

# Mayor Fuller's Recommended Strategy to Support the Newton Public Schools

May 2023

Increase pensions via COLAs to retirees, and ensure sustainability of pension funding



Pension Funding Schedule lengthened by 1 year; annual increase in funding reduced from 9.6% to 6.6%; COLAs increased 3 years in a row



Funding immediately available to service debt on 30-year bonds for \$23M HM addition & renovation



***Horace Mann Elementary Addition and Renovation***

New health insurance carrier with lower retiree health insurance premiums



Phase out outdated Medicare Part B payment to retirees



Provides \$1.3M in ongoing savings in NPS budget, phased in over 2 years



Consolidate NPS OPEB funding in City account



Move NPS retiree OPEB healthcare costs to City budget



Relieves pressure on NPS budget, as OPEB appropriation increasing at higher rate than City revenues



Unusually large amount of Free Cash



\$10M from Free Cash towards Lincoln-Eliot



Provides \$600K on an ongoing basis by reducing total bonding costs



"Bridge Grant" from Free Cash of \$1.4M to NPS



\$1.4M for large increase in out of district tuitions before FY25 reimbursement



\$580K from Free Cash for NPS legal settlements



Saves NPS \$580K in one-time costs



Unique opportunity to use ARPA funds



\$400K for NPS Summer Maintenance projects



Perform important maintenance work deferred in FY24 NPS budget



***Supporting the Operating Budget of***

