

**When I arrived home from my yearlong deployment in Iraq as a Navy Intelligence Specialist in the fall of 2008, Tassy and I together made the final decision that I would run for Mayor of the city where I grew up. After being in a warzone for a year away from my newborn daughter and having the opportunity to come home to a place that gave me incredible opportunities in life, I knew where I wanted to be, and so did Tassy.**

**My family's commitment to public service and my love of this city and desire to see it meet its full potential led me into the race for Mayor at the time.**

**You—the residents of Newton—gave me a gift that I will forever be grateful for: the chance to be the Mayor of Newton and work to provide the next generation of Newtonians with the same opportunities that I had.**

**Back in 2008, the national recession was punishing to many individuals and families.**

**It also had a terrible effect on our city's finances, on our housing market for moderate- and lower-income housing, on the economic vibrancy of our village centers, and on our commercial tax base. Services and investment in education, infrastructure, and public safety were cut in the years leading up to 2008, putting our community in jeopardy of not meeting our full potential at that time—or in future decades.**

**Just as detrimental was the lack of trust in government and the poisonous, divisive politics that was pervasive in Newton at the time, particularly around the financing of Newton North High School.**

**I knew—we knew—we needed to have a bold vision of a city government that transformed how we govern and that met the needs of all of its citizens in a new 21<sup>st</sup> Century ever-changing economic, social, cultural, and political environment.**

**I believe that the reason for our success over the last seven years is because of my approach to governance from day one around three principles:**

- 1. Putting in place strong fiscal discipline, and accounting for each taxpayer dollar spent so we were not being wasteful of your money, but efficient.**  
**Expenditures for my administration have been based on outcomes for people now and decades from now.**
- 2. Not being afraid to make tough fiscal and policy decisions based on achieving the best outcome for individuals and families to live up to their full potential in Newton—these decisions must be made with directness, honesty, and transparency.**
- 3. Listening and bringing people together to solve difficult challenges by identifying the common good and working towards that end with an eye towards the future.**

**These principles are based on my lifelong commitment to public service inspired by my family, my nine years in the armed services, and love of this city.**

**Seven years ago, when I first took office, the City's financial outlook was bleak. The budget was on its way to having an annual structural deficit projected to be more than \$40 million by 2013.**

**However, by making turning the City's finances around a priority and employing sound fiscal management and strategies, we have completely turned the City's finances around and eliminated the deficit we inherited.**

**When my administration walked in the door, we faced a widening deficit with expenses growing by two percentage points more than revenues every year, no rainy day or emergency fund, a pension trust fund that had suffered a significant loss in principal, a lack of attention to addressing our other post-employment benefits, or OPEB, our "health insurance for retirees", and a triple A bond rating in jeopardy.**

**Since then, with a laser-like focus on zero-basing our budgets, on making data-driven financial decisions, and on restructuring our union contracts, we have been able to eliminate the structural deficit and get our expenditure growth in line with our revenue growth.**

**I want to take a moment and thank all of our unions for the great partnership and hard work we did together to get this done.**

**The only way we were able to put sustainable contracts together was because of the honest, direct relationship we built around transparency and integrity between the City and its phenomenal workforce.**

**So, why do we say that we have eliminated the structural deficit? The difference is that in years past the forecast was projecting committed costs and expected increases in cost items—a maintenance level of effort.**

**Now, our forecast for the next five years and beyond reflects the many different new programs and initiatives that we have already implemented as well as those that we believe need to be implemented in the years to come.**

**It is a forecast that projects what we are willing to conservatively project for revenue growth and what we aggressively want to fund as we continuously improve our infrastructure and our delivery of services to our residents.**

**In addition to balancing our budget, we recognized that it was important to establish a reserve fund for emergencies or catastrophic events. I am proud to announce that our rainy day fund now totals more than \$19 million, or five percent of our operating budget, even as we are able to make forward-looking investments.**

**Our pension fund, which had suffered significant losses in the crash of 2008, has also been a top priority.**

**And while it was acceptable when I first took office to have a plan that fully-funded our pension liability by the year 2038, financial sustainability requires more.**

**Therefore, my administration has supported the Newton Retirement Board in creating a funding schedule aimed to fully fund the City's pension liability by the year 2029.**

**Commitment to this funding schedule is an integral part of the City's plan to address OPEB liabilities and is therefore key to the City's Long Term Financial Stability Strategy.**

**Last year we announced that a third party actuary had confirmed the Administration's funding strategy, which will enable the City of Newton to eliminate the City's unfunded pension liability by the year 2029 and the OPEB liability by the year 2042. The actuarial valuation of the City's OPEB liabilities for the fiscal year ending June 30, 2016 continues to confirm that the Administration's plan is financially sound and sustainable.**

**The valuation by Financial Risk Analysts, LLC, is in keeping with the national standards of practice of the actuarial profession and is in accordance with Governmental Accounting Standards Board Statement 45, or GASB-45.**

**We have been able to maintain our triple A bond rating with Moody's Investor Services throughout the past seven years, and last year, for the first time, we also asked Standard and Poor's to rate the City.**

**As many of you know, at that time we were pleased to announce that Standard and Poor's had also assigned a triple A rating to the City. With this double triple A rating, the City of Newton has joined a very small group of municipalities that have earned triple A ratings from these two highly regarded institutions. And these ratings have practical implications for the City.**

**Since last January these two highly regarded institutions have both reaffirmed their triple A ratings twice: last July and again last month, January 2017.**

**With our double triple A ratings, we were able to refinance more than \$90 million of previously-issued debt and consequently save the residents of our City more than \$16 million in interest payments over the next 22 years.**

**Additionally, Standard & Poor's recent ratings report stated "revised their assessment of the City's management to 'very strong' from 'strong' based on the introduction of a debt policy that formalized a historical practice.**

**An assessment of 'very strong' indicates that financial practices are strong, well-embedded and likely sustainable."**

**We used zero-based and outcome-based budgeting to ensure our department budgets were financially sustainable and sound, while also focusing on how each dollar is spent to achieve our defined outcomes, outcomes that deliver real changes in the services we provide residents and our community.**

**Our administration believes strongly that climate change is a threat to all and that we can play a significant role in protecting the environment while saving taxpayer money. Through significant investments over the last seven years in energy initiatives, including solar, we will save \$40 million dollars over the next 20 years. As a result, since I took office, we have cut our municipal carbon footprint in half.**

**We know energy costs can be crippling for many residents trying to make ends meet in our city. So in addition to saving the City money with our solar program, we were proud to recently announce a first-of its-kind community share solar program that is currently providing net metering credits to 903 low income households in Newton.**

**A 660kw solar array, constructed over the DPW parking lot at Elliot Street, is generating solar power and we are sharing these credits with low-income residents pre-qualified by ABCD, who will be getting discounts on their monthly energy bills, totaling about \$50 year in savings for them. This is a significant amount for some of the most vulnerable residents in our city.**

**From day one we knew economic development and a strong business community could increase the commercial tax base, taking pressure off of residential taxes to**

**pay for critical city services and, at the same time, add desired amenities to our villages.**

**That's why in 2010 we worked with developers and the City Council to create Chestnut Hill Square on the site of the blighted and abandoned Omni Supermarket. In addition, we took advantage of the State's I-Cubed Program to improve traffic design on Route 9 in conjunction with the project.**

**The Chestnut Hill Square project is now generating additional revenue annually for the City of Newton. The Chestnut Hill Square project and Route 9 inspired WS Development to create The Street, vastly improving the corridor with great amenities and retail as well as strengthening our commercial tax base.**

**I was also proud to cut the ribbon last month to open Rockport's world headquarters in West Newton.**

**We also have worked to make it easier for current and new businesses to thrive in Newton by instituting a "one-stop-shop" for them.**

**The Small Business Center offers a wide-range of resources, including access to the city departments that will be most useful, to city programs that assist small businesses, and to additional state resources. We have worked with the retail community to make Newton friendlier to restaurant owners so as to enliven our**



**village centers. This resulted in an increase of great options for our residents to stay in Newton and dine and shop locally.**

**For many years before I took office, the City had not properly invested in its capital and infrastructure, nor did it have a strategic capital investment plan.**

**One of the primary responsibilities of the leadership of the City of Newton is the preservation and maintenance of the community's school buildings, municipal buildings, roadways, intersections, parks, recreation space, and water and sewer facilities. Developing a longer-term vision for the City required a holistic review of the City's capital needs and the life expectancy of all assets and their component parts.**

**Planning for the funding of the maintenance and improvements of the City's capital infrastructure is crucial in the development of strong financial management.**

**On November 7, 2011, the City of Newton unveiled a first-of-its-kind Capital Improvement Plan, where prioritization was driven by different criteria specific to the values of the City of Newton and planning for the future based on a combination of the condition of an asset coupled with an understanding of the consequence of its failure.**

**Throughout the past six years, we then built on this risk-based prioritization process that we created. The resulting database now provides the necessary and appropriate**

**context within which the five-year CIP can be used to create a logical, transparent, and data-driven strategic capital investment strategy that addresses infrastructure needs and school capacity issues, reflects community values, supports city operations, programs and services, and exemplifies sustainable financial and environmental best practices.**

**In 2013, we knew that even with all the great work we did to implement fiscal responsibility, accurately assess our infrastructure, institute performance management, and encourage economic development, we needed to ask our residents for a tax increase to make the investments needed to make improvements.**

**We knew that with a direct, honest, and transparent approach with a vision to move Newton forward, our residents would make a fair decision.**

**Thanks to the people of Newton, who recognized this need and passed the override we requested, we have been able to make Newton a better, safer place to live and have been able to do it in a way that has not sacrificed the City's current financial health at the expense of making investments towards the future of our City.**

**On the override, I am pleased to offer the following updates:**

**Work is currently in progress on Fire Station 3 and Fire Headquarters in Newton Centre, which will have a new Emergency Operations Center, or the EOC, which will help keep Newton one of the safest communities in the country.**

**Fire Station 3 and the EOC are scheduled to be completed in June of this year and Headquarters this coming fall. This construction and the addition of police officers enabled by the override are both part of our commitment to supporting and empowering them with the best possible personnel, technology, and training we can provide.**

**With the passage of the override in 2013, we have been able to pave 50% more roadway each year than in 2010. Our FY17 plan included work to put in over 300 ADA compliant ramps at 71 intersections throughout our community.**

**Made possible by the financial work that our administration has done, this fall, I announced an accelerated road-paving plan.**

**Using StreetScan technology, we now have an assessment of the quality of all of our roads and we have an accelerated program to spend \$100 million over the next 10 years to bring all of our roads up to an above average condition. At the same time, we are committed to doing preventive maintenance so that our roads do not deteriorate between cycles of paving.**

**The override included funds for education, adding teachers and educators. When I took office, I committed to working to narrow the achievement gap in our schools.**

**We have seen this happen in high school English language arts, math and science MCAS scores. This community has been committed to investing in our students is**

**integral to their success—and this includes the financial support the community provided thanks to the override. When we are able to make investments, we see results.**

**This commitment extends to our school buildings—including the three schools included in the override package: the Cabot, Zervas, and Angier Schools.**

**I am happy to report that Angier opened on time and on budget. Zervas is slated to open this fall, as is an expanded Cabot in 2019.**

**These three schools are part of a plan to open five new school buildings in six years. Thanks to our purchase of the Aquinas property, we have been able to use swing spaces to minimize disruption and lower costs—a plan that includes a unified preschool, Lincoln-Eliot, Horace Mann, and Carr Schools, and a new intergenerational community center.**

**As I started my second term, I knew we had accomplished a great deal: getting our city out of fiscal crisis with a pathway toward financial sustainability through sound management based on outcomes for people, creating a roadmap to address our infrastructure, and making proper investments in education and public safety.**

**At the same time, as the nation came out of recession, I saw a growing divide developing in our city: economic inequality and a lack of opportunity for people of all**

walks of life, ages, and backgrounds to have the chance to stay here as they hit retirement age or to start a life here, like my family did over 40 years ago.

The income gap here in the city is only growing.

To address income inequality and promote my initiative of “Economic Growth for All” requires more than education and job opportunities with wages that allow workers to be financially sustainable. Housing, transportation, childcare, health, and wellness are all key to fostering a strong middle class. We must attack all of these issues in a comprehensive way. We have launched a number of strategies and initiatives to begin this multifaceted approach and to organize efforts to make these programs sustainable over time.

In October 2016, Boston College President Father William Leahy and I announced a historic partnership on my evidence- and research-based policy to increase economic opportunity and address income inequality in Newton.

Transportation, housing, well-paying jobs, and a vibrant business community are all pieces of our Economic Growth for All initiative.

Four working groups have also been established to work on different aspects of this effort including: our Education Cabinet, Self-Sufficiency Income, Health and Well-being, and Innovation Economy groups. A number of programs are already underway.

**One is the Mayor's Summer Youth Internship program, which is going into its fifth year of operation. Beginning in 2012 with six interns and four participating businesses, this past summer saw huge growth in the program with 38 interns at 23 participating placements.**

**This summer, the goal is to have 100 interns participating in the program. The program was created to increase summer engagement for students who need it most. It connects students with local businesses and increases their exposure to living-wage career pathways.**

**This year we have a heavy focus on startups, STEM-oriented businesses, and medical placements. We believe, and research shows, that internship opportunities for high school students lead to those students having and making more economically sound career choices.**

**The Education Cabinet, which is part of the Harvard Graduate School of Education's By All Means program—a two-year effort to pilot ways to really close the achievement gap in six US cities—is working on two projects: out-of-school programming for middle school students and evaluating options to make quality pre-k programming available for all Newton children.**

**The research on the benefits of pre-k, for both children and parents, is the driving force behind this.**

**Children and families struggling to make ends meet in our city and region will benefit from our Empath pilot and 1294 Centre Street project. For the past year and a half, we have been working with Empath (formerly known as Crittenden Women's Union) on a program for low-income heads of household with children to bridge toward participating in Empath's Mobility Mentoring program in order to empower them with the foundation and skills to achieve financial sustainability.**

**Our bridging pilot has enrolled eight individuals and has assisted six others over the last year and a half. The 1294 Centre Street program will combine access to housing with Empath's innovative approach to moving generations of children and families to self-sufficiency right in Newton Centre.**

**More diverse and affordable housing options are critical for Newton now and going forward. Newton, with its neighborhoods, schools, open spaces, and village centers, is a great place to live.**

**However, the high cost of housing and lack of diverse housing options is making it difficult for those of limited or modest means to move to Newton or stay in Newton. More affordable and diverse types of housing also have the added benefit of strengthening our economy and tax base. Businesses thrive when there is walking traffic in our village centers. Moderately priced, diverse housing also is critical for businesses that need qualified employees to meet their workforce requirements.**

**If Newton does not meet its housing challenge, we are in jeopardy of losing businesses and attracting them to our city.**

**With the release of our Housing Strategy, we identified seven sites with opportunities that have the potential to better position Newton in terms of economic development, transportation, and housing in the future.**

**We have been making progress at these locations and will build on this with the passage of two ordinances: one to increase the number of locations where accessory apartments are allowed by right and another that includes changes to inclusionary zoning to ensure that developers looking to build in Newton create a higher percentage of affordable and middle income units in their projects.**

**Our concentrated efforts to move towards “Economic Growth for All” include our transportation strategy “Newton-in-Motion,” which is being released tonight. We are stressing five areas for transportation over the next eighteen months: our roads program, village enhancements, bike share and facilities, shared transit, and smart parking management.**

**For village enhancements, we are prioritizing streetscape improvements for West Newton Square that are already underway, Walnut and Washington Streets, which are in design, and Newton Corner within the next four to five years since major improvements require coordination with the State.**



**We are prioritizing beginning a bike share program within 18 months, expanding the bike lane network in the city as well as more bike racks near transit hubs and village centers.**

**We will also pilot a public-private shuttle to transport employees to a work site during commuting hours and other riders around Newton at other times of day. As far as parking management, we will introduce kiosks accepting coins, credit cards, or the Passport phone app in our municipal lots and explore off-site parking for employees of village businesses to free up core parking spaces near the village center businesses.**

**The innovation economy is a source of well-paying jobs in addition to providing economic development opportunities for the community. We have established two innovation districts: the N2 Innovation District in cooperation with Needham, and the Charles River Mill District with Watertown and Waltham.**

**In 2013, I worked to establish partnerships with the Town of Needham and the Newton Needham Chamber of Commerce to grow the innovation economy in the inner suburbs and establish the N2 Corridor as an attractive location for businesses.**

**Since 2013 the establishment of the N2 Corridor, the City of Newton and the Town of Needham have worked together to secure transportation funding from the State for**

key improvements to make the corridor more welcoming for current and new businesses. Renovations on Needham Street to make the corridor more walkable and bikeable and to ease traffic will begin in 2018 and renovations to the intersection of Oak and Christina Streets to ease the flow of traffic will begin in 2017.

Neither project would have been possible without the hard work and partnership between the two municipalities. New businesses, their employees, and customers, also frequent other businesses in the neighborhoods, adding additional vibrancy to Newton. In addition, the recently announced Northland concept for development in that area would be transformational for the entire region.

Newton, as the first suburban site for the internationally recognized accelerator MassChallenge, is another example of our economic development efforts and it also is an important component of the Economic Growth for All initiative.

I established a partnership with MassChallenge and the Cambridge Innovation Center (CIC) to open the Newton Innovation Center (NIC), a startup-friendly collaborative workspace, in 2016.

The NIC is a valuable resource open to local entrepreneurs of all backgrounds to make an impact locally and globally, with programming aimed towards giving young people access to the innovation economy by hosting high school students from the Mayor's Summer Internship program and sponsoring a high school pitch competition this spring. Opening the NIC has been a tremendous opportunity to encourage entrepreneurship in Newton.

**Since opening, over 60 entrepreneurial, innovation-economy enterprises call the NIC home today and the number continues to grow. The success of the NIC demonstrates how Newton and other suburbs can be a hub for innovation and the new economy.**

**Our demographic projections show that the senior population of Newton will continue to grow. A part of the Economic Growth for All initiative is to ensure that Newton residents can remain financially secure into retirement and continue to participate in the community as they wish.**

**Last winter Newton was designated as an age-friendly community as part of the AARP's and World Health Organization (WHO) Age Friendly Community Network to promote planning to prepare cities to address the needs of rapidly aging populations.**

**Led by the Department of Senior Services and the Council on Aging, we launched a comprehensive planning effort to engage residents in identifying the challenges and strengths that Newton's seniors and their families face and in finding ways to best incorporate neighborhood ideas into the goals and action steps of the age-friendly initiative.**

**Culture is an essential element of enhancing the quality of life in our City. I'm so proud that in the last five years we've transformed the people's building, City Hall, into the Newton cultural center.**

**This thriving center inspired me to found Newton's first-ever month-long celebration of the arts three years ago. Planning is already well underway for the 3<sup>rd</sup> Annual Festival of the Arts. What began as a month-long celebration in April 2015 has now grown to feature events in April, May, and June this year. 93 different events have already been scheduled for this showcase of all of the different arts and culture activities in which Newton artists participate.**

**As I mentioned at the start of the my remarks—I am a veteran of the Iraq war. I know how important it is to ensure our veterans have the community and resources that they need when they come home from war. That is why in May of 2013 I created a first-of-its-kind veterans center. This innovative center represents a partnership with federal, state, city, non-profit, and private organizations to maximize our capacity to serve our veterans community.**

**The regional center is designed for veterans of all ages and branches of the service. This Veterans Service Center is designed as a one-stop location—a place where veterans of all ages can come to access a range of advisory services such as education and job opportunities; housing, transportation, and childcare options; and tax, financial, legal and health advice, veterans appreciation; as well as socialize and meet fellow veterans.**

**Over a year ago, we recognized that we needed to do additional work as a community to ensure everyone in our city knows they are welcome, regardless of religion, race, ethnicity, gender or sexual orientation, or immigration status.**

**With spates of anti-Semitic, racist, and hate incidents against young women and the LGBTQ community in our community, my approach has been to face them head on—with transparency and the willingness to look at ourselves in the mirror and say we need to do more to prevent and track these incidents to comport with civil rights law, as well as to promote the consideration of diverse perspectives in our schools and in our city's neighborhoods.**

**That's why over the last several months I have brought over 30 members of our community together to create the One Newton initiative with the assistance of the great organization Facing History and Ourselves.**

**I believe strongly that we must create a sustained effort that will last years—not months—to truly ensure that every resident feels safe and secure and welcome in Newton. I am calling upon all residents of Newton—whatever your demographic or political persuasion—to pledge to actively join me. Signing on to the One Newton effort commits you to receiving communications about and participating with neighbors and other Newton residents in activities and events, such as facilitated conversations, workshops, book groups, neighborhood parties, or simply one-on-one conversations.**

**I believe that a strong community showing in signing onto the One Newton pledge demonstrates our commitment to civil discourse and assuring that everyone in**

**Newton—no matter their current or their past circumstances—can count on the support of this city and their neighbors to meet the challenges of the 21st Century in achieving their full potential.**

**Though this is my final State of the City, I don't see my final year as Mayor as an end—but rather a foundation for what is possible in our great city. I am proud of the work this administration and city staff have done and the progress we've made.**

**When I was a young high school student, a vibrant, forward-looking Mayor Ted Mann, called on me to help heal the wounds of racial division at Newton North after a racial incident. That meeting we had in the Mayor's office at age 16 demonstrated to me what being Mayor was really about.**

**Daring to make what might seem impossible possible so that one can make the lives better for people—with a guiding belief in the goodness and values of the people you work for—the residents of Newton.**

**I answered his call then and we all must answer the call now. I know there is no limit to what we can do and who we can be if every city department, including Newton Public Schools, elected officials, businesses and residents follow the three principles I outlined tonight:**

- 1. Putting in place strong fiscal discipline, and accounting for each taxpayer dollar spent so we are not being wasteful of your money, but efficient.**

**Expenditures must be based on outcomes for people now and decades from now.**

- 2. Not be afraid to make tough fiscal and policy decisions based on the best outcome for individuals and families to live up to their full potential in Newton—these decisions must be made with directness, honesty, and transparency.**
- 3. Make a commitment to listening and bringing people together to solve difficult challenges by identifying the common good and working towards that end with an eye towards the future.**

**If we commit to these principals moving forward, we will continue to be the best city to live in in the United States of America.**

**We will inspire a new generation of leadership to be in government in our city —and our best days will be ahead of us. The state of our City is strong and will be for decades to come.**

**Thank you—God Bless Newton, the Commonwealth, and our Country.**