

**Mayoral Listening Session:
Council Priorities for the FY2026 Budget**

**Allen House
City of Newton**

Mayor Ruthanne Fuller
06 February 2025



Setting Goals and Developing Budgets: The Process

- Inclusive and Collaborative
 - Transparent and Accountable
 - Flexible and Responsive
 - Strategic and Reflective of Needs/Values
 - Responsive to Immediate and Long-Term Goals
 - Data-Driven and Sustainable
 - Episodic (April and October) and Continuous
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Key Financial Principles and Guidelines

- Spend every dollar thoughtfully and effectively
- Keep both short-term needs and long-term goals top of mind
- Make sure the budget balances “now” and in the “future”
- Understand constraints of Prop 2 ½
- Be fair to our employees; keep them safe; give them the tools they need to be productive; make Newton a positive place to work
- Pay attention to “revenue growers” and “budget busters”
- Forecast revenues responsibly and stay committed to fully funding expenses
- Match recurring revenue with recurring expenses, and one-time revenues with one-time expenses
- Stay financially strong
- Prioritize, Prioritize, Prioritize

Overarching Goals

Improving streets, sidewalks, mobility and public buildings & infrastructure

Ensuring academic excellence and educational equity

Making Newton more “All Age” friendly

Addressing climate change & sustaining our environment

Preserving neighborhoods, increasing affordable housing & diversifying housing options

Protecting woods & open spaces and caring for our parks & recreation spaces



Promoting vibrant, walkable, financially robust village centers and commercial corridors

Providing excellent city services efficiently and taking care of what we have

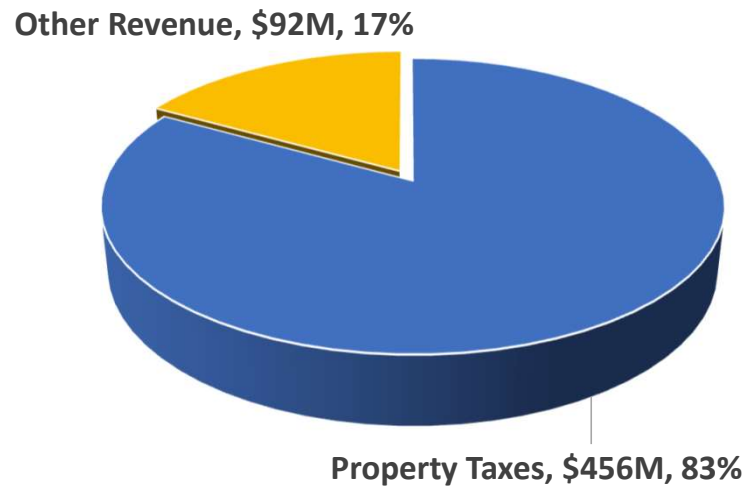
Fostering arts, culture & community life

Assuring the City's financial health and spending wisely

Facilitating a healthy, accessible & supportive Newton

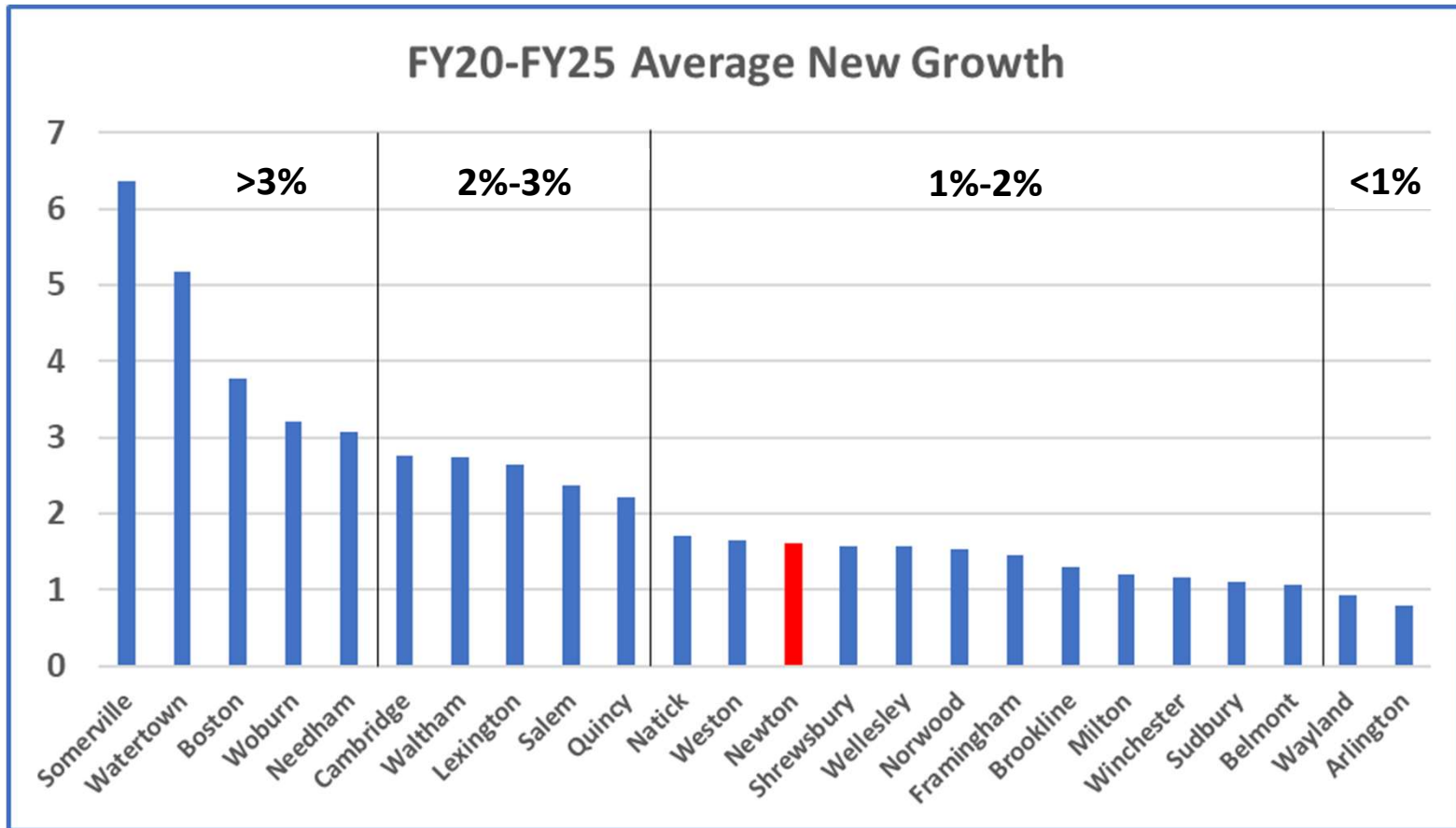
Keeping Newton Safe

FY2026 – Total Revenue ≈ \$548 M

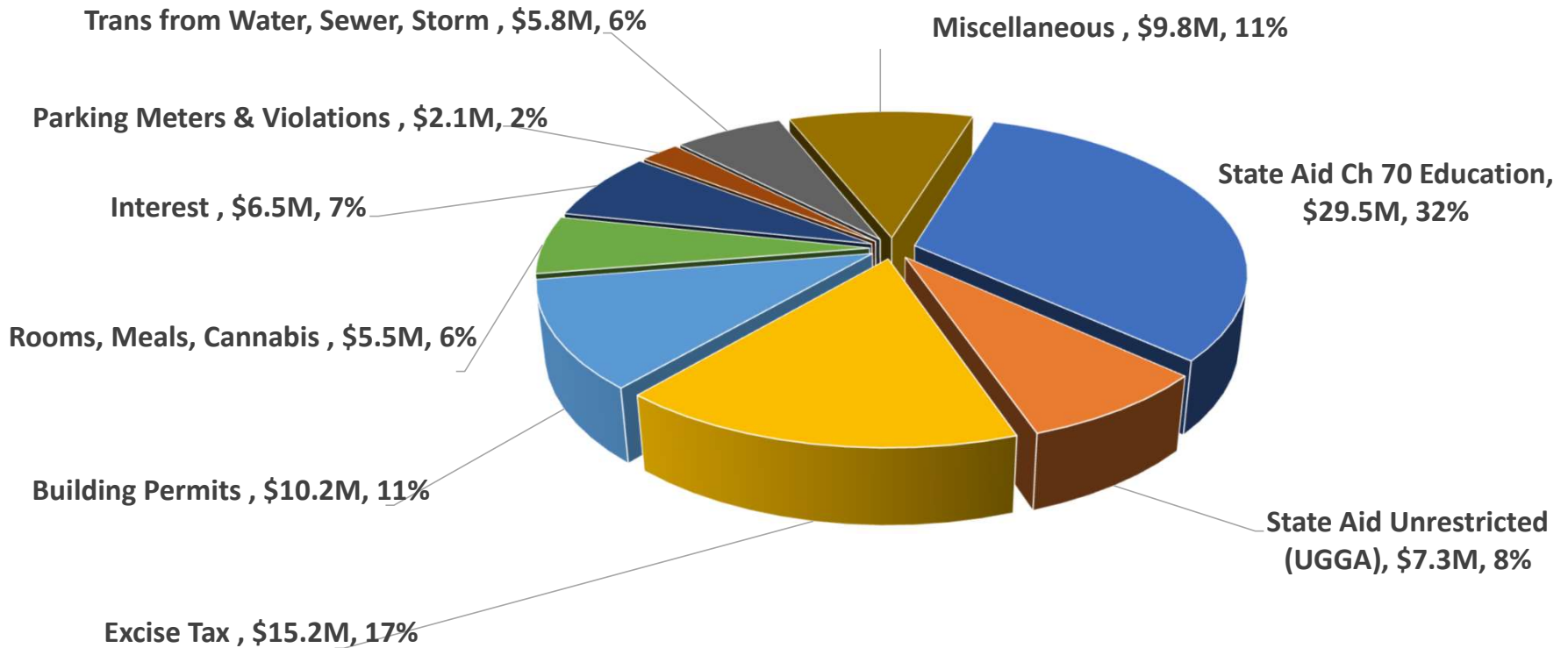


- Most revenues are stable and predictable

FY20-FY25 Average Municipal New Growth




FY2026 – Other Revenue ≈ \$92 M





Revenue Challenges

- Gone: ARPA
 - No/Low Growth : UGGA, Rooms & Meals & Cannabis, Parking Meters & Tickets
 - Variable Growth: Excise, Building Permits, Ch 70, Interest*
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Additional Revenue Challenges

- Federal Funding Uncertainties

“This memorandum sets forth the initial steps to be taken by the U.S. Department of Transportation ... to identify and **eliminate** all orders, directives, rules, regulations, notices, guidance documents, funding agreements, programs, and policy statements ... which reference or **relate in any way to climate change, “greenhouse gas” emissions, racial equity, gender identity, “diversity, equity, and inclusion” goals, environmental justice**, or the Justice 40 Initiative.”

Secretary of the U.S. Department of Transportation Sean Duffy, January 29, 2025

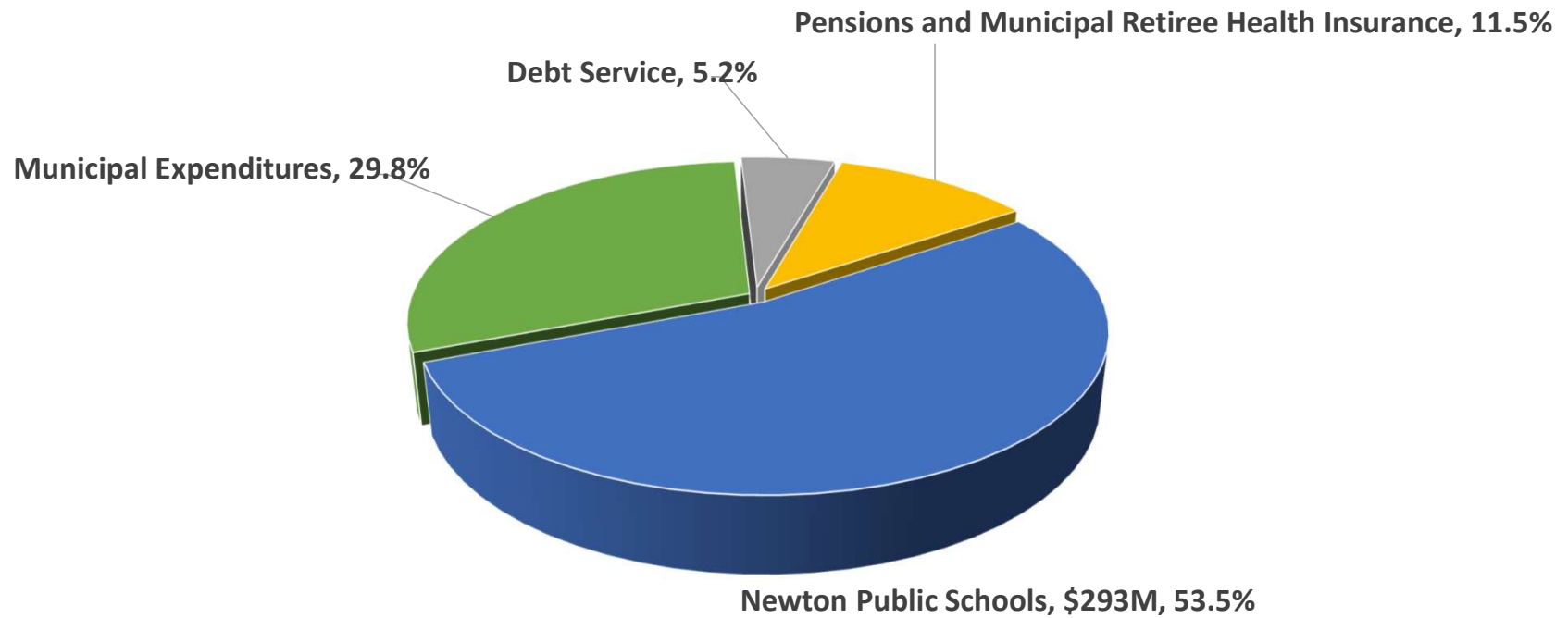
“In a series of memos issued last week, Duffy stated that ‘to the maximum extent permitted by law,’ the administration will **prioritize projects in areas that comply with federal immigration enforcement, prohibit mask and vaccine mandates and have marriage and birth rates higher than the national average.**”

WGBH News, Jeremy Siegel, February 4, 2025

Additional Revenue Challenges

- Relatively Limited Exposure to Direct Federal Funding
- Grant Funds
 - Newton Public Schools - \$4.99 million (SPED IDEA grant is \$3.5m)
 - SPED Medicaid Reimbursement - \$800k-\$2.2 million/year
 - School Lunch Program - \$1.5 million in 2024
 - Planning (CDBG, HOME, ESG) – \$3.55 million
 - Fire Training – approximately \$500k/year
 - Police – intermittent grants


Projected* FY2026 – Total Expenses ≈ \$548 M



* As of 2/6/25



Expenses: Pressure Points

- NPS
 - Debt Service and Capital Investments
 - Trash and Recycling
 - Expanding Older Adult Services
 - Inflation
 - Stormwater
 - Pensions & OPEB
 - Health Insurance
 - Utilities?
 - ???
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Expenses: Pressure Points ↔ Free Cash

- Roads
- Snow & Ice
- Public Safety Overtime
- Fleet Replacement & Maintenance
- Building Maintenance



Summary

Stable, strong and sustainable
FY2026 City of Newton Budget
with few opportunities
to
add new initiatives





Let's listen to YOUR priorities