



Fiscal Year 2027 Mayor's Proposed Budget

**Marc C. Laredo, Mayor
27 April 2026**

3 OVERARCHING GOALS

3 BOLD INITIATIVES

FUNDING THE OVERARCHING
GOALS

WHAT'S NEW IN THE FY2027
BUDGET

WHAT ARE WE
GOING TO
COVER
TONIGHT???

Three Overarching Goals

Provide
Excellent
Education for
ALL our Children

Provide
Outstanding
City Services

Build
Community

Three Bold Initiatives

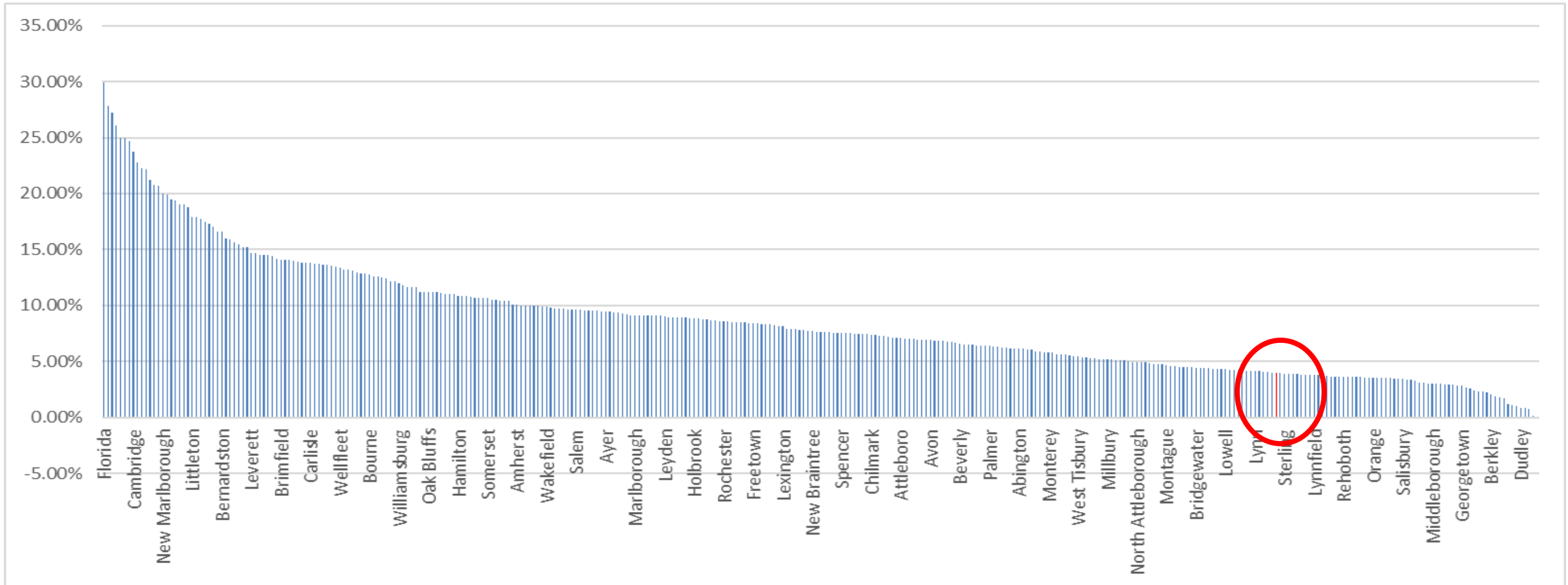
Budget 99% of
Anticipated
Revenue

Request
Extension of
Pension Liability
Full Funding to
2035

Secure
Authorization to
Sell Pension
Obligation
Bond(s)

1st Bold Initiative – Budgeting 99% of Anticipated Revenue

2025 Certified Free Cash as % of Operating Budget for Prior Year – D.O.R. Newton is in the 18th Percentile

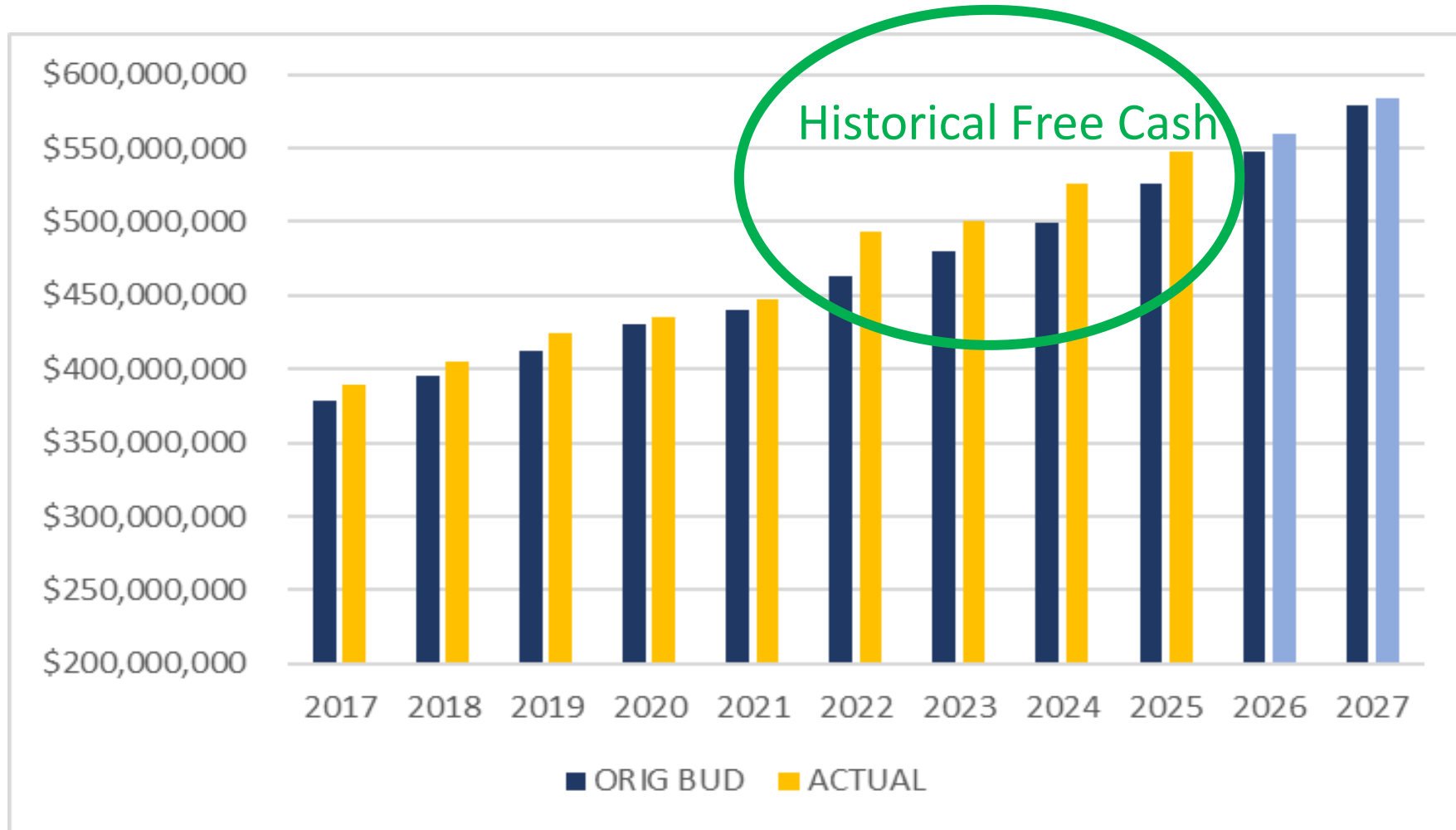


CHANGES TO OCTOBER REVENUE PROJECTIONS

- Actual Increase in Debt Service for Excluded Projects is **\$600K** more than Fcst
- Starting Point is **\$700 K** Higher – due to FY2026 New Growth
- Increased FY27 New Growth Fcst from 1.30% to 1.35% - **\$250 K**
- Lowered Reserve for Abatements/Overlay from 0.88% to 0.75% of Levy Limit – Increased Revenue by **\$600 K**
- Per our Financial Management Guidelines, utilized **\$1.5 M** of this year's Free Cash
- Increased Motor Excise Tax Fcst by **\$450 K** – based on 2025 Actual and 2026 1st Commitment
- Increased Building Permit Fcst by **\$350 K** – based on last 3 years

Original Budget vs Actual Revenue

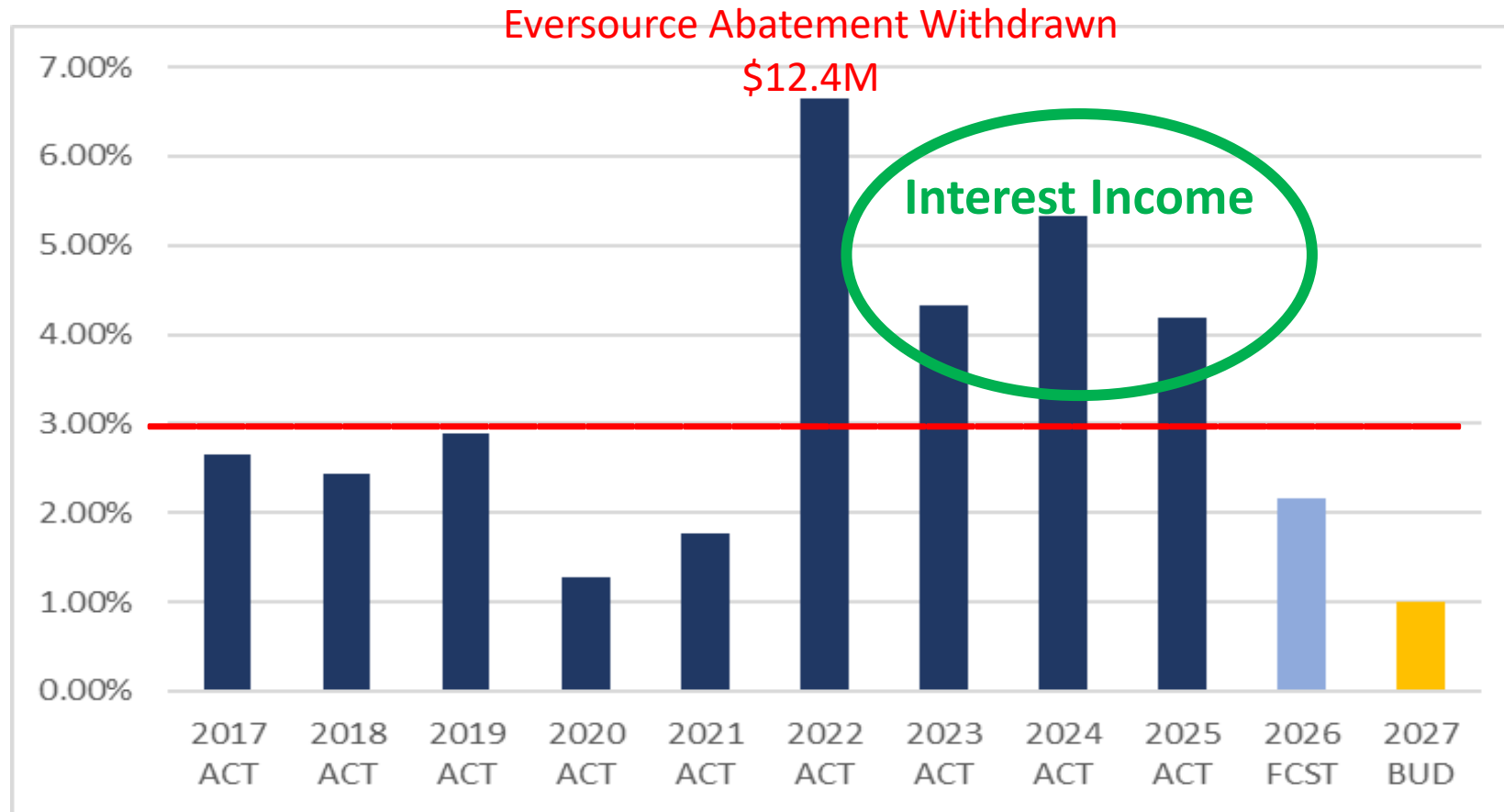
Eversource Abatement Withdrawal & Interest Income



% Actual Revenue to Original Budget

FY22 - \$12.4M Eversource Abatement = 2.5%
FY23, FY24, FY25 Int Inc: \$9.1M, \$14.1M, \$12.4M

**WE WILL CAREFULLY MANAGE OUR
FREE CASH APPROPRIATIONS – PROBABLY
MAINTAINING A \$5 M BALANCE**

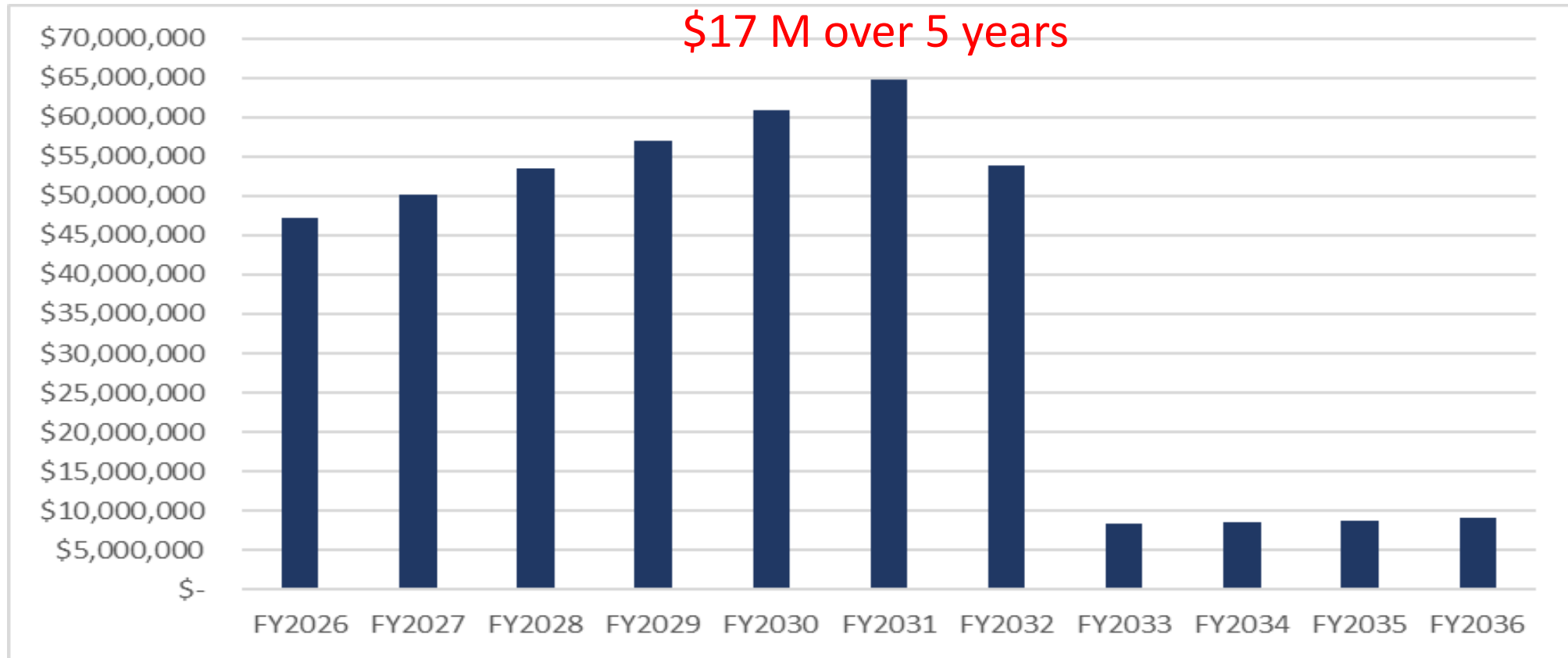


Budgeting to 1% of Anticipated Revenues will Yield more Revenue for FY2027, BUT, will Generate Less Free Cash for FY2028

2nd Bold Initiative – Extend Pension Funding Schedule to 2035

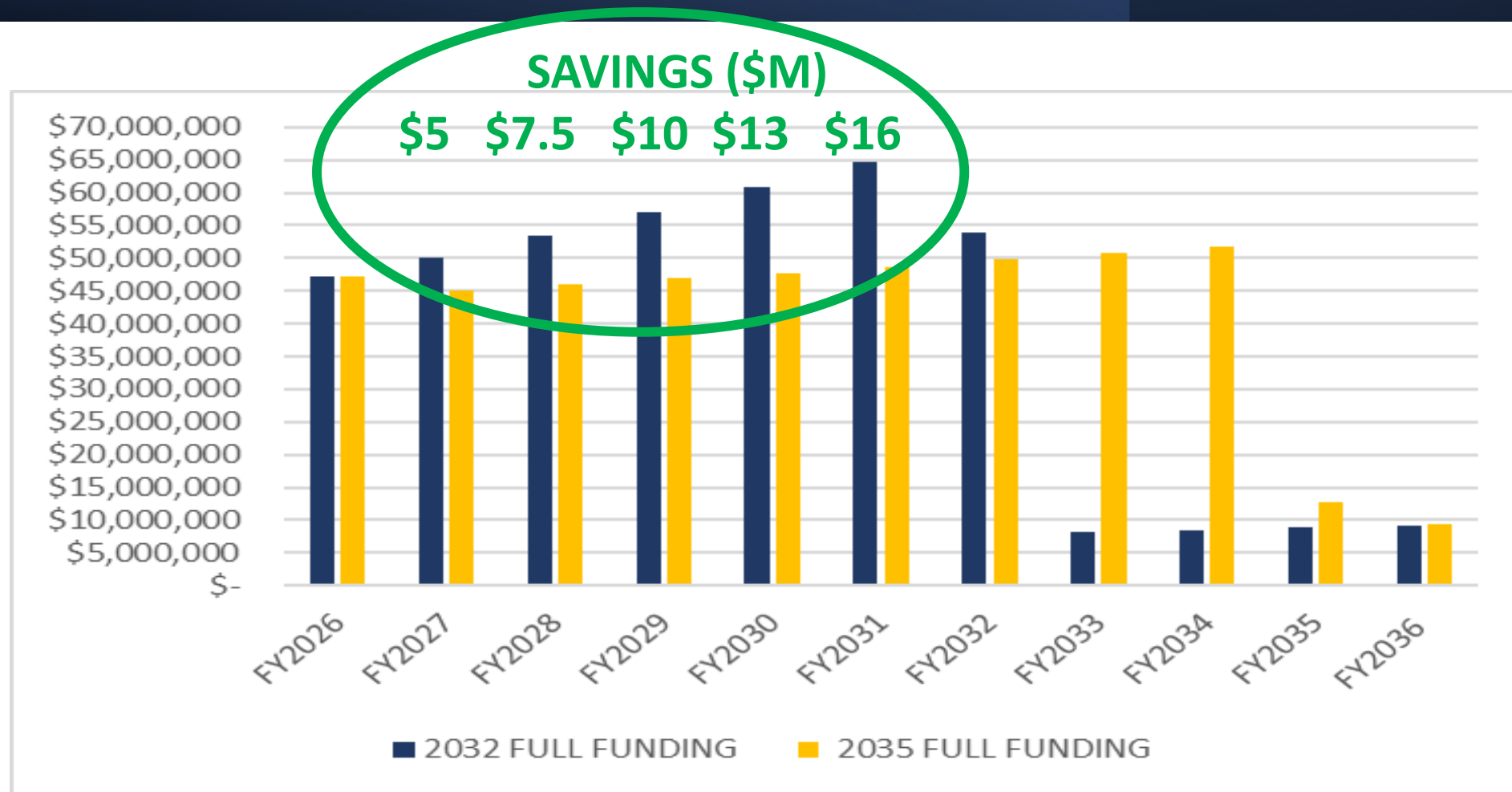
Pension Liability Full Funding 2032

FY26-FY31 5-YEAR PENSION FUNDING INCREASE: \$47 M TO \$65 M



INCREASE (\$ M): \$3.0 \$3.3 \$3.5 \$3.8 \$4.0 (\$10.9)

Pension Liability Full Funding 2032 vs 2035



FY2027 – FY2031 Total Budget Relief: \$51.5 M

Pension Liability Full Funding FY2032 VS FY2035

	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Total Projected Revenue	\$ 573.4	\$ 595.0	\$ 616.0	\$ 636.3	\$ 657.5
Total Projected Expenses	\$ 575.6	\$ 599.6	\$ 622.6	\$ 646.0	\$ 670.9
“GAP”	\$ 2.0	\$ 4.6	\$ 6.5	\$ 9.7	\$ 13.4



3rd Bold Initiative – Securing Authorization to Issue Pension Bond

Securing Authorization to Sell a Pension Bond

Early January Established Investigative Committee

Rebecca Walker Grossman, City Council, Finance Chair

Martha Bixby, City Council, Finance Vice-Chair

Jason Bhardwaj, School Cmte Vice-Chair

Ben Schlesinger, School Cmte Member

Matt Hills, Former School Cmte Member

Chris Markiewicz, Former City Council

Ryan McGlothlin, Resident, Fin'l Adv, Pensions

Ron Mendes, Treasurer, City of Newton

Joshua Morse, C.O.O., City of Newton

Maureen Lemieux, C.F.O., City of Newton

On March 2, 2026 the Committee voted **unanimously** to recommend that the City seek authorization to sell a Pension Obligation Bond.

The Committee Report is included in the Budget Analysis section of the FY2027 Budget Book.

Steps Following the Recommendation to Secure Authorization to Sell Pension Bond

- March 27, 2026 - Mayor Laredo docketed an item seeking Special Legislation.
- April 13, 2026 – The Mayor’s request for Special Legislation received **unanimous** support from the Finance Committee of the City Council.
- **April 27, 2026 - Docket item is before the full City Council.**

Steps Following the City Council Vote (if approved)

- Work with State Delegation to secure Legislative approval for our Special Act.
- Request the Actual Bond Authorization from the City Council.
- Upon authorization, the City shall submit the vote and a plan demonstrating how we will finance and allocate the debt service associated with the bonds to the State Executive Office for Administration and Finance for Approval.
- Move forward with the Sale of the Pension Bond(s) with the Guidance of our Financial Advisors.

Three Bold Initiatives for Substantive Change

Budget 99% –
Increased
Revenue by
\$5M

2035 Funding
Schedule –
saved \$5M of
Pension
Appropriation

If we Sell
Pension
Obligation
Bond(s), we
expect to save
in Future Years

Funding Our Three Overarching Goals

Provide
Excellent
Education for
ALL our Children

Provide
Outstanding
City Services

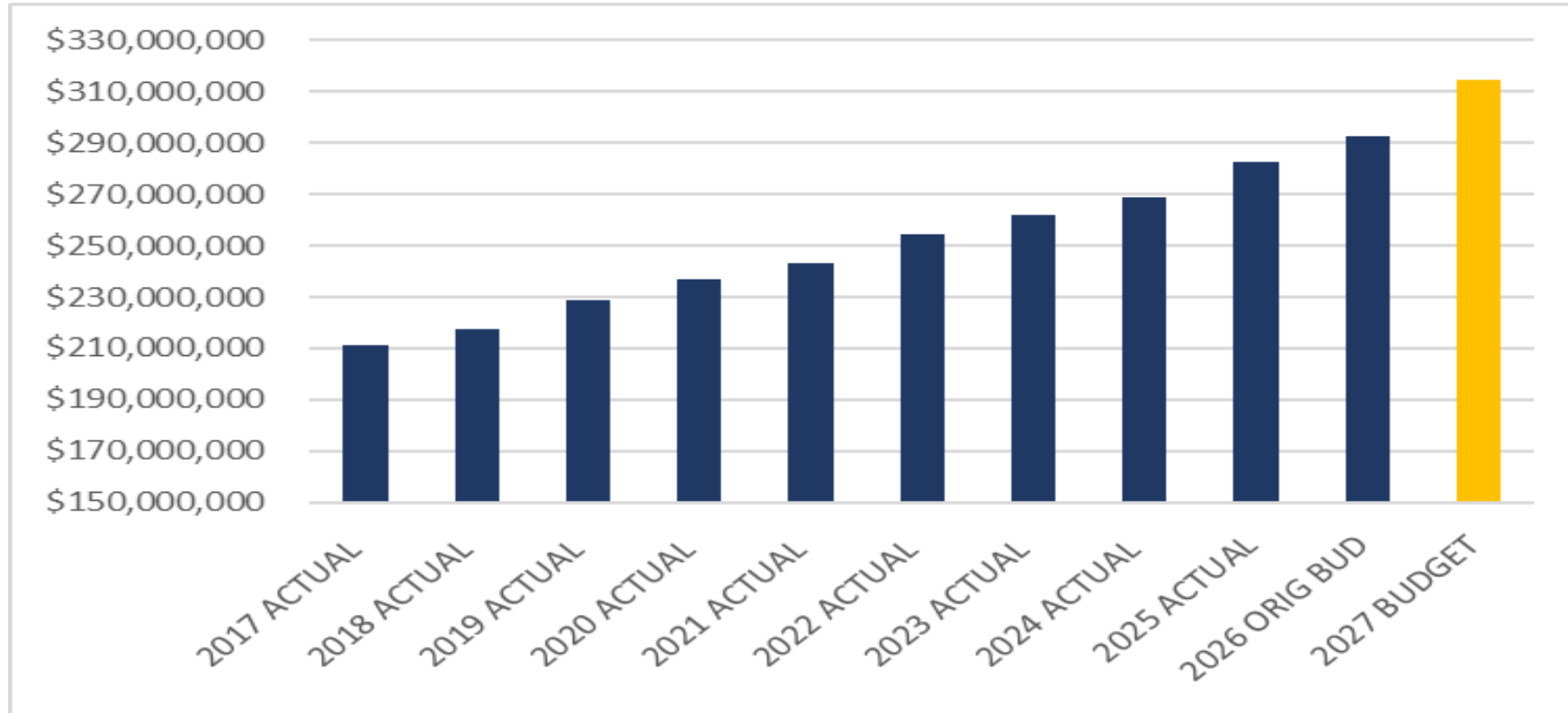
Build
Community



Provide Excellent Education for ALL our Children

Historic Increase for Newton Public Schools

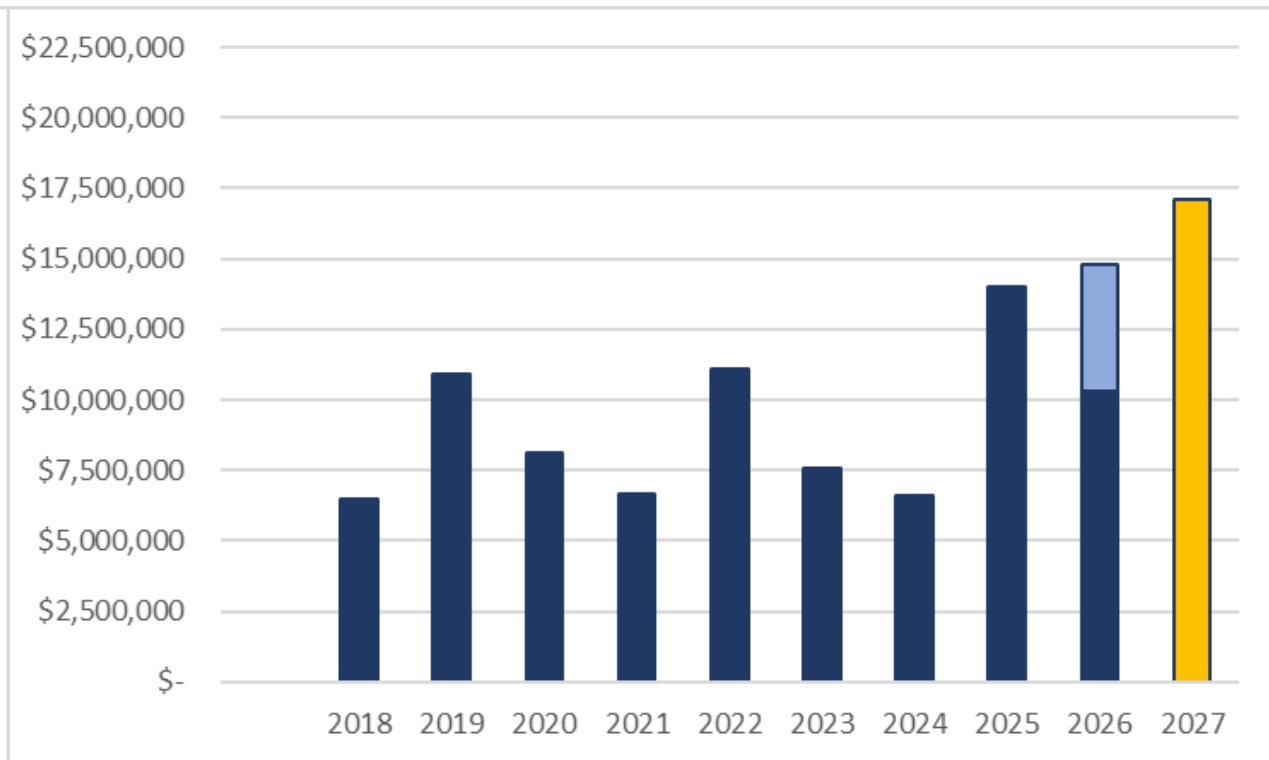
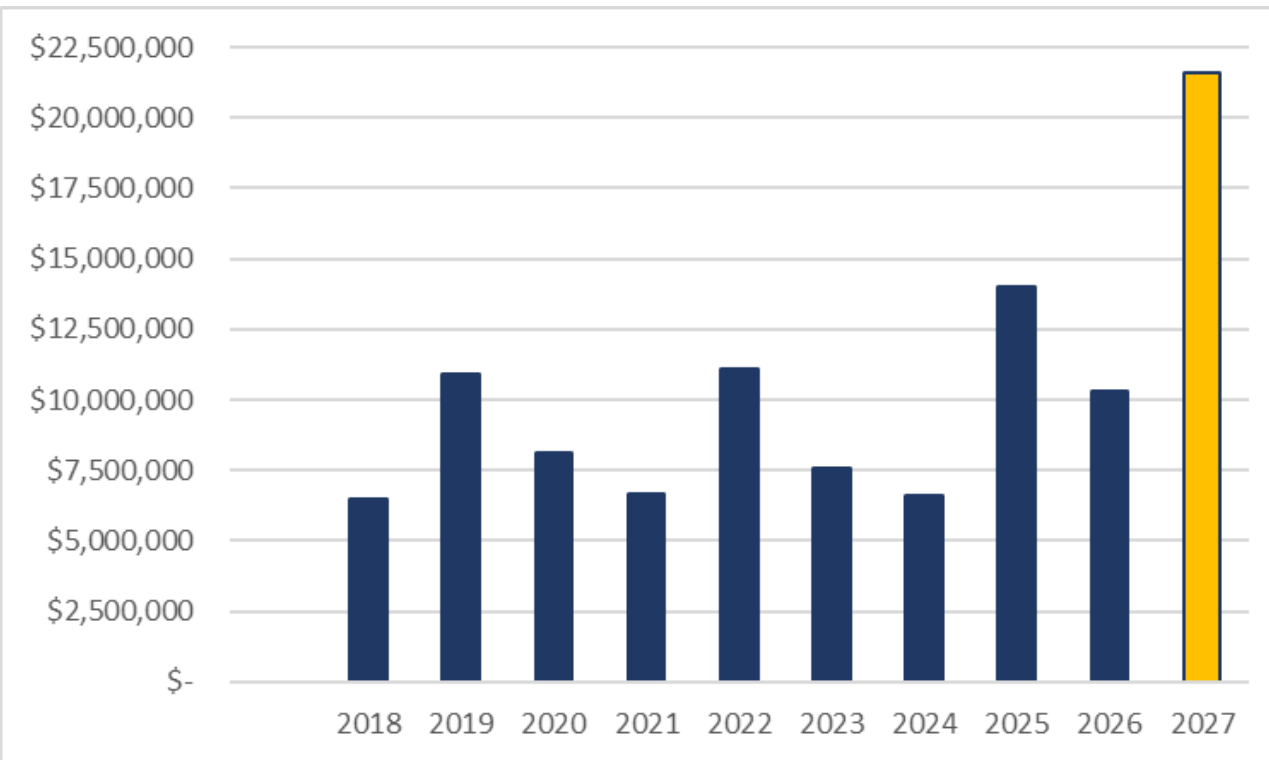
\$21.6 M or 7.38% Increase over FY2026 Actual Budget



Historic Increase for Newton Public Schools

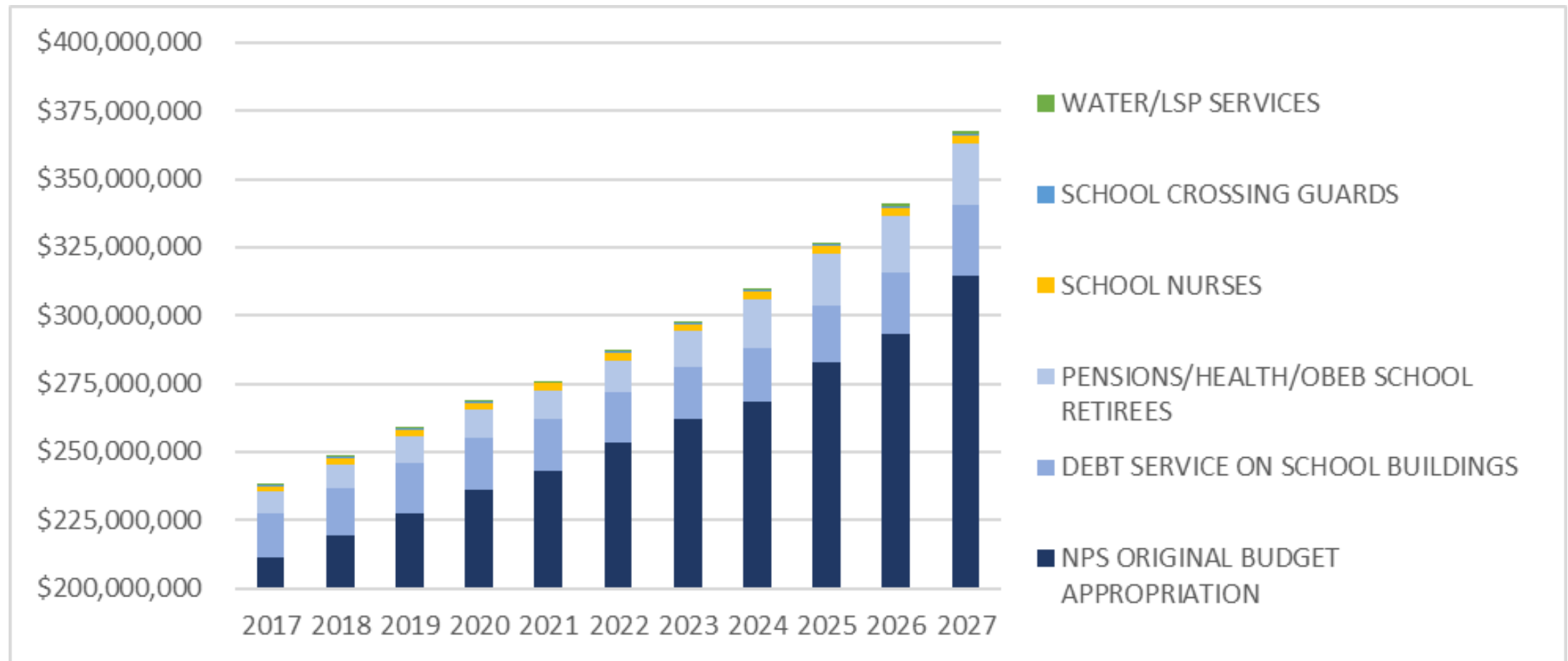
\$21.6 M or 7.38% Increase over FY2026 Actual Budget

\$17.1 M or 5.75% Increase over FY2026 Adjusted Budget



Historic Increase for Newton Public Schools

\$50+ M NPS Funding in Other Municipal Departments





Provide Outstanding City Services

COMMITMENT TO OUTSTANDING CITY SERVICES

❖ Management & Oversight

- Strengthened Executive Team – Added Chief Community Services Officer & Chief of Staff
- Absorbed Purchasing into Financial Services
- Moved Economic Development to Executive Office

❖ Customer Service for Residents and Business Owners

- Added Full Time Electrical Inspector

❖ Customer Service & Information Technology

- New Website
- Docket Tracking
- New 911 Notification System

❖ Commitment to Maintenance of Infrastructure

- Municipal Building Maintenance & Improvement Projects \$ 775 K
- Paving, Roads & Traffic Management > \$ 2.8 M
- Fields, Playgrounds & Public Grounds Maintenance > \$ 1.8 M
- Tree Maintenance & Plantings \$ 2.4 M



Build Community

BUILDING COMMUNITY

- ❖ Older Adult Services (Cooper Center) - \$750 K Increase
 - Increased Staffing to cover early morning through evening hours
 - Meal Program at the Café – 5 Days per Week
 - Commitment to Programming, Wrap-Around-Services, Transportation, and Aging in Place
- ❖ Arts & Culture Department
 - Added 1.5 FTE to Newly Formed Department
 - Drive the strategic development of a vibrant arts and culture sector
 - Showcase Local Artists and Arts Groups
- ❖ Economic Development
 - Newly elevated department is already strengthening relationships with our business community
 - Improving efficiency and predictability for businesses working with City Hall,
 - Increasing our visibility and competitiveness in attracting new businesses, and
 - Creating a more unified, responsive, and strategic Economic Development Framework.



What's New in the FY2027 Budget???

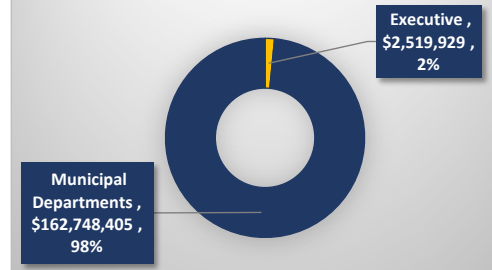
BUDGET AT A GLANCE

Mayor's Office

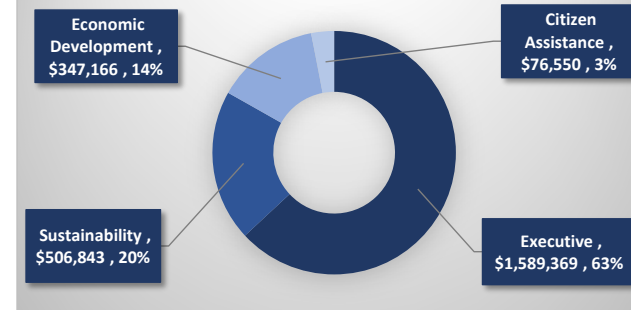
Mission

To create a Newton where every person feels welcome, safe, connected, and heard, honoring our rich history while investing in outstanding schools, unparalleled public safety, robust infrastructure, welcoming public spaces, vibrant economic development, and a sustainable and resilient future, and where the delivery of high-quality city services and inclusive, transparent civic engagement strengthen community across all of Newton's villages.

Mayor's Office as a % of All Municipal Depts



Mayor's Office Functions



	<-----ACTUAL----->			<-----BUDGET----->	
	2024	2025	2026	2027	% of Tot
Salaries & Comp	\$ 986,388	\$ 974,503	\$ 1,238,775	\$ 1,886,118	74%
Benefits	\$ 167,431	\$ 167,296	\$ 213,588	\$ 291,110	12%
Operating Expenses	\$ 626,639	\$ 386,036	\$ 344,816	\$ 342,700	14%
TOTAL SPENDING	\$1,780,458	\$1,527,835	\$1,797,179	\$ 2,519,929	100%

FTE'S 8.49 8.49 10.49 14.49

Note: Economic Development has been added to the Executive Office effective FY2027

OUR GOALS FOR ALL MUNICIPAL DEPARTMENTS

- Customer Service/Community Engagement
- Process Improvement
- Professional Development
- Deliverables
- Long-Term Vision

ADDITIONAL
INFORMATION
PROVIDED

- FTE Summary & Personnel Detail includes ALL Municipal Employees Funded by General Fund, Grants, and Revolving Funds
- Expanded Information – Revolving Funds – Municipal, Parks & Rec, and NPS



Thank You - We Look Forward to Working with You.