I've become Mayor, whether in the grocery store aisle or at a village day, during a ribbon cutting or at a concert intermission. I heard from you during over 130 open office hours and Mayoral Meet-Ups. Each time I send out an email with an update, you ping me back. As we crafted this proposal, I reached out to each member of the City Council and School Committee.

I also heard from a tremendous number of parents who want more resources for the Newton Public Schools. Countless older residents who want more funds for critical programs and services at the Senior Center have spoken up. I listened carefully when many of you advocated for more investments in our parks, playgrounds, courts, athletic fields, and trees. Our community members are a constant, unwavering force advocating for more investment in actions to combat climate change. Not a day goes by that I don't hear about the need to pave more streets and improve transportation safety. This proposal addresses these important priorities I heard **from** Newtonians **for** Newton. Together we will invest in the future. Together we will move Newton forward.

This is a critical moment for our community.

In 2002 and 2013, Newtonians voted yes for overrides, laying the groundwork for the wonderful community that we are fortunate to call home today.

Now it is our turn to vote.

Over the next few months, I and the tremendous teams at City Hall and the Newton Public Schools will make ourselves available to everyone across our 13 villages at Town Hall meetings, Roundtable discussions, Chats, and Question and Answer sessions. We kick things off with a virtual Town Hall this Thursday, October 20 at 7:00 p.m. Please come. Ask questions. Share your thoughts and suggestions. You will find the schedule and lots of additional information at Newtonma.gov.

Now is the time to come together, join in our shared values, and invest in this wonderful community.

Sincerely,

A handwritten signature in black ink that reads "Ruthanne Fuller". The signature is written in a cursive, slightly slanted style.

Ruthanne Fuller
Mayor