

JUNE 23, 2026



## **Watertown City Council**

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

### **CITY COUNCIL MEETING TUESDAY, JUNE 23, 2026, 7:00 P.M. RICHARD E. MASTRANGELO COUNCIL CHAMBER ADMINISTRATION BUILDING, 149 MAIN STREET**

## **MINUTES**

### **ACCESS INFORMATION:**

- A. This meeting will be held on June 23, 2026 at 7:00 P.M. Location: Richard E. Mastrangelo Council Chamber 149 Main Street, Watertown, MA 02472
- B. This is an in-person meeting - any remote access is provided solely as a courtesy and may not be relied upon as alternative access. Therefore, any interruption in remote access technology shall not interrupt the meeting, and the meeting will proceed accordingly in person. In the event of such interruption, in-person attendance is available and encouraged.
- C. The in-person meeting will also be televised through WCATV (Watertown Cable Access Television): <http://vodwcatv.org/CablecastPublicSite/watch-now?site=3>
- D. The public may join the in-person meeting online: <https://watertown-ma.zoom.us/j/92991331344>
- E. The public may join the in-person meeting audio only by phone: (877) 853-5257 or (888) 475-4499 (Toll Free) and enter Webinar ID: 929 9133 1344
- F. Public may comment through email: [vpiccirilli@watertown-ma.gov](mailto:vpiccirilli@watertown-ma.gov)
- G. Please Visit the City Council Webpage here: <https://www.watertown-ma.gov/350/City-Council>

## **1. ROLL CALL**

Council President Sideris called to order a regular meeting of the City Council at 7:00 p.m. in the Richard E. Mastrangelo Chamber, Administration Building. Those present were Councilors Caroline Bays, Lisa J. Feltner, John G. Gannon, Nicole Gardner, Emily Izzo, Theophilus Offei, Anthony Palomba, Vice President Vincent J. Piccirilli, Jr., and Council President Mark S. Sideris. Also present were George Proakis, City Manager, Mark Reich, City Attorney, Doug Newton, Council Analyst and Brendan T. McCarthy, Council Clerk.



## **2. PLEDGE OF ALLEGIANCE**

## **3. PUBLIC FORUM**

There were no participants.

## **4. EXAMINATION OF RECORDS OF PREVIOUS MEETINGS**

### **A. Minutes from City Council Meeting June 9, 2026**

Councilor Piccirilli moved to adopt the minutes and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

## **5. PRESIDENT'S REPORT**

### **A. Deliberation and Vote on Approval and Execution of the City Manager Contract for George Proakis**

President Sideris remarked that this contract reflects a four-year extension with a clause adding a fifth year should an agreement not be reached by the end of the fourth. Other aspects include added deferred compensation and salary increases that align with union contracts, which end after the second year of the contract to allow for flexibility should the City encounter difficult financial times.

Linda Scott – 55 Olcott Street – Asked if salary increases also happen for non-union employees, and raised the issue that there wasn't an evaluation form present in this instance for the public to view how the City Council adjudicated the City Manager's merit.

President Sideris replied that non-union personnel also get increases, and that the Committee on Personnel and City Organizations along with Human Recourses are working to get a formal document that illustrates that to be made public.

Councilor Piccirilli moved to approve and execute the contract for the City Manager as presented and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

## **6. PUBLIC HEARINGS**

### **A. Public Hearing and Vote on a Proposed Ordinance Amending the City Manager's Salary**

President Sideris reiterated that the salary would be adjusted for a 4.5% increase (2.5% COLA 2% performance) for this year and next - \$255,668 effective 26-08-15 & \$267,173

effective 27-07-01.

Councilor Piccirilli moved to approve the ordinance adjusting the City Manager's salary and Councilor Feltner seconded.

President Sideris remarked that this amount is a result from three executive sessions which included examination of comparables in town as well as manager's from other communities and outside consultation from Bernie Lynch. The salary figures reflect around the average amount, if not a little above average, but he considers Mr. Proakis to be a well above average city manager. He further remarked on how difficult it is to have longevity in such a position with a dedicated individual.

The motion carried unanimously in a Roll Call Vote.

City Manager Proakis thanked the City Council for their continued confidence in the work he is doing with an amazing team and community.

## **7. MOTIONS, ORDINANCES, ORDERS, AND RESOLUTIONS**

### **A. Resolution Establishing Fiscal Year 2027 Expenditure Limits for Revolving Funds**

City Auditor Langan stated that the expenditure limits for the revolving funds must be reauthorized by the City Council.

Councilor Piccirilli moved to approve the expenditure limits for Fiscal Year 2027 and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

### **B. Resolution Authorizing the Fiscal Year 2027 Retiree Health Insurance and Related Expenditures from the Other Post Employment Benefits (OPEB) Trust Fund**

City Auditor Langan stated that a requirement of MGL is that the health insurance premiums for retirees must be paid from the OPEB trust fund and authorized by the City Council.

Councilor Piccirilli moved to approve the Fiscal Year 2027 expenditures from the OPEB trust fund and Councilor Feltner seconded.

The motion carried unanimously in a Roll Call Vote.

### **C. Resolution Authorizing a Transfer of Funds in the amount of \$12,400 from the Fiscal Year 2026 City Council Reserve to the Fiscal Year 2026 City Auditor Accounting & Auditing account (Audit Level 1 Review of Watertown Contributory Retirement System and OPEB Plan)**

City Manager Proakis remarked that numbers from the recent actuary review significantly shifted the amount of funding needed for the pension fund, and this transfer is to double check those numbers with an external auditing.

City Auditor Langan confirmed that this transfer reflects a request to CBIZ to perform an independent audit of both the Watertown Contributory Retirement System and the Watertown OPEB plan.

Councilor Piccirilli moved to approve the transfer of funds and Councilor Feltner seconded.

President Sideris remarked that he believes this to be an important action after conversations with the City Manager and City Auditor.

The motion carried unanimously in a Roll Call Vote

- D. Resolution Authorizing a Transfer of Funds in the amount of \$246,000 from various Fiscal Year 2026 Police Salary accounts to the Fiscal Year 2026 Police Vehicle Replacement account

City Manager Proakis stated that this is a traditional annual transfer request, but more importantly, is an example of all departments pulling together to reach climate plan goals. Many police vehicles idle continuously, so by replacing conventional combustion vehicles with electric, there is a result of great reduction in fuel consumption. This transfer would purchase three new vehicles

Councilor Piccirilli moved to approve the transfer of funds and Councilor Feltner seconded.

The motion carried unanimously in a Roll Call Vote.

- E. Resolution Authorizing a Transfer of Funds in the amount of \$445,000 from the Fiscal Year 2026 Planned Debt and Fiscal Year 2026 Authorized/Unissued Debt accounts to the Fiscal Year 2026 Transfer to Capital Projects - Public Buildings account (Photovoltaic Array Installation for DPW Roof)

City Manager Proakis stated that this item represents the installation of a solar array on top of the DPW building. This item corresponds with a loan order that was passed in September of 2025 and a climate leadership grant. This does qualify for federal paybacks, but those may take time to realize, so this transfer eliminates the chase of running a negative account balance.

Councilor Piccirilli moved to approve the transfer of funds and Councilor Feltner seconded.

Councilor Offei asked what the total cost of the PVRA was.

Director of Public Buildings Maroney replied that it is about \$1.2 million for the roof array

and solar canopies in the parking lot of the DPW.

The motion carried unanimously in a Roll Call Vote.

- F. Resolution Authorizing a Transfer of Funds in the amount of \$70,000 from the Fiscal Year 2026 Authorized/Unissued Debt account to the Fiscal Year 2026 Transfer to Capital Projects - City account (Senior Bus)

City Manager Proakis presented the item for a transfer to cover the costs of a shuttle bus for the senior center.

Councilor Piccirilli moved to approve the transfer of funds and Councilor Feltner seconded.

The motion carried unanimously in a Roll Call Vote.

- G. Resolution Authorizing a Transfer of Funds in the amount of \$373,000 from the Fiscal Year 2026 Authorized/Unissued Debt account to the Fiscal Year 2026 Transfer to Capital Projects - Public Buildings account (Parker Renovations)

City Manager Proakis remarked on the complexity of the Parker Building renovation as the building continues to surprise the team with challenges. He recently asked the Director of Buildings to come forward with a lump sum of the best total estimates needed in hopes to do no further borrowing. He added that there is about \$85,000 committed to hazardous material abatement.

Councilor Piccirilli moved to approve the transfer of funds and Councilor Feltner seconded.

Councilor Feltner asked for clarification on monetary amounts of taking care of hazardous materials and new insulation.

Director of Public Buildings Maroney replied the \$85,000 reflects hazmat demolition and removal, layers of ceiling tiles containing asbestos.

Councilor Gannon raised questions as to who was used to scope out the possibility of hazardous materials upon purchasing the building considering the additional request for funds.

Ms. Maroney replied that there are many unknowns when purchasing a large old building, particularly in knowing what is installed in materials under layers of flooring – the bathrooms' flooring alone has a change order of \$320,000. The items are uncovered after ripping up materials, which happens after purchase.

President Sideris added that this happened in the Lowell School as well. Restoring and renovating very old buildings brings these types of unforeseen challenges.

Councilor Offei remarked that he believes the all in cost of \$8 million in renovation is astounding and asked what the total cost of the project overran.

City Manager Proakis replied that the renovations of the large building are extensive, includes everything that has been touched in the building, and consists of complete overhauls of electrical systems, fire systems, boilers, entire floor renovations, and all six rooftop units. The amount that the project is over is the \$373k over the contingency, which was 15%. A 15% contingency is robust for a renovation project, but perhaps when purchasing a 90 year old building, they should consider raising it.

Ms. Maroney agreed with the City Manager and suggested that a 20% contingency may be more appropriate when considering structures of such an age.

City Attorney Reich added that public building construction under the relevant procurement statutes require a number of additional hurdles including prevailing wage application, bonding, subcontracting and subtrades etc., and that it can't be compared to private projects.

Councilor Gannon remarked that he would like to see the City Manager and City Attorney consult to see if there are any cost recovery avenues for assurance.

The motion carried unanimously in a Roll Call Vote.

- H. First Reading on a Proposed Loan Order that the sum of \$750,000 is appropriate to pay costs of purchasing a fire engine for the Fire Department, as more fully described in the City's Fiscal Year 2027 through 2031 Capital Improvement Plan, and the payment of all costs incidental and related thereto; and that to meet this appropriation, the Treasurer, with the approval of the City Manager, is authorized to borrow said amount under and pursuant to M.G.L. c.44, §7(1 ), or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor.

City Manager Proakis presented the first reading for a new fire engine.

- I. Resolution Authorizing a Transfer of Funds in the amount of \$500,000 from the Fiscal Year 2026 Fire Full-Time Salaries account to the Fiscal Year Transfer to Capital Projects - Fire Department account (Fire Engine)

City Manager Proakis stated that this amount reflects an effort to reduce the amount of borrowing for the fire engine loan order. He added that the reason there is \$500,000 available is that they previously funded the amount to run a second ambulance, but they are just now getting that personnel on board now.

Councilor Piccirilli moved to approve the transfer of funds and Councilor Feltner seconded.

President Sideris asked when the expected delivery of the engine is.

Fire Chief Nicholson replied that this engine was ordered at a locked in price in October

of 2023, which probably saved several hundred thousand dollars. The fire engine is scheduled to arrive in November 2026.

The motion carried unanimously in a Roll Call Vote.

J. First Reading on a Proposed Order Establishing Water and Sewer Rates and Charges for Fiscal Year 2027

City Manager Proakis presented the first reading on water and sewer rates. Fiscal Year 2027 has a 4.5% projection for water and sewer, but there are ominous forecasts for future years, and further planning will be discussed at the next meeting.

K. Consideration and Approval of Exemptions of Interests of Existing City Employees in Contracts with the City Including Summer, Winter, Holiday, and After-School Program Employment Positions in Response to Disclosures Filed with the City Clerk by Prospective Employees and Certification by the Recreation Director that No Employee of that Department is Available to Perform those Services as part of their Regular Duties in Accordance with G.L. c. 268A, sec 20(b)

Councilor Piccirilli moved to approve the employee exemptions and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

L. Resolution Approving the Acceptance and Expenditure of Gifts to the Watertown Food Pantry

City Manager Proakis stated that the Watertown Food Pantry received \$31,967.38 in donations from many different entities over the past few month, and asked that City Council approve the generous gifts.

Councilor Piccirilli moved to approve the acceptance and expenditure of gifts of funds and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

M. First Reading on a Proposed Noise Ordinance

President Sideris stated that the report had been read at a previous meeting, and that this ordinance will be voted on at the upcoming meeting.

## **8. REPORTS OF COMMITTEES**

A. Committee on Climate and Energy Report regarding its meeting on March 23, 2026 - Palomba, Chair

Councilor Palomba presented the report.

Councilor Piccirilli moved to accept the report and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

B. Committee on Public Works Report regarding its meeting on June 11, 2026 - Piccirilli, Chair

ACTION ITEM:

To recommend that the City Council approve the appointment of Christopher Coner to the Stormwater Committee for a term expiring July 15, 2027

ACTION ITEM:

To recommend that the City Council approve the reappointment of Russ Arico to the Solid Waste and Recycling Committee for a term expiring May 15, 2029

Councilor Piccirilli read the report.

Councilor Piccirilli moved to accept the report and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

Councilor Piccirilli moved to approve the first action item and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

Councilor Piccirilli moved to approve the second action item and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

C. Committee on Human Services Report regarding its meeting from June 15, 2026 - Palomba, Chair

ACTION ITEM:

To recommend that the City Council direct the Administration to further analyze the Watertown Affordable Housing Incentives Study and develop options for implementing specific programs and policies based on the Study's recommendations

Councilor Palomba read the report.

Councilor Piccirilli moved to accept the report and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

Councilor Piccirilli moved to approve the action item and Councilor Feltner seconded.

The motion carried unanimously in a Voice Vote.

## **9. COMMUNICATIONS FROM THE CITY MANAGER**

### **A. Request for Confirmation of Reappointments to the Watertown Affordable Housing Trust**

City Manager Proakis requested the reappointments of Cliff Cook, Helen Oliver, and Zoe Weinrobe to the Watertown Affordable Housing Trust.

President Sideris stated that this gets referred to the Committee on Human Services.

### **B. Request for Confirmation of Appointments to the Conservation Commission**

City Manager Proakis requested the appointments of Ian Clancy and Rachel Slater to the Conservation Commission.

President Sideris stated that this gets referred to the Committee on Parks and Recreation.

City Manager Proakis then announced various Pride Month activities, the farmers market and concert series, and Independence Day celebrations.

## **10. REQUESTS FOR INFORMATION/REVIEW OF LIST OF PENDING MATTERS**

There were no requests for information.

## **11. ANNOUNCEMENTS**

Councilor Gardner congratulated Eileen Ryan who will be awarded the Commonwealth Heroines Award.

President Sideris announced upgrades to Council Chambers, and that the summer meetings will take place at the Parker Annex building.

He then congratulated Doug Newton for becoming Town Administrator for Sheffield, MA. Mr. Newton was the first Policy Analyst for the Watertown City Council and should be proud of the effort he put in to fulfill the role. In addition to his accomplishments with the City Council, Mr. Newton also served well as liaison to Watertown's first Human Rights Commission. President Sideris thanked Mr. Newton for his hard work and wished him well on his bright future.



## 12. PUBLIC FORUM

David Cain – 99 Pleasant Street – Voiced opposition a parking garage and made comparisons between Massachusetts' population and American residents moving from California to Texas.

## 13. RECESS OR ADJOURNMENT

Councilor Piccirilli made a motion to adjourn and Councilor Feltner seconded.

The motion was adopted unanimously in a Voice Vote.

The meeting adjourned at 8:34 p.m.

I hereby certify that at a regular meeting of the City Council for which a quorum was present, the above minutes were adopted by a vote of 4 for, 0 against, and 0 present on July 14, 2026.

  
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Mark S. Sideris, Council President  
s:/BTM

### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Theophilus Offei,  
Councilor At Large

Lisa J. Feltner,  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Emily Izzo,  
District D Councilor

**City Council Meeting**  
**Tuesday, June 23, 2026 at 7:00 PM**  
**Richard E. Mastrangelo Council Chamber**  
**Administration Building, 149 Main Street**  
**List of Documents**

1. City Manager Contract – Item 5B
2. City Manager Salary – Item 6A
3. FY27 Expenditure Limits for Revolving Funds – Item 7A
4. FY27 Retiree Health Insurance OPEB – Item 7B
5. Transfer of Funds - \$12,400 CC Reserve – Auditing – Item 7C
6. Transfer of Funds - \$246k - Police Salary – Police Vehicle – Item 7D
7. Transfer of Funds - \$445k – Planned /Unissued Debt – Cap Proj Public Buildings – Item 7E
8. Transfer of Funds - \$70k - Authorized/Unissued Debt – Cap Proj City – Item 7F
9. Transfer of Funds - \$373k – Authorized/Unissued Debt – Cap Prob Public Buildings – Item 7G
10. FR Loan Order - \$750k – Fire Engine – Item 7H
11. Transfer of Funds - \$500k – Fire Salaries – Cap Proj Fire – Item 7I
12. FR Order Water and Sewer Rates – Item 7J
13. Employee Exemptions (20b) – Item 7k
14. Gift of Funds – Food Pantry – Item 7L
15. FR Noise Ordinance – Item 7M
16. Committee on Climate and Energy Report – 26-03-23 – Item 8A
17. Committee on Public Works Report – 26-06-11 – Item 8B
18. Committee on Human Services Report – 26-06-15 – Item 8C
19. Request for Confirmation of Reappointments to the Watertown Affordable Housing Trust – Item 9A
20. Request for Confirmation of Appointments to the Conservation Commission – Item 9B

**ADDENDUM TO THE  
MINUTES OF THE JUNE 23,  
2026 CITY COUNCIL  
MEETING**



# City Council Meeting

Tuesday, June 23, 2026 at 7:00 PM  
Richard E. Mastrangelo Council Chamber

## Agenda

### ACCESS INFORMATION:

- A. This meeting will be held on Tuesday, June 23, 2026 at 7:00 P.M. Location: Richard E. Mastrangelo Council Chamber - 149 Main Street, Watertown, MA 02472 - Second Floor
- B. This is an in-person meeting - any remote access is provided solely as a courtesy and may not be relied upon as alternative access. Therefore, any interruption in remote access technology shall not interrupt the meeting, and the meeting will proceed accordingly in person. In the event of such interruption, in-person attendance is available and encouraged.
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- G. Please Visit the City Council Website here: <https://www.watertown-ma.gov/350/City-Council>

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- 1. ROLL CALL
  - 2. PLEDGE OF ALLEGIANCE
  - 3. PUBLIC FORUM
  - 4. EXAMINATION OF RECORDS OF PREVIOUS MEETINGS
    - A. Minutes from City Council Meeting June 9, 2026
  - 5. PRESIDENT'S REPORT
    - A. Deliberation and Vote on Approval and Execution of the City Manager Contract for George Proakis
  - 6. PUBLIC HEARINGS
    - A. Public Hearing and Vote on Proposed Ordinance Amending the City Manager's Salary
  - 7. MOTIONS, ORDINANCES, ORDER, AND RESOLUTIONS
    - A. Resolution Establishing Fiscal Year 2027 Expenditure Limits for Revolving Funds
    - B. Resolution Authorizing the Fiscal Year 2027 Retiree Health Insurance and Related

Expenditures from the Other Post Employment Benefits (OPEB) Trust Fund

- C. Resolution Authorizing a Transfer of Funds in the amount of \$12,400 from the Fiscal Year 2026 City Council Reserve to the Fiscal Year 2026 City Auditor Accounting & Auditing account (Audit Level 1 Review of Watertown Contributory Retirement System and OPEB Plan)
  - D. Resolution Authorizing a Transfer of Funds in the amount of \$246,000 from various Fiscal Year 2026 Police Salary accounts to the Fiscal Year 2026 Police Vehicle Replacement account
  - E. Resolution Authorizing a Transfer of Funds in the amount of \$445,000 from the Fiscal Year 2026 Planned Debt and Fiscal Year 2026 Authorized/Unissued Debt accounts to the Fiscal Year 2026 Transfer to Capital Projects - Public Buildings account (Photovoltaic Array Installation for DPW Roof)
  - F. Resolution Authorizing a Transfer of Funds in the amount of \$70,000 from the Fiscal Year 2026 Authorized/Unissued Debt account to the Fiscal Year 2026 Transfer to Capital Projects - City account (Senior Bus)
  - G. Resolution Authorizing a Transfer of Funds in the amount of \$373,000 from the Fiscal Year 2026 Authorized/Unissued Debt account to the Fiscal Year 2026 Transfer to Capital Projects - Public Buildings account (Parker Renovations)
  - H. First Reading on a Proposed Loan Order that the sum of \$750,000 is appropriate to pay costs of purchasing a fire engine for the Fire Department, as more fully described in the City's Fiscal Year 2027 through 2031 Capital Improvement Plan, and the payment of all costs incidental and related thereto; and that to meet this appropriation, the Treasurer, with the approval of the City Manager, is authorized to borrow said amount under and pursuant to M.G.L. c.44, §7(1 ), or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor.
  - I. Resolution Authorizing a Transfer of Funds in the amount of \$500,000 from the Fiscal Year 2026 Fire Full-Time Salaries account to the Fiscal Year Transfer to Capital Projects - Fire Department account (Fire Engine)
  - J. First Reading on a Proposed Order Establishing Water and Sewer Rates and Charges for Fiscal Year 2027
  - K. Consideration and Approval of Exemptions of Interests of Existing City Employees in Contracts with the City Including Summer, Winter, Holiday, and After-School Program Employment Positions in Response to Disclosures Filed with the City Clerk by Prospective Employees and Certification by the Recreation Director that No Employee of that Department is Available to Perform those Services as part of their Regular Duties in Accordance with G.L. c. 268A, sec 20(b)
  - L. Resolution Approving the Acceptance and Expenditure of Gifts to the Watertown Food Pantry
  - M. First Reading on a Proposed Noise Ordinance
8. REPORTS OF COMMITTEES
- A. Committee on Climate and Energy Report regarding its meeting on March 23, 2026 - Palomba, Chair
  - B. Committee on Public Works Report regarding its meeting on June 11, 2026 - Piccirilli, Chair

**ACTION ITEM:**

To recommend that the City Council approve the appointment of Christopher Coner to the Stormwater Committee for a term expiring July 15, 2027

**ACTION ITEM:**

To recommend that the City Council approve the reappointment of Russ Arico to the Solid Waste and Recycling Committee for a term expiring May 15, 2029

- C. Committee on Human Services Report regarding its meeting from June 15, 2026 - Palomba, Chair

**ACTION ITEM:**

To recommend that the City Council direct the Administration to further analyze the Watertown Affordable Housing Incentives Study and develop options for implementing specific programs and policies based on the Study's recommendations

- 9. COMMUNICATIONS FROM THE CITY MANAGER
  - A. Request for Confirmation of Reappointments to the Watertown Affordable Housing Trust
  - B. Request for Confirmation of Appointments to the Conservation Commission
- 10. REQUESTS FOR INFORMATION/REVIEW OF LIST OF PENDING MATTERS
- 11. ANNOUNCEMENTS
- 12. PUBLIC FORUM
- 13. RECESS OR ADJOURNMENT

**ELECTED OFFICIALS**

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Theophilus Offei,  
Councilor At Large

Lisa J. Feltner,  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Emily Izzo,  
District D Councilor

**CITY COUNCIL ATTENDANCE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES          | NO                | PRESENT           |
|---------------------------------------|--------------|-------------------|-------------------|
| CAROLINE BAYS                         | <u>  X  </u> | <u>          </u> | <u>          </u> |
| LISA J. FELTNER                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| JOHN G. GANNON                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| NICOLE GARDNER                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| EMILY IZZO                            | <u>  X  </u> | <u>          </u> | <u>          </u> |
| THEOPHILUS OFFEI                      | <u>  X  </u> | <u>          </u> | <u>          </u> |
| ANTHONY PALOMBA                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| VINCENT J. PICCIRILLI JR.             | <u>  X  </u> | <u>          </u> | <u>          </u> |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | <u>  X  </u> | <u>          </u> | <u>          </u> |

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to adopt the minutes from City Council Meeting June 9, 2026



**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve and execute the City Manager Contract for George Proakis

EMPLOYMENT AGREEMENT  
BETWEEN  
THE CITY OF WATERTOWN AND  
GEORGE J. PROAKIS

This agreement is made this 23<sup>rd</sup> day of June, 2026 in accordance with the provisions of G.L. c. 41, Section 108N and Section 3-1 of the Watertown Home Rule Charter, between the City of Watertown, a municipal corporation, acting by and through its City Council (hereinafter referred to as “the Council”) and George J. Proakis (hereinafter referred to as “the Manager”),

In consideration of the mutual promises and covenants contained herein, the Council and the Manager agree as follows:

1. Duties. In accordance with the authority of the Council under the provisions of the Watertown Home Rule Charter, the Council hereby continues to employ George J. Proakis as the City Manager. Mr. Proakis shall perform the duties and have the powers that are designated in Charter Section 3-2, and shall perform such other duties and tasks as the Council may assign to him by vote, ordinance or resolution. For the purposes of the Fair Labor Standards Act, the Manager shall be an “exempt employee”.
2. Term of the Agreement. The term of this Agreement shall be from August 15, 2026 to August 14, 2030. Nothing in the Agreement shall limit the authority of the Council to terminate the employment of the Manager in accordance with the Charter and any applicable ordinances.
  - a. To ensure continuity in management for the City, the Council and the Manager shall notify each other in writing whether or not they intend to renew this Agreement no later than six months prior to the end date of this Agreement, i.e. by February 14, 2030. Provided that each party has notified the other of their desire to commence negotiations for a successor contract:
    - i. The parties will endeavor to reach agreement on a successor contract no less than three months prior to the end date of this Agreement, i.e. by May, 14, 2030.
    - ii. In the event the parties agree to renewal but are unable to reach agreement on a successor contract by May 14, 2030, this Agreement shall automatically renew for an additional year (until August 14, 2031), unless the timeframe for negotiation is mutually extended by the parties.
3. Suspension, Termination and Severance Compensation.
  - a. The Council may suspend or terminate the Manager in accordance with the Charter and any procedure the Council shall adopt by ordinance. During any period of suspension, the Manager’s health insurance benefit shall not be affected unless otherwise required by the provisions of G.L. c. 32B. Vacation leave and sick leave shall not accrue during any suspension, but may be restored by act of the Council.

- b. In the event the Council terminates the employment of the Manager, the Manager shall be entitled to receive the equivalent of twelve months of his salary calculated at his then current salary rate as his sole and exclusive severance compensation. This compensation shall be payable in either a lump sum or periodic payments over no more than twelve months, as the Council shall determine. The Manager shall not be entitled to any additional severance payment or compensation in the event of such termination. In the event the Manager is terminated for criminal conduct or gross misconduct, the Manager shall not be entitled to any severance compensation.
  - c. The Manager may request to end the term of this Agreement early. To end the term of this Agreement before the end date, the Manager must provide 90 days' prior notice to the Council and the Council must approve the Manager's request made under this subparagraph c. The Council will not unreasonably withhold its approval. Such early termination by the Manager shall not trigger severance compensation as otherwise contemplated in subparagraph b herein.
- 4. Salary. The Council shall set the salary of the Manager by ordinance. The Council shall cause the Manager's salary to be paid with the same frequency as the salaries of non-unionized department heads of the City.
  - a. Effective August 15, 2026, the salary of the Manager shall be set at \$255,668
  - b. Effective July 1, 2027, the salary of the Manager shall be set at \$267,173
  - c. Effective July 1, 2028, the Council shall consider adjusting the salary of the Manager following any performance evaluation the Council may conduct or cause to be conducted.
  - d. No reduction in salary or benefits shall occur during this Agreement except to the degree such a reduction is part of a general reduction of benefits to the City's non-unionized administrators.
- 5. Automobile allowance. In recognition that the Manager's duties require that a vehicle be used and mileage incurred, the Council shall provide the Manager with an annual car allowance. Such allowance shall be \$4000 annually, and shall be paid with the same frequency as the salaries of non-unionized department heads of the City. The Manager shall be responsible for all costs of operation, maintenance and repair of his vehicle.
- 6. Vacation Leave. The Manager will accrue vacation leave at the rate of 2.083 days for each complete month of service, the equivalent of twenty-five days each calendar year. The Manager may carry forward from one calendar year to the next calendar year no more than one week of unused vacation leave. The Manager may, at his option, elect to have the City "buy back" up to five (5) vacation days per year. This buy back will be subject to all legally required withholdings. The Manager shall obtain prior approval from the Council President before utilizing more than two consecutive weeks of vacation leave.
- 7. Sick Leave. The Manager shall accrue sick leave at the monthly rate of 1.25 days for each complete month of service, the equivalent of fifteen days each calendar year. If the Manager's employment is concluded by his death or retirement, but under no other circumstance, the Council shall buy back the Manager's accrued sick leave balance at the rate of 25% of its value, up to a maximum of \$6,500.00 (six thousand five hundred

dollars). If the Manager wishes to resume employment with the City within three years after his retirement, he must first reimburse the City the buyback paid to him when he retired. Upon receipt of this reimbursement, the Council shall restore the Manager's accrued sick leave balance to its level prior to the Manager's retirement.

8. Other Leave. The Manager shall be eligible for jury duty, bereavement leave, personal leave and holidays at the same level as non-unionized administrators employed by the City.
9. Other Benefit Programs.
  - a. The Manager shall be eligible for the group insurance program available to other non-unionized administrators of the City at the same premium cost as said City administrators.
  - b. The City shall reimburse the Manager up to \$3,000 annually for premiums for personal long-term disability insurance that he shall obtain.
  - c. The Council shall contribute regularly to a Deferred Compensation Plan in an annual amount equal to \$15,000.
  - d. All provisions of law of the Commonwealth of Massachusetts and the City related to retirement benefits shall apply to the Manager as they generally apply to regular employees of the City.
10. Professional Development. In recognition of the importance of ongoing professional development on the part of the Manager, the Council shall pay the cost of dues for membership in the Massachusetts Municipal Management Association (MMA), the International City Management Association (ICMA), the American Planning Association (APA) and the Manager's certification dues in the American Institute of Certified Planners (AICP), and subject to the prior approval of the Council President, such other professional associations related to the Manager's professional development. The Council shall pay for subscriptions to professional journals associated with full participation as an active member of such associations. The Council agrees to pay reasonable costs of travel, food and lodging directly associated with the Manager's participation in the ICMA annual conference, the MMA annual conference and an annual conference that will permit the Manager to maintain AICP continuing education credits. Subject to the prior approval of the Council President, the Council will also pay the reasonable costs of travel, food and lodging directly associated with the Manager's participation in such other professional association conferences that would be beneficial to his professional development.
11. Teaching. The Manager shall not be barred from engaging in occasional work limited to teaching as an adjunct lecturer or professor, not in conflict with his official duties, provided such work is performed after the normal business hours and/or on days of leave from work. The Manager shall notify the Council President of all such outside employment prior to its commitment. It is understood and agreed that the Manager's primary professional responsibilities are to the City and such outside teaching will only be undertaken if it constitutes no interference with or diminishment to his primary duty to the City. This provision constitutes the Council's approval of this activity pursuant to Section 3-1(b) of the City Charter. If the Manager seeks to be involved in other

professional work, such work will require approval in advance from the Council, per Section 3-1(b) of the City Charter.

12. General Expenses. The Council shall cause the City to reimburse the Manager for usual expenses incurred in the performance of his duties. Such expenses shall be evidenced by receipts, petty cash vouchers, statements or personal affidavits.
13. Performance Evaluation. The Council shall evaluate the performance of the Manager during July of each year and at such other times as the Council may determine. The Council will review with the Manager the written evaluation tool to be used in the evaluation process as well as the criteria upon which his performance will be evaluated and will consider the Manager's suggestions for appropriate and additional criteria upon which the evaluation might be based. The evaluation tool will be completed by September 15<sup>th</sup> of each year of the contract.
  - a. The Manager will receive a copy of the completed evaluation, and a copy shall be placed in the Manager's personnel file. Upon the conclusion of the evaluation, and at such other times as it deems appropriate, the Council shall identify goals and performance objectives for the next evaluation of the Manager's performance.
14. Indemnification. The parties acknowledge that the City has accepted G.L. c. 258 regarding indemnification of municipal officials. Pursuant to G.L. c. 258, the Council shall cause the City to defend, indemnify, and safe harmless the Manager from personal financial loss, all damages and expenses including reasonable legal fees and costs, if any, in an amount not to exceed one million dollars, arising out of any claim, demand, suit, award, compromise, settlement or judgement by reason of any act or omission if at the time of such act or omission the Manager was acting within the scope of his official duties or employment. In the event separate counsel for the Manager is recommended by the City Attorney and/or insurer, separate counsel will be provided by the City.
  - a. This section 14 shall survive termination of the agreement.
  - b. In the event the Manager is requested by the City, after the termination of this agreement, to actively participate in any matter, including but not limited to testifying in any legal proceeding, related to his duties and responsibilities while serving as Manager, the Council shall compensate the Manager on an hour for hour basis. Said rate will be determined by converting the annual salary in effect at the termination of this agreement into an hourly rate using a 40 hours per week, 52 weeks a year basis. In addition, the Manager will be reimbursed for any reasonable expenses incurred by him in relation to such participation.
15. General Provisions. This agreement constitutes the entire agreement between the Council and the Manager. In the event any provision of this agreement is held to be invalid or unenforceable, the remainder of this agreement shall not be affected and shall remain in full force and effect. If there is any conflict between this agreement and the Charter, the Charter shall govern.
16. Notices. Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

CITY:

City Council President

City of Watertown  
City Hall  
149 Main Street  
Watertown, MA 02472

CITY MANAGER: George J. Proakis  
188 Florence Street  
Melrose, MA 02176

Alternatively, notices required pursuant to this Agreement may be personally served. Notice shall be deemed as given as of the date of personal service or as of the date such written notice is placed in the United States postal mail.

IN WITNESS WHEREOF, the Council President, acting through a majority of its City Council, and the manager have signed and executed this Agreement on the date written above.

City of Watertown  
City Council

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Mark S. Sideris, Council President

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George J. Proakis, Manager

Approved as to Form

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City Attorney

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve an ordinance establishing the City Manager's salary at \$255,668 effective August 15, 2026, and \$267,173 effective July 1, 2027



## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

ORDINANCE # 60

2026 - O - 60

### AN ORDINANCE ESTABLISHING CITY MANAGER SALARY

**WHEREAS**, Section 3-3 of the City of Watertown Home Rule Charter provides that the City Manager shall receive such compensation as may from time to time be established for said office by ordinance.

**NOW THEREFORE BE IT ORDAINED** that the City Council of the City of Watertown hereby established the City Manager's annual salary as follows:

Effective August 15, 2026, the salary of the City Manager shall be set at \$255,668 per annum.

Effective July 1, 2027, the salary of the City Manager shall be set at \$267,173 per annum.

Council Member

I hereby certify that at a regular meeting of the City Council for which a quorum was present, the above ordinance was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026.

  
Brendan T. McCarthy, Council Clerk  
Mark S. Sideris, Council President

### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large  
Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor  
Theophilus Offei  
Councilor At Large  
Lisa J. Feltner  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large  
Emily Izzo,  
District D Councilor



**Order Confirmation**

Brendan McCarthy  
Watertown City Council  
149 Main Street  
Watertown, MA 02472

Thank you for placing your Legal Notice in The Boston Globe.

Your order information and a preview of your notice are displayed below for your review. If there are any changes or questions, please contact the Classified Department at 617-929-1314 or email [legals@globe.com](mailto:legals@globe.com).

*Any and all proposed edits, revisions, and/or other changes to the notice must be communicated to us in writing prior to the deadline specified in the Advertising Specs + Deadlines page located at <https://www.bostonglobemedia.com/specs-deadlines>.*

Thank you,  
Boston Globe Classified Sales

617-929-1314  
Monday - Friday 9:30 am - 4:30 pm  
[legals@globe.com](mailto:legals@globe.com)

|                |                      |                 |                   |
|----------------|----------------------|-----------------|-------------------|
| Order Number   | <b>768150</b>        | Order Price     | <b>\$683.07</b>   |
| Sales Rep.     | <b>Jackson Kocak</b> | PO No.          |                   |
| Account        | <b>3028420</b>       | Payment Type    |                   |
| Publication    | <b>Boston Globe</b>  | Number of dates | <b>1</b>          |
| First Run Date | <b>06/13/2026</b>    | Last Run Date   | <b>06/13/2026</b> |
| Payment Type   |                      |                 |                   |

**AD PREVIEW:**

| LEGAL NOTICE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The City Council of Watertown hereby gives notice of a public hearing and vote to be held on Tuesday, June 23, 2026 at 7:00 PM in the Richard Mastrangelo Chamber Administration Building, 149 Main Street, Watertown, MA and online at the following link: <a href="https://watertown-ma.zoom.us/j/92991331344">https://watertown-ma.zoom.us/j/92991331344</a> which may be found on the City of Watertown's website, on a proposed ordinance to adjust the City Manager's salary.</p> <p>WHEREAS, Section 3-3 of the City of Watertown Home Rule Charter provides that the City Manager shall receive such compensation as may from time to time be established for said office by ordinance.</p> <p>NOW THEREFORE BE IT ORDAINED, that the City Council of the City of Watertown hereby establishes the City Manager's annual salary as follows:</p> <p>Effective August 15, 2026 - \$255,668 per annum<br/>Effective July 1, 2027 - \$267,173 per annum</p> <p>Interested parties are encouraged to participate in this public hearing. A copy of the proposed ordinance is available for inspection at the Administration Building, 149 Main Street, Watertown, MA 02472 in the City Clerk's Office Monday through Thursday 8:30 a.m. through 5:00 p.m., on Tuesday evening up to 7:00 p.m., and Friday 8:30 a.m. through 12:30 p.m., and on the City's website page: <a href="http://www.watertown-ma.gov">www.watertown-ma.gov</a>.</p> |

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to establish the FY27 expenditure limits for revolving funds



## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 61

2026 – R - 61

### A RESOLUTION ESTABLISHING FISCAL YEAR 2027 EXPENDITURE LIMITS FOR REVOLVING FUNDS

**WHEREAS**, revolving funds are established pursuant to the provisions of G.L. c.44, §53E ½ for the purpose of managing fees and revenues received by the City for specific programs, allowing such fees and revenues to be expended for those programs without the need for further appropriation; and

**WHEREAS**, traditionally, City revolving funds have been subject to annual reauthorization; and

**WHEREAS**, the Municipal Modernization Act, Chapter 218 of the Acts of 2016, includes revisions to the provisions of G.L. c.44, §53E ½, requiring that revolving funds be established by ordinance and eliminating the per board and total limitations on the size of these funds; and

**WHEREAS**, the Honorable City Council previously adopted Ordinance 2017-47 which established eight revolving funds of the City;

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Watertown that the Watertown Code of Ordinances, Title III, Administration, Chapter 32, Finances, Section 08F, Authorized Revolving Funds, is hereby amended by inserting a new Section 32.08.F therein as follows:

| REVOLVING FUND PROGRAM OR PURPOSE                                                                                                   | DEPARTMENT RECEIPTS TO BE CREDITED TO FUND             | REPRESENTATIVE OR BOARD ENTITY AUTHORIZED TO SPEND |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
| <i>Commander's Mansion</i> to pay costs associated with rental and use of the Commander's Mansion                                   | Fees and receipts from rentals and use                 | Director of Community Development and Planning     |
| <i>Organized Crime Drug Enforcement Task Force</i> to pay costs associated with the operation and equipping of the crime task force | Fees and receipts for task force rental and operations | City Manager                                       |

|                                                                                                                 |                                                                                |                                                |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------|
| <i>Senior Center to pay costs associated with programs and activities provided at or by the Senior Center</i>   | Fees and receipts for program participation                                    | Senior Center Director                         |
| <i>Library Copier to pay costs of copier maintenance, materials, and equipping</i>                              | Fees from copier usage                                                         | Library Director                               |
| <i>Faire on the Square/Other City Events to pay costs associated with Faire and other City event activities</i> | Fees and receipts received from Faire and other City event participants        | Director of Community Development and Planning |
| <i>Farmers' Market to pay costs associated with the operation of the Farmer's Market</i>                        | Fees and receipts from participation in the Farmer's Market and grant revenues | Director of Community Development and Planning |
| <i>Animal Control to pay costs associated with the operation of the Animal Control Program</i>                  | Fees and receipts from the Animal Control Program                              | Director of Public Health                      |
| <i>Public Arts to pay costs associated with the operation of Public Arts and Culture in Watertown</i>           | Fees and receipts from public art creation and grants revenues                 | Director of Community Development and Planning |

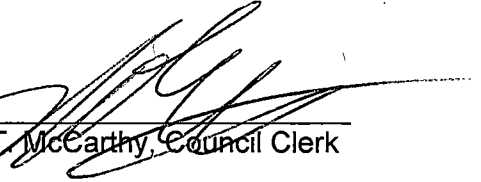
**AND BE IT FURTHER RESOLVED** by the City Council of the City of Watertown that the following fiscal year spending limits for such revolving funds are hereby amended:

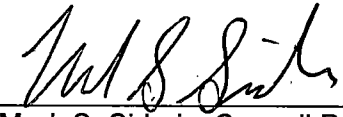
| <b>Authorized Revolving Funds</b>           | <b>Fiscal Year Expenditure Limit</b> |
|---------------------------------------------|--------------------------------------|
| Commander's Mansion                         | \$225,000                            |
| Organized Crime Drug Enforcement Task Force | \$1,000,000                          |
| Senior Center                               | \$35,000                             |
| Library Copier                              | \$25,000                             |
| Faire on the Square                         | \$85,000                             |
| Farmers' Market                             | \$60,000                             |
| Animal Control                              | \$30,000                             |
| Public Arts                                 | \$110,000                            |



Council Member

I hereby certify that at a regular meeting of the City Council for which a quorum was present, the above order was adopted by a vote of 9, for, 0, against, and 0 present on June 23, 2026.

  
Brendan T. McCarthy, Council Clerk

  
Mark S. Sideris, Council President

#### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large  
Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor  
Theophilus Offei  
Councilor At Large  
Lisa J. Feltner  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large  
Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**AUDITING DEPARTMENT**

TO: Honorable City Council

FROM: Megan Langan, City Auditor *ML*

DATE: June 15, 2026

RE: Proposed Resolution – Fiscal Year 2027 53 E1/2 Revolving Funds Expenditure Limits

---

As you are aware, the Honorable City Council adopted the attached Ordinance 2017 -47 at its meeting on June 27, 2017. The Municipal Modernization Act, Chapter 218 of the Acts of 2016 requires that revolving funds established pursuant to G.L. c.44, Sec. 53E1/2 be established by ordinance, which was completed by the adoption of ordinance 2017-47.

As you are aware, prior to the passage of the Municipal Modernization Act, the City would annually vote via resolution a spending cap for 53 E1/2 revolving funds.

Despite the Municipal Modernization Act, the annual expenditure limit for the 53 E1/2 revolving funds still needs to be re-authorized by the City Council via resolution. Please see the attached proposed resolution for Fiscal Year 2027.

For your information and review, attached is a spreadsheet outlining 4 years of revenue and expenditure activity for the 53 E1/2 revolving funds. Additionally, the proposed Fiscal Year 2027 Expenditure Limit for the revolving funds are indicated on the spreadsheet.

I respectfully request your approval of the proposed resolution establishing the Fiscal Year 2027 Expenditure Limits on the eight revolving funds.

cc: George J. Proakis, City Manager  
Mark R. Reich, KP Law  
All Department Heads

**CITY OF WATERTOWN  
53 E 1/2 REVOLVING FUNDS  
AS OF JUNE 15, 2026**

|                              | COMMANDER'S<br>MANSION<br>REVOLVING FUND |            | ORGANIZED CRIME<br>DRUG ENFORCEMENT<br>TASK FORCE<br>REVOLVING FUND |              | SENIOR CENTER<br>REVOLVING FUND |           | LIBRARY COPIER<br>REVOLVING FUND |           | FAIRE ON THE SQUARE/<br>CITY EVENTS<br>REVOLVING FUND |           | FARMERS'<br>MARKET<br>REVOLVING FUND |           | ANIMAL<br>CONTROL<br>REVOLVING FUND |           | PUBLIC ARTS<br>REVOLVING FUND |            |
|------------------------------|------------------------------------------|------------|---------------------------------------------------------------------|--------------|---------------------------------|-----------|----------------------------------|-----------|-------------------------------------------------------|-----------|--------------------------------------|-----------|-------------------------------------|-----------|-------------------------------|------------|
| FY 2023 REVENUE              | \$                                       | 252,433.53 | \$                                                                  | 342,724.69   | \$                              | 11,456.42 | \$                               | 11,463.01 | \$                                                    | 30,165.00 | \$                                   | 38,042.50 | \$                                  | 16,045.00 | \$                            | 28,098.00  |
| FY 2024 REVENUE              | \$                                       | 213,820.06 | \$                                                                  | 83,072.27    | \$                              | 9,775.00  | \$                               | 15,206.96 | \$                                                    | 43,565.00 | \$                                   | 67,309.50 | \$                                  | 17,005.00 | \$                            | 60,792.75  |
| FY 2025 REVENUE              | \$                                       | 159,219.92 | \$                                                                  | 88,014.16    | \$                              | 15,041.50 | \$                               | 17,036.27 | \$                                                    | 74,511.08 | \$                                   | 38,560.55 | \$                                  | 16,620.00 | \$                            | 84,974.43  |
| YTD FY 2026 REVENUE          | \$                                       | 206,812.82 | \$                                                                  | 89,895.13    | \$                              | 17,919.17 | \$                               | 18,753.63 | \$                                                    | 67,576.00 | \$                                   | 34,132.00 | \$                                  | 18,790.00 | \$                            | 45,500.00  |
| FY 2023 EXPENDITURES         | \$                                       | 271,347.75 | \$                                                                  | 355,303.76   | \$                              | 11,646.70 | \$                               | 16,869.90 | \$                                                    | 26,843.90 | \$                                   | 36,144.10 | \$                                  | 13,400.72 | \$                            | 32,843.82  |
| FY 2024 EXPENDITURES         | \$                                       | 228,970.72 | \$                                                                  | 58,869.61    | \$                              | 12,495.91 | \$                               | 15,614.44 | \$                                                    | 22,866.37 | \$                                   | 35,572.19 | \$                                  | 13,612.96 | \$                            | 43,747.18  |
| FY 2025 EXPENDITURES         | \$                                       | 139,537.58 | \$                                                                  | 79,037.59    | \$                              | 25,461.00 | \$                               | 11,279.53 | \$                                                    | 58,725.38 | \$                                   | 50,189.32 | \$                                  | 19,790.30 | \$                            | 89,929.62  |
| YTD FY 2026 EXPENDITURES     | \$                                       | 71,231.26  | \$                                                                  | 85,959.15    | \$                              | 13,067.92 | \$                               | 13,068.97 | \$                                                    | 64,700.38 | \$                                   | 29,956.35 | \$                                  | 24,500.53 | \$                            | 39,942.49  |
| CURRENT CASH BALANCE         | \$                                       | 197,395.18 | \$                                                                  | 553,972.15   | \$                              | 10,761.63 | \$                               | 13,697.54 | \$                                                    | 43,300.56 | \$                                   | 36,657.36 | \$                                  | 49,880.52 | \$                            | 27,902.07  |
| FY 26 AUTH. EXPEND. LIMIT    | \$                                       | 225,000.00 | \$                                                                  | 1,000,000.00 | \$                              | 35,000.00 | \$                               | 25,000.00 | \$                                                    | 80,000.00 | \$                                   | 60,000.00 | \$                                  | 30,000.00 | \$                            | 110,000.00 |
| PROPOSED FY 27 EXPEND. LIMIT | \$                                       | 225,000.00 | \$                                                                  | 1,000,000.00 | \$                              | 35,000.00 | \$                               | 25,000.00 | \$                                                    | 85,000.00 | \$                                   | 60,000.00 | \$                                  | 30,000.00 | \$                            | 110,000.00 |

**RESOLUTION #****R-2026-****A RESOLUTION ESTABLISHING FISCAL YEAR 2027 EXPENDITURE LIMITS FOR REVOLVING FUNDS**

**WHEREAS**, revolving funds are established pursuant to the provisions of G.L. c.44, §53E ½ for the purpose of managing fees and revenues received by the City for specific programs, allowing such fees and revenues to be expended for those programs without the need for further appropriation; and

**WHEREAS**, traditionally, City revolving funds have been subject to annual reauthorization; and

**WHEREAS**, the Municipal Modernization Act, Chapter 218 of the Acts of 2016, includes revisions to the provisions of G.L. c.44, §53E ½, requiring that revolving funds be established by ordinance and eliminating the per board and total limitations on the size of these funds; and

**WHEREAS**, the Honorable City Council previously adopted Ordinance 2017-47 which established eight revolving funds of the City;

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Watertown that the Watertown Code of Ordinances, Title III, Administration, Chapter 32, Finances, Section 08F, Authorized Revolving Funds, is hereby amended by inserting a new Section 32.08.F therein as follows:

| <b>REVOLVING FUND PROGRAM OR PURPOSE</b>                                                                                            | <b>DEPARTMENT RECEIPTS TO BE CREDITED TO FUND</b>      | <b>REPRESENTATIVE OR BOARD ENTITY AUTHORIZED TO SPEND</b> |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| <i>Commander's Mansion</i> to pay costs associated with rental and use of the Commander's Mansion                                   | Fees and receipts from rentals and use                 | Director of Community Development and Planning            |
| <i>Organized Crime Drug Enforcement Task Force</i> to pay costs associated with the operation and equipping of the crime task force | Fees and receipts for task force rental and operations | City Manager                                              |
| <i>Senior Center</i> to pay costs associated with programs and activities provided at or by the Senior Center                       | Fees and receipts for program participation            | Senior Center Director                                    |
| <i>Library Copier</i> to pay costs of copier maintenance, materials, and equipping                                                  | Fees from copier usage                                 | Library Director                                          |



|                                                                                                                 |                                                                                |                                                |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------|
| <i>Faire on the Square/Other City Events</i> to pay costs associated with Faire and other City event activities | Fees and receipts received from Faire and other City event participants        | Director of Community Development and Planning |
| <i>Farmers' Market</i> to pay costs associated with the operation of the Farmer's Market                        | Fees and receipts from participation in the Farmer's Market and grant revenues | Director of Community Development and Planning |
| <i>Animal Control</i> to pay costs associated with the operation of the Animal Control Program                  | Fees and receipts from the Animal Control Program                              | Director of Public Health                      |
| <i>Public Arts</i> to pay costs associated with the operation of Public Arts and Culture in Watertown           | Fees and receipts from public art creation and grants revenues                 | Director of Community Development and Planning |

**AND BE IT FURTHER RESOLVED** by the City Council of the City of Watertown that the following fiscal year spending limits for such revolving funds are hereby amended:

| <b>Authorized Revolving Funds</b>           | <b>Fiscal Year Expenditure Limit</b> |
|---------------------------------------------|--------------------------------------|
| Commander's Mansion                         | \$225,000                            |
| Organized Crime Drug Enforcement Task Force | \$1,000,000                          |
| Senior Center                               | \$35,000                             |
| Library Copier                              | \$25,000                             |
| Faire on the Square                         | \$85,000                             |
| Farmers' Market                             | \$60,000                             |
| Animal Control                              | \$30,000                             |
| Public Arts                                 | \$110,000                            |

\_\_\_\_\_  
Council Member

I hereby certify that at a regular meeting of the City Council for which a quorum was present, the above Order was adopted by a vote of \_\_\_ for, \_\_\_ against and \_\_\_ present on June 23, 2026.

\_\_\_\_\_  
Brendan McCarthy, Council Clerk

\_\_\_\_\_  
Mark S. Sideris, Council President

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve the FY27 retiree health insurance appropriation and authorization of expenditures from the OPEB trust fund



## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 62

2026 – R - 62

### A RESOLUTION APPROVING THE FISCAL YEAR 2027 RETIREE HEALTH INSURANCE APPROPRIATION AND AUTHORIZATION OF EXPENDITURES FROM THE OPEB TRUST FUND

**WHEREAS**, the City has established an Other Post-Employment Benefits (OPEB) Trust Fund in accordance with the provisions of G.L. c. 32B, s. 20; and

**WHEREAS**, monies contained within the OPEB Trust Fund are to be used solely for the purposes of funding non-pension post-employment benefits, i.e., the City's costs for health insurance for retired employees and their dependents; and

**WHEREAS**, pursuant to G.L. c. 32B, s. 20(h), the estimated amount necessary to be appropriated from the OPEB Trust Fund to fund the Fiscal Year 2027 annual budget for retiree health insurance to be \$5,400,000; and

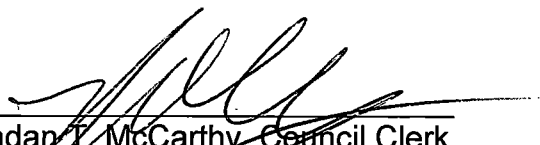
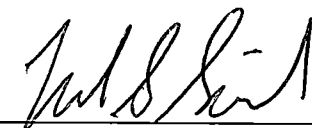
**WHEREAS**, the Treasurer, as Trustee of the OPEB Trust Fund, has certified that this amount will be available for appropriation from the OPEB Trust Fund; and

**WHEREAS**, G.L. c. 32B, s. 20 authorizes expenditures from the OPEB Trust Fund by 2/3rds vote of the City Council;

**NOW THEREFORE BE IT RESOLVED**, by the City Council of the City of Watertown hereby approves the appropriation of \$5,400,000 from the OPEB Trust Fund to fund the estimated Fiscal Year 2027 cost for retiree health insurance (said amount having been already included in the City's annual operating budget), by 2/3rd vote.

Council Member

I hereby certify that at a regular meeting of the City Council for which a quorum was present, the above order was adopted by a vote of 9, for, 0, against, and 0 present on June 23, 2026.

  
Brendan T. McCarthy, Council Clerk  
Mark S. Sideris, Council President

**ELECTED OFFICIALS**

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large  
Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr., Vice  
President &  
District C Councilor  
Theophilus Offei  
Councilor At Large  
Lisa J. Feltner  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large  
Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**AUDITING DEPARTMENT**

TO: Honorable City Council

FROM: Megan Langan, City Auditor 

DATE: June 15, 2026

RE: Proposed Resolution – Authorization of the Fiscal Year 2027 Retiree Health Insurance and Related Expenditures from the OPEB Trust Fund

---

As you are aware, The Honorable City Council adopted G.L. c., 32B, s. 20; at its meeting on January 22, 2019, which established the Other Post Employment Benefits (OPEB) Trust Fund.

As was mentioned during the Fiscal Year 2020 Insurance and Employee Benefits budget discussion at the Saturday, May 18, 2019, budget hearing, one of the requirements of G.L. c. 32B, s. 20; is that the health insurance premiums for the City's retirees must be paid from the OPEB Trust Fund and must be authorized by a two-thirds vote of the City Council.

The attached resolution is being proposed for City Council's consideration as part of the process in adopting the Fiscal Year 2027 Budget. As mentioned during the FY21 budget process, a similar resolution will need to be updated every year and voted upon as part of the City's Annual Budget process. The attached resolution has been updated from the resolution that the City Council adopted for the FY 2026 Budget.

I respectfully request your approval of this proposed resolution.

Cc: Mark R. Reich, KP Law  
All Department Heads

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve a transfer of funds in the amount of \$12,400 from the FY26 City Council Reserve to the FY26 City Auditory Accounting & Auditing Account





## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 63

2026 – R – 63

### RESOLUTION APPROVING A TRANSFER OF FUNDS FROM THE FISCAL YEAR 2026 CITY COUNCIL RESERVE TO THE FISCAL YEAR 2026 CITY AUDITOR ACCOUNTING & AUDITING ACCOUNT

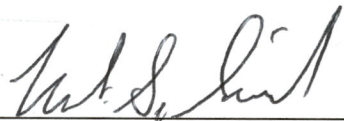
**BE IT RESOLVED:** That the City Council of Watertown hereby approves the transfer of funds in the amount of \$12,400 from the Fiscal Year 2026 City Council Reserve to the Fiscal Year 2026 City Auditor Accounting & Auditing Account.

**BE IT FURTHER RESOLVED:** That a copy of said transfer is forwarded to the City Auditor and City Treasurer/Collector.

  
Council Member

I hereby certify that at a meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026.

  
Brendan T. McCarthy, Council Clerk

  
Mark S. Sideris, Council President

#### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Caroline Bays,  
Councilor At Large

John G. Gannon,  
Councilor At Large

Theophilus Offei,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Lisa J. Feltner,  
District B Councilor

Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager  
Date: June 16, 2026  
RE: Agenda Item – Transfer of Funds

---

Attached is correspondence from City Auditor Megan Langan regarding the proposed FY2026 transfer of \$12,400 to fund an Audit Level 1 Review of the Watertown Contributory Retirement System and the OPEB Plan.

I respectfully request that this transfer be placed on the June 23, 2026 City Council meeting agenda.

Thank you for your consideration.





# WATERTOWN

## MASSACHUSETTS

### AUDITING DEPARTMENT

TO: GEORGE PROAKIS, CITY MANAGER

FROM: MEGAN LANGAN, CITY AUDITOR 

DATE: JUNE 15, 2026

RE: AGENDA ITEM – TRANSFER OF FUNDS REQUEST

---

Per your request, please find attached a Transfer of Funds request to City Auditor Accounting & Auditing for Audit Level 1, Review Method of the Pension and OPEB Systems totaling \$12,400 for Fiscal Year 2026.

At the direction of the Honorable City Council, I requested a proposal from CBIZ, Retirement Investment Services (RIS) to audit the Watertown Contributory Retirement System, and the Watertown Other Post Employment Benefit ("OPEB") Plan. The goal of this audit is to provide independent assurance to the City Council that the results in the most recent annual valuations are sound, accurate and reasonable.

CBIZ RIS has presented two options within their proposal.

1. Review Method - Total cost of \$12,360 with an estimated completion of 2-4 weeks
2. Full Replication Method - Total cost of \$30,550 with an estimated completion of 4-6 weeks.

Under the first option (Review Method), CBIZ will evaluate the current actuary's methods and assumptions for reasonableness, internal consistency and compliance. They will verify the consulting actuary's credentials and review the final valuation reports. This includes verifying the overall completeness and reasonableness of liabilities, assets, contributions, assumptions, and projections, while ensuring all required disclosures and recommendations are appropriate for the City.

The second option (Full Replication Method), would involve completely independent recalculations of the actuarial results. CBIZ RIS would replicate the valuations using raw participant data, plan provisions, and assumptions to compare total liabilities against the City actuary's figures.

I recommend proceeding with Option 1 (the Review Method). This approach provides the City Council with the necessary independent verification of our actuarial methods, assumptions, and report completeness at a cost-effective price point of \$12,360. It also delivers a faster turnaround without the significantly higher cost required by a full replication. The level 1 review offers the City a prudent balance of rigorous professional oversight and fiscal responsibility.

Therefore, I respectfully request the attached transfer be placed on the June 23, 2026, City Council Agenda.

Thank you for your consideration in this matter.

**AMENDED TRANSFER**  
**TOTAL AMOUNT: \$ 12,400**

FROM: FY 2026 CITY COUNCIL RESERVE \$ 12,400  
0111152-570780

TO: FY 2026 CITY AUDITOR ACCOUNTING & AUDITING \$ 12,400  
0113552-530302

I hereby certify to the availability, authority of funding source, mathematical accuracy  
and appropriate fiscal year.

6/15/2026  
DATE

  
CITY AUDITOR



# Retirement & Investment Solutions

Proposal for Actuarial Audit of

Watertown Contributory Retirement System, and

Watertown Other Post Employment Benefit ("OPEB") Plan



# Objectives

The City of Watertown is seeking an independent actuarial audit of the Pension and OPEB Plans' current actuary. The audit would review the most recent annual valuation for the Plans to express an opinion and assure that the results presented are sound and reasonable. The City understands that The Retirement & Investment Solutions practice of CBIZ Inc. ("CBIZ RIS"), is presenting two (2) different levels of actuarial audit. The City has not resolved which level of audit it will contract for and requests that responses address and quote a fee for each audit level.

All levels of audit include a determination and opinion of whether the actuarial methods, considerations and analyses used by the current consulting actuary in preparing the most recent actuarial valuation are technically sound and conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board. This determination should include:

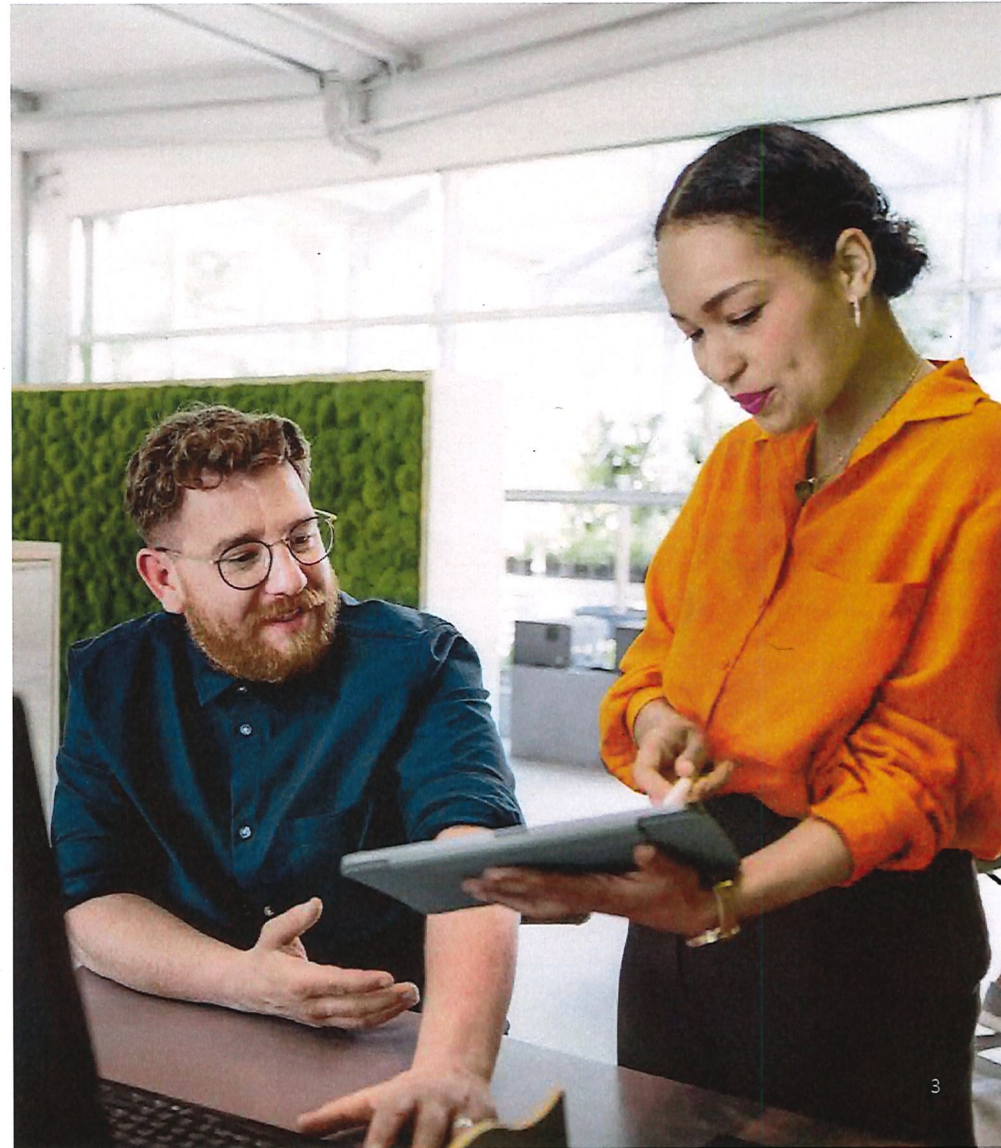
- A review of the demographic and economic actuarial assumptions for consistency, reasonableness, and compatibility.
- A review and analysis of the valuation results, including an evaluation of the data used for reasonableness and consistency.
- Verification that all appropriate benefits have been valued and valued accurately.
- Verification that the data provided by the system is consistent with data used by the current consulting actuary.
- Evaluation of the actuarial cost method and actuarial asset valuation method in use and whether other methods would be more appropriate.
- Verification of the reasonableness of the calculation of the unfunded actuarial accrued liability and amortization period.
- Any recommendations for improvement in the report presentation

The audit described above will result in a final written report and opinion containing the findings, the materiality of any audit findings, recommendations, and conclusions of the auditing actuary.



# Project Approach

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## Audit Level I – Review Method

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### In a Review Audit, CBIZ RIS will:

- Review the consulting actuary's methods and assumptions for reasonableness and internal consistency
- Validate the consulting actuary is properly credentialed
- Review the valuation reports for overall completeness and reasonableness, including:
  - Reasonableness of liabilities, assets, contributions, actuarial assumptions and methods
  - Reasonableness of projections and the conclusions drawn from these projections
  - Relevance of the report content
  - Inclusion of required information, particularly information to satisfy Actuarial Standards of Practice
  - Presentation of report
  - Appropriateness of the recommendations provided by the consulting actuary
- Understand changes from the prior year results
- Comment on the funding method used and its ability to meet the plan sponsor's funding goals
- Deliver a written report of findings, including any recommended changes

## Audit Level II – Full Replication Method

---

In a Full Replication Audit, CBIZ RIS will complete the tasks outlined in the Level I – Review Audit, as well as:

- Perform independent recalculations of the current actuary's results
- Replicate the consulting actuary's actuarial valuations using the same participant data, plan provisions, assumptions and methods.
- Review sample lives for active, inactive, and retired participants
- Compare total liabilities to those generated by the consulting actuary and comment on reasonability of the difference
- Verify that the disclosed assumptions are being used by the consulting actuary
- Validate that the data used in the actuarial valuation is reasonable compared to the raw data provided by the City
- Meet (virtually) as needed to discuss pertinent information, review results, and answer questions

## Fee Structure – Watertown Contributory Retirement System

---

Estimated fees for *Review Method* Audit

**\$6,360**

Estimated fees for *Full Replication* Audit

**\$18,150**

Based on:

- Estimated 12 – 13 hours
- Estimated completion date of 2 – 4 weeks

Based on:

- Estimated 34 – 35 hours
- Estimated completion date of 4 – 6 weeks



## Fee Structure – Watertown Other Post Employment Benefit Plan

---

Estimated fees for *Review Method* Audit

**\$6,000**

Based on:

- Estimated 10 – 11 hours
- Estimated completion date of 2 – 4 weeks

Estimated fees for *Full Replication* Audit

**\$12,400**

Based on:

- Estimated 23 – 24 hours
- Estimated completion date of 4 – 6 weeks

## Your Service Team

---



**Alex Johnson, ASA, FCA, MAAA**

*Managing Actuarial Consultant, Retirement & Investment Solutions*

Alex has over a decade of actuarial consulting experience with defined benefit retirement plans for both private business and governmental entities. His primary focus is consulting for Other Post-Employment Benefits (OPEB).

In addition to actuarial valuations for funding and financial reporting, his specialties include per-capita claims rate and premium development, reserving, forecasting, plan re-design analysis



**Jeffrey Schapel, EA, FCA, MAAA, MSPA**

*Executive Vice President, Retirement & Investment Solutions*

Jeff is responsible for coordinating all levels of client interaction for a wide range of clients, including public, private, government and not-for-profit organizations.

Jeff is also part of the Investment Advisory team and delivers Fiduciary Reviews according to the Department of Labor's Interpretive Bulletin No. 95-1 when placing annuities for pension plans.



**Frank Vedegys, FSA, EA, FCA, MAAA**

*Senior Consulting Actuary, Retirement & Investment Solutions*

Frank has over 40 years of experience in the actuarial field and serves as the primary actuary on actuarial audits. He provides actuarial consulting services for pension plans and retiree medical plans.

## About Retirement & Investment Solutions

The Retirement & Investment Solutions practice of CBIZ provides a broad range of *actuarial, advisory, and administration services* to thousands of institutional and private clients.

70+

Advisors

30+

Actuaries

90+

Administrators

### WHO WE SERVE

Defined Contribution Plans | Defined Benefit Plans  
Endowments | Foundations | Nonqualified Plans  
Corporate Liquidity Accounts | Individuals | Trusts

### A National Retirement Provider...

30+

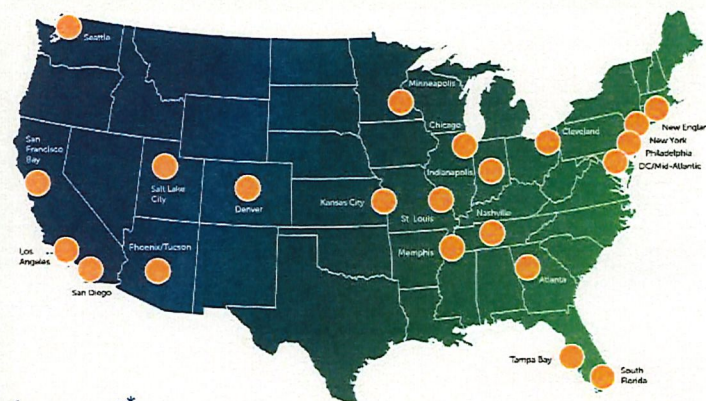
Offices

375+

Team Members

\$73B+

Assets Under Advisement\*



### With International Capabilities

70+

Countries



INTERNATIONAL BENEFITS NETWORK \*\*

\*As of December 31, 2024, CBIZ Investment Advisory Services, LLC has assets under advisement in excess of \$73 billion.

\*\*CBIZ Benefits & Insurance Services is a member of the International Benefits Network.



# Solutions for Your Needs

---

## DEFINED CONTRIBUTION

*401(k), 403(b), 401(a), 457*

- Investment Advisory
- Fiduciary Governance
- Compliance Consulting
- Third Party Administration  
(SOC 1 Type II compliance)
- Fees & Expenses
- Mergers, Acquisitions & Conversions

## ADDITIONAL OFFERINGS

*Corporate Accounts, Foundations,  
Endowments and Nonqualified Plans*

- Investment Advisory
- Nonqualified Plan Consulting

## DEFINED BENEFIT

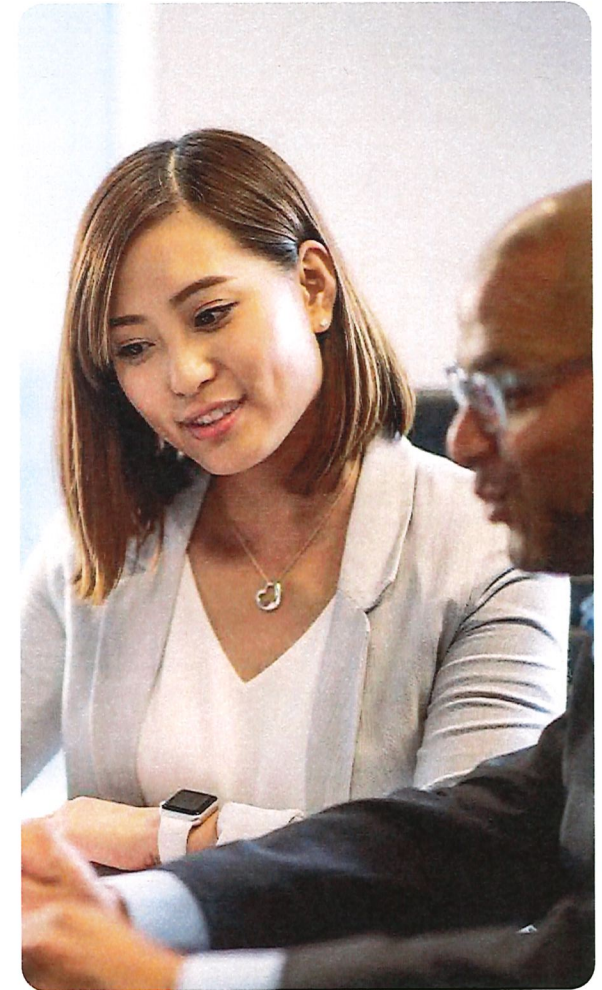
*Pension, Cash Balance and OPEB*

- Investment Advisory
- Single-employer Actuarial Services
- Multiemployer Actuarial Services
- Mergers, Acquisitions & Conversions
- Benefits Administration Outsourcing  
(SOC 1 Type II and SOC 2 Type II compliance)
- Pension De-risking and Plan Termination

## PRIVATE CLIENT

*Participants, Individuals and Trusts*

- Participant Education
- Point-in-Time Participant Advice
- Financial Wellbeing
- Personalized Retirement Account  
Management
- Wealth Management



## Our Values

---

### Mission Statement

To provide exceptional advice and solutions that help our clients achieve their goals.



We do the right thing.



Our people matter.



We are dedicated to the success of our clients.



We expect to win.



We are OneCBIZ.

### Vision Statement

To be recognized by our clients as the premier provider of accounting, insurance and other professional business services and by our team members as their employer of choice.

# Client Service Standards

---

CBIZ's five standards were developed by intently listening to our clients and understanding what they value most in working with us. These principles help us cultivate strong, long-lasting and mutually beneficial partnerships with our clients.

## RELIABILITY

*You can count on us to be here when you need us.*

You can depend on your CBIZ service team to be reliable, responsive and accessible. We aim to answer your questions, fulfill your requests or simply set a time to talk when you need us.

## SINCERITY

*You can expect us to genuinely care about your experience.*

We believe great service requires both exceptional talent and a genuine desire to meet and exceed your expectations. We work hard to offer added value to you whenever and wherever we can.

## PERSONALIZATION

*Your needs drive how we support you.*

We seek to understand your needs and preferences so we can provide you with the experience you deserve. This means we will get you the information you want, when you need it, in the way you wish to receive it.

## CONFIDENCE

*You can have peace of mind knowing we are in your corner.*

We not only educate you about the strategy behind our recommendations, but we provide you with options and guide you through them. We work hard to remove uncertainty, so you feel confident in our approach to every engagement – big or small.

## TRUST

*Your trust is the foundation of our partnership.*

We endeavor to earn your trust from the first moment we meet and work every day to uphold it. We never take the responsibility of supporting you and your business lightly and are honored to play a part in fueling your success.



## Why Clients Choose Us

---

**CBIZ is firmly committed to your best interests – *now and in the future.***

Our approach enables us to meet you where you are and anticipate where you are going through a commitment to:



### CONNECTIVITY

Our actuaries, advisors and administrators work closely with your plan's Committee to solve problems and deliver high-quality service to your stakeholders. You can expect proactive communication about financial market activity, compliance issues, emerging risks, and other important issues.



### CREATIVITY

Your plan will benefit from the insight of senior-level professionals with a deep understanding of the industry. We complement this experience with progressive thinkers to bring a team with a different approach from the way things have always been done.



### COMMITMENT

We are committed to understanding your goals and needs and responding with our best service, advice, and products. We pledge to provide quality, attentive, responsive service and treat you with the utmost care throughout our working relationship.



## Thank You

Alex Johnson, ASA, FCA, MAAA – [ajjohnson@cbiz.com](mailto:ajjohnson@cbiz.com)  
Managing Actuarial Consultant

Jeff Schapel, EA, FCA, MSPA, MAAA – [jschapel@cbiz.com](mailto:jschapel@cbiz.com)  
Executive Vice President & Senior Consulting Actuary

Investment advisory services provided through CBIZ Investment Advisory Services, LLC, a registered investment adviser and a wholly owned subsidiary of CBIZ, Inc.  
Third party administration, actuarial, and other consulting services offered through CBIZ Benefits & Insurance Services, Inc.  
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**CBIZ.COM**



**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve a transfer of funds in the amount of \$246,000 from various FY26 Police Salary accounts to the FY 26 Police Vehicle Replacement Account



## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 64

2026 – R – 64

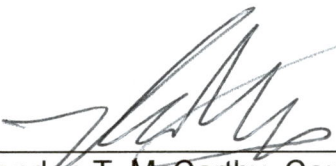
### RESOLUTION APPROVING A TRANSFER OF FUNDS FROM VARIOUS FISCAL YEAR 2026 POLICE SALARY ACCOUNTS TO THE FISCAL YEAR 2026 POLICE VEHICLE REPLACEMENT ACCOUNT

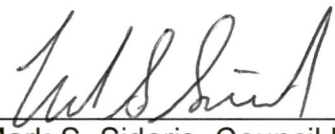
**BE IT RESOLVED:** That the City Council of Watertown hereby approves the transfer of funds in the amount of \$246,000 from the various Fiscal Year 2026 Police Salary Accounts to the Fiscal Year 2026 Police Vehicle Replacement Account.

**BE IT FURTHER RESOLVED:** That a copy of said transfer is forwarded to the City Auditor and City Treasurer/Collector.

  
\_\_\_\_\_  
Council Member

I hereby certify that at a meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026.

  
\_\_\_\_\_  
Brendan T. McCarthy, Council Clerk

  
\_\_\_\_\_  
Mark S. Sideris, Council President

#### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Caroline Bays,  
Councilor At Large

John G. Gannon,  
Councilor At Large

Theophilus Offei,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Lisa J. Feltner,  
District B Councilor

Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager   
Date: June 11, 2026  
RE: Agenda Item – Transfer of Funds

---

Enclosed please find correspondence from Justin M. Hanrahan, Chief of Police requesting an internal transfer of funds in order to purchase three electric vehicles for departmental use.

I respectfully request that this transfer be placed on the June 23, 2026 City Council meeting agenda.

Thank you for your consideration.

**TRANSFER AMOUNT: \$ 246,000**

|       |                                                      |            |
|-------|------------------------------------------------------|------------|
| FROM: | FY 2026 POLICE FULL TIME SALARIES<br>0121051-510111  | \$ 77,500  |
|       | FY 2026 POLICE PART TIME SALARIES<br>0121051-510112  | \$ 68,500  |
|       | FY 2026 POLICE SHIFT DIFFERENTIAL<br>0121051-510141  | \$ 50,000  |
|       | FY 2026 POLICE HOLIDAYS<br>0121051-510142            | \$ 25,000  |
|       | FY 2026 POLICE CAREER INCENTIVE<br>0121051-510191    | \$ 25,000  |
| TO:   | FY 2026 POLICE VEHICLE REPLACEMENT<br>0121058-580869 | \$ 246,000 |

I hereby certify to the availability, authority of funding source, mathematical accuracy and appropriate fiscal year.

6/15  
DATE

  
CITY AUDITOR



# ***WATERTOWN POLICE DEPARTMENT***

JUSTIN M. HANRAHAN  
CHIEF OF POLICE

## **MEMORANDUM**

---

**TO:** GEORGE PROAKIS, CITY MANAGER

**FROM:** JUSTIN M. HANRAHAN, CHIEF OF POLICE

A blue ink handwritten signature, appearing to be "JH", enclosed in a blue circle.

**DATE:** JUNE 10<sup>th</sup>, 2026

**SUBJECT:** ACCOUNT TRANSFER – FY26

The Police Department has traditionally requested that excess salary funds be converted for the purchase of one additional vehicle each year. When approved, those funds have typically been used to replace a detective unmarked vehicle. At the current pace, however, it will take well over a decade to fully transition the Department's administrative fleet into electric vehicles. As the Department approaches full staffing levels, opportunities to utilize excess salary funds will become less frequent, further slowing this process.

The City has made substantial efforts to reduce fossil fuel consumption and expand the use of electric vehicles. Given the unique operational demands of police vehicles, prioritizing the Police Department's fleet transition offers one of the greatest opportunities to reduce fuel consumption and vehicle emissions across the City's fleet. The Police Department is unique among City departments in that many of its vehicles idle continuously, operating 24 hours a day, 365 days a year. Even when stationary, police vehicles must keep their engines running to power onboard computers, radios, emergency equipment, and other critical systems. As a result, transitioning police vehicles to electric power offers the greatest potential environmental benefit and reduction in fuel consumption.

For these reasons, I am requesting approval to convert available salary funds for the purchase of three electric vehicles to fully transition the Traffic Division fleet to electric operation. The Traffic Division operates during two of the Department's three daily shifts and is currently the most suitable marked-unit operation for full EV

deployment. This transition would provide a substantial reduction in fuel consumption while allowing the Department to continue evaluating electric vehicle performance in a police environment.

Accordingly, I am requesting a transfer of funds from the following operating budget line items to the Fiscal Year 2026 Vehicle Replacement Account (0121058-580869). The requested amounts from each line item are listed below:

Three Vehicles

|                                      |                    |                    |
|--------------------------------------|--------------------|--------------------|
| 0121051-510111                       | Full Time Salaries | \$77,500.00        |
| 0121051-510112                       | Part Time Salaries | \$68,500.00        |
| 0121051-510141                       | Shift Differential | \$50,000.00        |
| 0121051-510142                       | Holidays           | \$25,000.00        |
| 0121051-510191                       | Career Incentive   | <u>\$25,000.00</u> |
| Total amount of transfers requested: |                    | \$246,000.00       |

I am requesting your assistance in placing this transfer request before the Honorable City Council for its review and action. Please contact me with any questions and I thank you for your attention to this matter.

JMH;jp

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES          | NO                | PRESENT           |
|---------------------------------------|--------------|-------------------|-------------------|
| CAROLINE BAYS                         | <u>  X  </u> | <u>          </u> | <u>          </u> |
| LISA J. FELTNER                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| JOHN G. GANNON                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| NICOLE GARDNER                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| EMILY IZZO                            | <u>  X  </u> | <u>          </u> | <u>          </u> |
| THEOPHILUS OFFEI                      | <u>  X  </u> | <u>          </u> | <u>          </u> |
| ANTHONY PALOMBA                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| VINCENT J. PICCIRILLI JR.             | <u>  X  </u> | <u>          </u> | <u>          </u> |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | <u>  X  </u> | <u>          </u> | <u>          </u> |

Motion to approve a transfer of funds in the amount of \$445,000 from FY26 Planned Debt & Authorized Unissued accounts to FY26 Cap Projects – Public Buildings – Solar Array





## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 65

2026 – R – 65

**RESOLUTION APPROVING A TRANSFER OF FUNDS FROM THE FISCAL YEAR 2026  
PLANNED DEBT ACCOUNT & THE FISCAL YEAR 2026 AUTHORIZED/UNISSUED  
DEBT ACCOUNT TO THE FISCAL YEAR 2026 TRANSFER TO CAPITAL PROJECTS –  
PUBLIC BUILDINGS ACCOUNT**

**BE IT RESOLVED:** That the City Council of Watertown hereby approves the transfer of funds in the amount of \$445,000 from the Fiscal Year 2026 Planned Debt Account & the Fiscal Year 2026 Authorized/Unissued Debt Account to the Fiscal Year 2026 Transfer to Capital Projects – Public Buildings Account.

**BE IT FURTHER RESOLVED:** That a copy of said transfer is forwarded to the City Auditor and City Treasurer/Collector.

  
Council Member

I hereby certify that at a meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026.

  
Brendan T. McCarthy, Council Clerk

  
Mark S. Sideris, Council President

### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Caroline Bays,  
Councilor At Large

John G. Gannon,  
Councilor At Large

Theophilus Offei,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Lisa J. Feltner,  
District B Councilor

Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager  
Date: June 16, 2026  
RE: Agenda Item – Transfer of Funds

---

Attached is correspondence from City Auditor Megan Langan regarding the proposed FY2026 transfer of \$445,000. The Department of Public Buildings is advancing to the next phase of the DPW Roof Replacement Project, which includes installation of a photovoltaic (PV) array on the new roof. The City Council previously approved a \$1,886,000 loan order for the roof replacement on September 23, 2025.

I respectfully request that this transfer be placed on the June 23, 2026 City Council meeting agenda.

Thank you for your consideration.



**WATERTOWN**  
**MASSACHUSETTS**  
**AUDITING DEPARTMENT**

TO: GEORGE PROAKIS, CITY MANAGER  
FROM: MEGAN LANGAN, CITY AUDITOR *ML*  
DATE: JUNE 15, 2026  
RE: AGENDA ITEM – TRANSFER OF FUNDS REQUEST

---

Per your request, please find attached a Transfer of Funds request for the DPW PV Array installation project in the amount of \$445,000 for Fiscal Year 2026.

As you are aware, the Honorable City Council voted to approve a loan order in the amount of \$1,886,000 towards the replacement of the DPW Roof on September 23, 2025. As this project is now underway, the Department of Public Buildings is looking forward to the next phase of the project which includes the installation of a PV Array on the new roof.

The Department of Public Building received a Climate Leadership Grant in the amount of \$918,297 which they intend to utilize towards three different projects – one of which is the DPW PV Array. The department plans to utilize \$718,000 of the Climate Leadership Grant towards the PV Array. However, to move forward with the project they require an additional \$445,000.

Therefore, I respectfully request the attached transfer be placed on the June 23, 2026 City Council Agenda.

Thank you for your consideration in this matter.

**TRANSFER AMOUNT: \$ 445,000**

|       |                                                                           |            |
|-------|---------------------------------------------------------------------------|------------|
| FROM: | FY 2026 PLANNED DEBT<br>0171000-590927                                    | \$ 145,000 |
|       | FY 2026 AUTHORIZED/UNISSUED DEBT<br>0171000-590926                        | \$ 300,000 |
| TO:   | FY 2026 TRANSFER TO CAPITAL PROJECTS - PUBLIC BUILDINGS<br>0193059-596509 | \$ 445,000 |

I hereby certify to the availability, authority of funding source, mathematical accuracy and appropriate fiscal year.

6/15/26  
DATE

  
CITY AUDITOR

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES          | NO                | PRESENT           |
|---------------------------------------|--------------|-------------------|-------------------|
| CAROLINE BAYS                         | <u>  X  </u> | <u>          </u> | <u>          </u> |
| LISA J. FELTNER                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| JOHN G. GANNON                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| NICOLE GARDNER                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| EMILY IZZO                            | <u>  X  </u> | <u>          </u> | <u>          </u> |
| THEOPHILUS OFFEI                      | <u>  X  </u> | <u>          </u> | <u>          </u> |
| ANTHONY PALOMBA                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| VINCENT J. PICCIRILLI JR.             | <u>  X  </u> | <u>          </u> | <u>          </u> |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | <u>  X  </u> | <u>          </u> | <u>          </u> |

Motion to approve a transfer of funds in the amount of \$70,000 from FY26  
Authorized/Unissued Account to FY26 Cap Projects – City – Senior Bus





## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 66

2026 – R – 66

### RESOLUTION APPROVING A TRANSFER OF FUNDS FROM THE FISCAL YEAR 2026 AUTHORIZED/UNISSUED DEBT ACCOUNT TO THE FISCAL YEAR 2026 TRANSFER TO CAPITAL PROJECTS – CITY ACCOUNT

**BE IT RESOLVED:** That the City Council of Watertown hereby approves the transfer of funds in the amount of \$70,000 from the Fiscal Year 2026 Authorized/Unissued Debt Account to the Fiscal Year 2026 Transfer to Capital Projects – City Account.

**BE IT FURTHER RESOLVED:** That a copy of said transfer is forwarded to the City Auditor and City Treasurer/Collector.

  
Council Member

I hereby certify that at a meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026.

  
Brendan T. McCarthy, Council Clerk

  
Mark S. Sideris, Council President

#### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Caroline Bays,  
Councilor At Large

John G. Gannon,  
Councilor At Large

Theophilus Offei,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Lisa J. Feltner,  
District B Councilor

Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager  
Date: June 16, 2026  
RE: Agenda Item – Transfer of Funds

---

Attached is correspondence from City Auditor Megan Langan regarding the proposed FY2026 transfer of \$70,000 for the purchase of a bus for the Senior Center.

The Senior Center secured MassDOT's FY2026 grant for one bus and plans to buy a second using Conceptual Recommendation #24 funds. With a \$141,563 quote and \$73,935 available, a \$70,000 transfer fills the remaining gap and covers incidental costs.

I respectfully request that this transfer be placed on the June 23, 2026 City Council meeting agenda.

Thank you for your consideration.





**WATERTOWN**  
**MASSACHUSETTS**  
**AUDITING DEPARTMENT**

TO: GEORGE PROAKIS, CITY MANAGER  
FROM: MEGAN LANGAN, CITY AUDITOR *ML*  
DATE: JUNE 16, 2026  
RE: AGENDA ITEM – TRANSFER OF FUNDS REQUEST

---

Per your request, please find attached a Transfer of Funds request for the purchase of a bus for the Senior Center in the amount of \$70,000 for Fiscal Year 2026.

As you are aware, Conceptual Recommendation #24 of the FY27 – 31 CIP states:

24. Proceed with the FY27 \$160,000 Senior Center proposed loan order for the senior center shuttle bus.

The Senior Center was awarded the FY26 Community Transit Grant from MassDOT to fund the purchase of one bus and would like to purchase a second bus of the same model with the funds noted in Conceptual Recommendation #24. The DPW received a quote of \$141,563 for this bus and currently has \$73,935 available from the return of a previously purchased bus. A transfer in the amount of \$70,000 covers the funding gap as well as any incidental costs.

Additionally, the utilization of unspent expenditure account monies for the acquisition and payment of capital equipment items is consistent with the Honorable City Council's Ongoing Budget Policy Guideline to make annual capital expenditures (including debt and exclusive of the school Building for the Future Initiative funding and enterprise funds) equal to 7.5 – 8% of the operating budget in order to maintain and improve its infrastructure, facilities, and equipment.

Therefore, I respectfully request the attached transfer be placed on the June 23, 2026 City Council Agenda.

Thank you for your consideration in this matter.

TRANSFER AMOUNT: \$ 70,000

FROM: FY 2026 AUTHORIZED/UNISSUED DEBT \$ 70,000  
0171000-590926

TO: FY 2026 TRANSFER TO CAPITAL PROJECTS - CITY \$ 70,000  
0193059-596502

I hereby certify to the availability, authority of funding source, mathematical accuracy  
and appropriate fiscal year.

6/16/2026

DATE

Megan King

CITY AUDITOR

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES          | NO                | PRESENT           |
|---------------------------------------|--------------|-------------------|-------------------|
| CAROLINE BAYS                         | <u>  X  </u> | <u>          </u> | <u>          </u> |
| LISA J. FELTNER                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| JOHN G. GANNON                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| NICOLE GARDNER                        | <u>  X  </u> | <u>          </u> | <u>          </u> |
| EMILY IZZO                            | <u>  X  </u> | <u>          </u> | <u>          </u> |
| THEOPHILUS OFFEI                      | <u>  X  </u> | <u>          </u> | <u>          </u> |
| ANTHONY PALOMBA                       | <u>  X  </u> | <u>          </u> | <u>          </u> |
| VINCENT J. PICCIRILLI JR.             | <u>  X  </u> | <u>          </u> | <u>          </u> |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | <u>  X  </u> | <u>          </u> | <u>          </u> |

Motion to approve a transfer of funds in the amount of \$373,000 from the FY26  
Authorized/Unissued Account to FY26 Cap Projects –Public Buildings – Parker Renovations



## Watertown City Council

Administration Building

149 Main Street

Watertown, MA 02472

Phone: 617-972-6470

RESOLUTION # 67

2026 – R – 67

### RESOLUTION APPROVING A TRANSFER OF FUNDS FROM THE FISCAL YEAR 2026 AUTHORIZED/UNISSUED DEBT ACCOUNT TO THE FISCAL YEAR 2026 TRANSFER TO CAPITAL PROJECTS – PUBLIC BUILDINGS ACCOUNT

**BE IT RESOLVED:** That the City Council of Watertown hereby approves the transfer of funds in the amount of \$373,000 from the Fiscal Year 2026 Authorized/Unissued Debt Account to the Fiscal Year 2026 Transfer to Capital Projects – Public Buildings Account.

**BE IT FURTHER RESOLVED:** That a copy of said transfer is forwarded to the City Auditor and City Treasurer/Collector.

Council Member

I hereby certify that at a meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026.

Brendan T. McCarthy, Council Clerk

Mark S. Sideris, Council President

### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Theophilus Offei,  
Councilor At Large

Lisa J. Feltner,  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager  
Date: June 16, 2026  
RE: Agenda Item – Transfer of Funds

---

The Department of Public Buildings is requesting \$373,000 to address unforeseen conditions uncovered during the Parker Building renovation.

A recent power shutdown revealed original 1914 piping and construction that require demolition, hazardous-materials testing, and abatement. Completing this work will require \$85,000 in supplemental funds. An additional \$288,000 is needed to resolve remaining renovation issues identified with our owner's project manager.

Approval of this request will keep the project on schedule, with anticipated occupancy by the Community Development and Planning Department in August 2026.

I respectfully request that this transfer be placed on the June 23, 2026 City Council meeting agenda.

Thank you for your consideration.





## WATERTOWN

### MASSACHUSETTS

### DEPARTMENT OF PUBLIC BUILDINGS

**To:** George J. Proakis, City Manager  
**From:** Denise Moroney, Director of Public Buildings  
**Date:** June 15, 2026  
**Re:** Parker Renovations – Year End Funding Request

---

The Department of Public Buildings is seeking additional funds to support renovations at the Parker Building.

#### Original Project Scope

While we originally budgeted what we thought were conservative figures for the original scope of the Parker renovation project, the building continues to surprise us. After a thorough review of all outstanding issues with our owner's project manager, we are requesting \$288,000 in additional funds to complete the project. If funds are approved, we anticipate occupancy at Parker by the Community Development and Planning Department in August 2026.

#### Insulation Project

In January, the City Council approved funding to insulate the underside of the roof deck in the original 1914 building, including removal and replacement of architectural ceilings, so that our new fire sprinkler system can be made operational before the winter. During the power shutdown at Parker last month, we discovered more original construction and piping in this area which will require demolition and hazmat testing/abatement. To address these areas prior to the start of work, we are requesting \$85,000 in supplemental funding.

We are therefore requesting a total of \$373,000 in year-end funding for the Parker Building project to address these unforeseen conditions.

Please contact me with any questions, and thank you for your consideration.



**WATERTOWN**  
**MASSACHUSETTS**  
**AUDITING DEPARTMENT**

TO: GEORGE PROAKIS, CITY MANAGER  
FROM: MEGAN LANGAN, CITY AUDITOR   
DATE: JUNE 16, 2026  
RE: AGENDA ITEM – TRANSFER OF FUNDS REQUEST

---

Per your request, please find attached a Transfer of Funds request for the Parker Renovations Project in the amount of \$373,000 for Fiscal Year 2026.

The Department of Public Building is seeking additional funds to support the Parker Renovations Project and has estimated the need for an additional \$288,000 for project close out which would allow CDP to occupy the new space in Parker by mid-August 2026.

Additionally, they are seeking \$85,000 to perform demolition of materials on the third floor of the 1914 portion of the Parker Building to properly insulate the underside of the roof deck to ensure the new fire sprinkler system can be operational before winter.

Therefore, I respectfully request the attached transfer be placed on the June 23, 2026 City Council Agenda.

Thank you for your consideration in this matter.



TRANSFER AMOUNT: \$ 373,000

FROM: FY 2026 AUTHORIZED/UNISSUED DEBT  
0171000-590926

\$ 373,000

TO: FY 2026 TRANSFER TO CAPITAL PROJECTS - PUBLIC BUILDINGS  
0193059-596509

\$ 373,000

I hereby certify to the availability, authority of funding source, mathematical accuracy  
and appropriate fiscal year.

6/16/26  
DATE

  
CITY AUDITOR



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager   
Date: April 23, 2026  
RE: Agenda Item – Proposed Loan Order

---

Attached is correspondence from Fire Chief Ryan A. Nicholson regarding replacement of the 2013 “Engine 3.”

The Fire Department has finalized specifications with the vendor, who is holding our place in the production queue and now requires a signed agreement and purchase order to proceed. Given the engine’s age and rising maintenance costs, advancing the planned replacement is advisable.

Working with the Auditor’s Office, \$500,000 has been identified in the FY26 Full-Time Salaries line item, reducing the required loan authorization from \$1,250,000 in Conceptual Recommendation 21a of the FY27–31 CIP to \$750,000.

A \$500,000 transfer has been placed on the June 23, 2026 City Council Agenda, contingent on approval of the proposed \$750,000 loan order.

I respectfully request that the attached Loan Order be placed on the June 23, 2026 City Council Agenda for First Reading.

Thank you for your attention to this matter.



28 State Street  
Boston, MA 02109-1775  
p: 617-345-9000 f: 617-345-9020  
hinckleyallen.com

Chelsea A. Tryder  
(617) 378-4190  
ctryder@hinckleyallen.com

June 18, 2026

George J. Proakis  
City Manager  
Administration Building  
149 Main Street  
Watertown, Massachusetts 02472

RE: Draft Loan Order – Fire Engine

Dear George:

As requested, I suggest the following forms of loan order to approve the borrowing of funds to pay costs of purchasing a new fire engine and ambulance for the Fire Department:

ORDERED: That the sum of \$750,000 is appropriated to pay costs of purchasing a fire engine for the Fire Department, as more fully described in the City's Fiscal Year 2027 through 2031 Capital Improvement Plan, and the payment of all costs incidental and related thereto; and that to meet this appropriation, the Treasurer, with the approval of the City Manager, is authorized to borrow said amount under and pursuant to M.G.L. c.44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor.

The order must be published at least five days prior to the holding of a public hearing with respect to the order and its final passage and requires the affirmative vote of at least two-thirds of all members of the City Council, as in the case of any other loan order for bonds.

Please call me if there are any questions about the suggested proceedings.

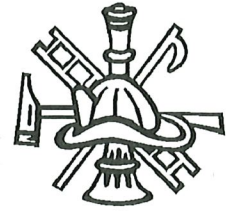
Sincerely,

*/s/ Chelsea A. Tryder*

Chelsea A. Tryder



**WATERTOWN FIRE DEPARTMENT**  
**OFFICE OF CHIEF OF DEPARTMENT**  
Fire Department Headquarters, 99 Main Street  
Watertown, Massachusetts 02472-4410  
Tel. (617) 972-6512 • Fax (617) 972-6575  
[www.fire.watertown-ma.gov](http://www.fire.watertown-ma.gov)



**RYAN A. NICHOLSON**  
Chief of Department

*Memorandum*

**To:** Mr. George Proakis, City Manager  
**From:** Chief Ryan A. Nicholson  
**Date:** June 16, 2026  
**Subject:** Engine replacement for a 2013 Engine

---

As you are aware, the FY27 budget includes \$1,250,000 for the replacement of 2013 "Engine 3". I recommend that we move forward with this replacement at this time. We have been working closely with the vendor to create the specifications for this engine. The vendor has been holding our position in a queue and requires a signed agreement and purchase order at this time in order to move forward with our order. Due to the age of the current engine and the increased costs of maintaining its serviceability it would be beneficial to move forward with replacement as planned.

In working with the Auditor's Office, \$500,000 has been identified in our FY26 Full Time Salaries line item to decrease the necessary loan order request from the \$1,250,000 noted in Conceptual Recommendation #21a of the FY27-31 CIP to \$750,000.

Thank you for your attention to this request and please let me know if I can provide any further information.

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES          | NO            | PRESENT       |
|---------------------------------------|--------------|---------------|---------------|
| CAROLINE BAYS                         | <u>  X  </u> | <u>      </u> | <u>      </u> |
| LISA J. FELTNER                       | <u>  X  </u> | <u>      </u> | <u>      </u> |
| JOHN G. GANNON                        | <u>  X  </u> | <u>      </u> | <u>      </u> |
| NICOLE GARDNER                        | <u>  X  </u> | <u>      </u> | <u>      </u> |
| EMILY IZZO                            | <u>  X  </u> | <u>      </u> | <u>      </u> |
| THEOPHILUS OFFEI                      | <u>  X  </u> | <u>      </u> | <u>      </u> |
| ANTHONY PALOMBA                       | <u>  X  </u> | <u>      </u> | <u>      </u> |
| VINCENT J. PICCIRILLI JR.             | <u>  X  </u> | <u>      </u> | <u>      </u> |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | <u>  X  </u> | <u>      </u> | <u>      </u> |

Motion to approve a transfer of funds in the amount of \$500,000 from the FY26 Fire Full Time Salaries Account to the FY26 Transfer to Cap Projects – Fire Department – Fire Engine





## Watertown City Council

Administration Building

149 Main Street

Watertown, MA 02472

Phone: 617-972-6470

RESOLUTION # 68

2026 – R – 68

### RESOLUTION APPROVING A TRANSFER OF FUNDS FROM THE FISCAL YEAR 2026 FIRE FULL TIME SALARIES ACCOUNT TO THE FISCAL YEAR 2026 TRANSFER TO CAPITAL PROJECTS – FIRE DEPARTMENT ACCOUNT

**BE IT RESOLVED:** That the City Council of Watertown hereby approves the transfer of funds in the amount of \$500,000 from the Fiscal Year 2026 Fire Full Time Salaries Account to the Fiscal Year 2026 Transfer to Capital Projects – Fire Department Account.

**BE IT FURTHER RESOLVED:** That a copy of said transfer is forwarded to the City Auditor and City Treasurer/Collector.

Council Member

I hereby certify that at a meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 7 for, 0 against, and 0 present on June 23, 2026.

Brendan T. McCarthy, Council Clerk

Mark S. Sideris, Council President

#### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Caroline Bays,  
Councilor At Large

John G. Gannon,  
Councilor At Large

Theophilus Offei,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Lisa J. Feltner,  
District B Councilor

Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager  
Date: June 16, 2026  
RE: Agenda Item – Transfer of Funds

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Attached is correspondence from City Auditor Megan Langan regarding the proposed FY2026 transfer of \$500,000 to support the replacement of the Fire Department's 2013 Engine 3.

Conceptual Recommendation 21a of the FY27–31 CIP advises proceeding with the FY27 \$1,250,000 proposed loan order for the Engine Truck Replacement (2013 Engine 3). However, due to vacancies within the Department, additional funds have been identified in the FY26 Fire Full-Time Salaries account. These available funds may be applied to reduce the required loan order to \$750,000.

I respectfully request that this transfer be placed on the June 23, 2026 City Council meeting agenda.

Thank you for your consideration.





# WATERTOWN

## MASSACHUSETTS

### AUDITING DEPARTMENT

TO: GEORGE PROAKIS, CITY MANAGER  
FROM: MEGAN LANGAN, CITY AUDITOR   
DATE: JUNE 16, 2026  
RE: AGENDA ITEM – TRANSFER OF FUNDS REQUEST

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Per your request, please find attached a Transfer of Funds request for the replacement of 2013 "Engine 3" for the Fire Department in the amount of \$500,000 for Fiscal Year 2026.

As you are aware, Conceptual Recommendation #21 of the FY27 – 31 CIP states:

21. Proceed with the FY27 \$1,425,000 Fire Department proposed loan orders:
  - a. \$1,250,000 for Engine Truck Replacement, 2013 Engine 3
  - b. \$175,000 for Replacement of 2 Cardiac Monitors"

Additional monies have been identified in the FY26 Fire Full Time Salaries account due to vacancies within the Department which could be utilized to decrease the loan order to \$750,000.

The utilization of unspent expenditure account monies for the acquisition and payment of capital equipment items is consistent with the Honorable City Council's Ongoing Budget Policy Guideline to make annual capital expenditures (including debt and exclusive of the school Building for the Future Initiative funding and enterprise funds) equal to 7.5 – 8% of the operating budget in order to maintain and improve its infrastructure, facilities, and equipment.

Therefore, I respectfully request the attached transfer be placed on the June 23, 2026 City Council Agenda.

Thank you for your consideration in this matter.

**TRANSFER AMOUNT: \$ 500,000**

FROM: FY 2026 FIRE FULL TIME SALARIES \$ 500,000  
0122051-510111

TO: FY 2026 TR TO CAP PR - FIRE DEPT \$ 500,000  
0193059-596510

I hereby certify to the availability, authority of funding source, mathematical accuracy and appropriate fiscal year.

6/16/26  
DATE

Megan Fay  
CITY AUDITOR



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council  
From: George J. Proakis, City Manager   
Date: June 16, 2026  
RE: Fiscal Year 2027 Water & Sewer Rates

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Attached please find correspondence from Thomas D. Brady, DPW Director summarizing the Water and Sewer Rate Study Analysis performed for the City of Watertown. As stated in the report, this study was performed to provide the City with recommended water and sewer rate changes that will generate sufficient revenue to fund the purchase of water and wastewater treatment from the Massachusetts Water Resource Authority ("MWRA"), operational costs, indirect costs, debt service costs, and short-term and long-term capital improvements. The proposed rate changes will ensure the water fund and sewer fund continue to maintain healthy retained earnings.

I respectfully request a First Reading on an Order establishing water and sewer rates and charges for Fiscal Year 2027 be considered at the June 23, 2026 City Council meeting. The Public Hearing and consideration of rate schedules and fees designed to raise sufficient revenues to support the Fiscal Year 2027 operational services provided to customers of the City's Water/Sewer System would be scheduled for the July 14, 2026 City Council Meeting.

Thank you for your consideration in this matter.



# **WATERTOWN**

## **MASSACHUSETTS**

### **DEPARTMENT OF PUBLIC WORKS**

**To:** George J. Proakis, City Manager

**From:** Thomas D. Brady, DPW Director

**Date:** June 15, 2026

**Re:** FY27 Water & Sewer Rates

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## **Background**

A water and sewer rate study was conducted to provide the City with recommended water and sewer rate changes which will generate sufficient revenue to fund the operational, indirect, debt service, and short- and long-term capital improvement costs while ensuring the water and sewer funds continue to maintain healthy retained earnings. The attached report contains rate recommendations which fully support the City's final FY 2027 water and sewer budgets and capital plans.

## **Estimated Expenses and Revenues**

Without any changes in revenue, total projected water revenues for FY 2027 are \$9,816,450 and projected expenditures are \$10,531,533, leaving a deficit of over \$715,000 for FY 2027. The revenue total does not include liens, which is revenue from prior years that the City has already identified as revenue in those years.

Without any changes in revenue, total projected sewer revenues for FY 2027 are \$12,981,892 and projected expenditures are \$14,788,830, leaving a deficit of over \$1.8 million for FY 2027. The revenue total does not include liens, which is revenue from prior years that the City has already identified as revenue in those years.

The Water Enterprise Fund and the Sewer Enterprise Fund are experiencing budgetary shortfalls because revenue recovered from rates is insufficient to cover expenditures.

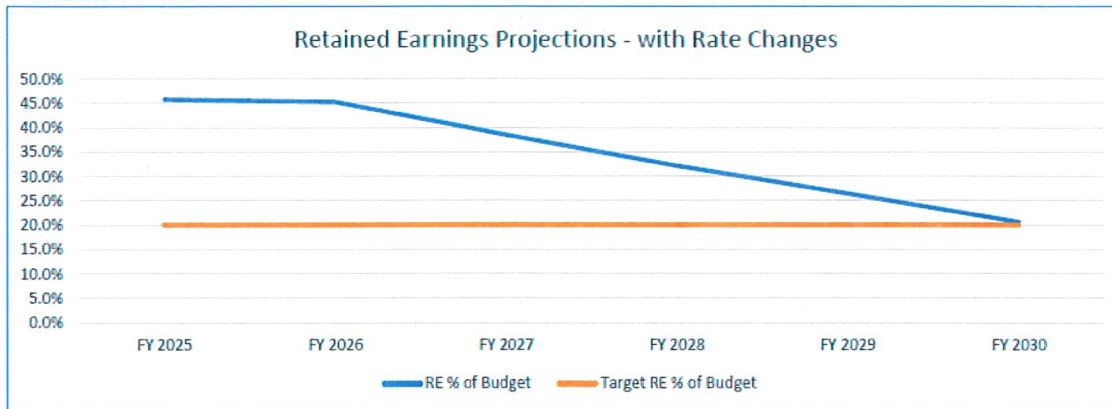


## A Look Back to FY 2026 and Ahead to FY 2028

The FY 2026 rate study indicated that 4% annual increases in water and sewer rates over the five-year projection period would ensure that all expenses could be covered by revenues and available retained earnings while maintaining healthy retained earnings of 20% by the end of FY2030:

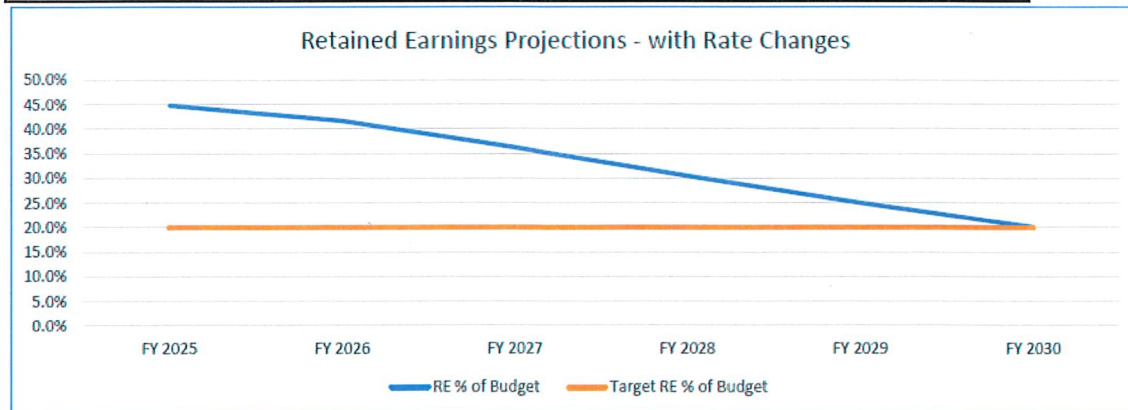
Water Rate Study

| Rate Changes:               | FY 2025              | FY 2026              | FY 2027              | FY 2028              | FY 2029              | FY 2030              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 3.50%                | 3.50%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate Impact                 | FY 2025<br>PROJECTED | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED |
| Surplus/Deficit             | \$ 939,759           | \$ 73,537            | \$ (359,289)         | \$ (504,064)         | \$ (531,372)         | \$ (580,946)         |
| Projected Retained Earnings | \$ 4,409,700         | \$ 4,483,237         | \$ 4,123,948         | \$ 3,619,884         | \$ 3,088,512         | \$ 2,507,566         |
| RE % of Budget              | 45.8%                | 45.3%                | 38.5%                | 32.2%                | 26.4%                | 20.6%                |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |



Sewer Rate Study

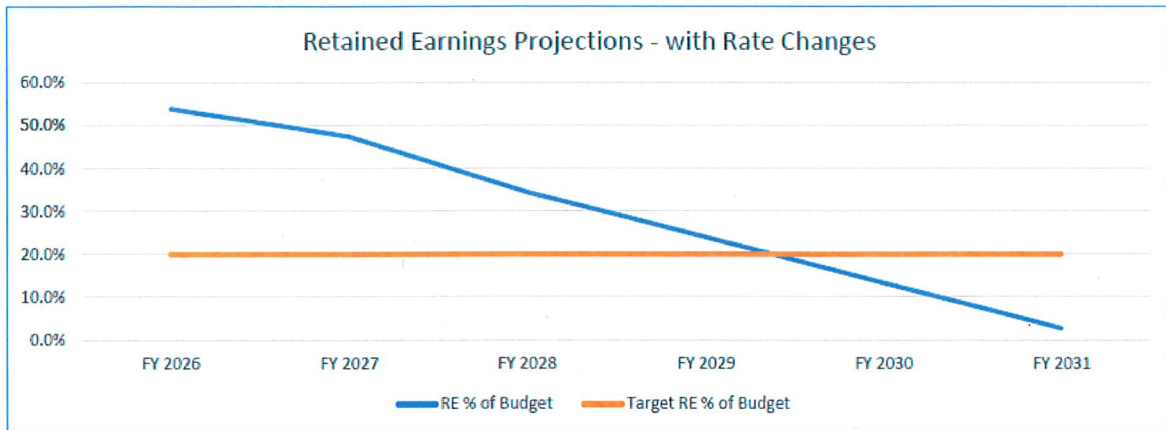
| Rate Changes:               | FY 2025              | FY 2026              | FY 2027              | FY 2028              | FY 2029              | FY 2030              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 3.50%                | 3.50%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate Impact                 | FY 2025<br>PROJECTED | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED |
| Surplus/Deficit             | \$ 1,466,714         | \$ (59,777)          | \$ (406,376)         | \$ (595,501)         | \$ (660,548)         | \$ (653,164)         |
| Projected Retained Earnings | \$ 5,620,921         | \$ 5,561,144         | \$ 5,154,768         | \$ 4,559,267         | \$ 3,898,719         | \$ 3,245,555         |
| RE % of Budget              | 44.8%                | 41.7%                | 36.2%                | 30.5%                | 25.0%                | 20.1%                |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |



In the FY 2027 rates study, 4% annual increases in water and sewer rates over the five-year projection period show a very different picture, with retained earnings dropping to 13.2% of budget in the Water Enterprise Fund and to -2.1% in the Sewer Enterprise Fund in FY 2030, and going even lower in FY 2031:

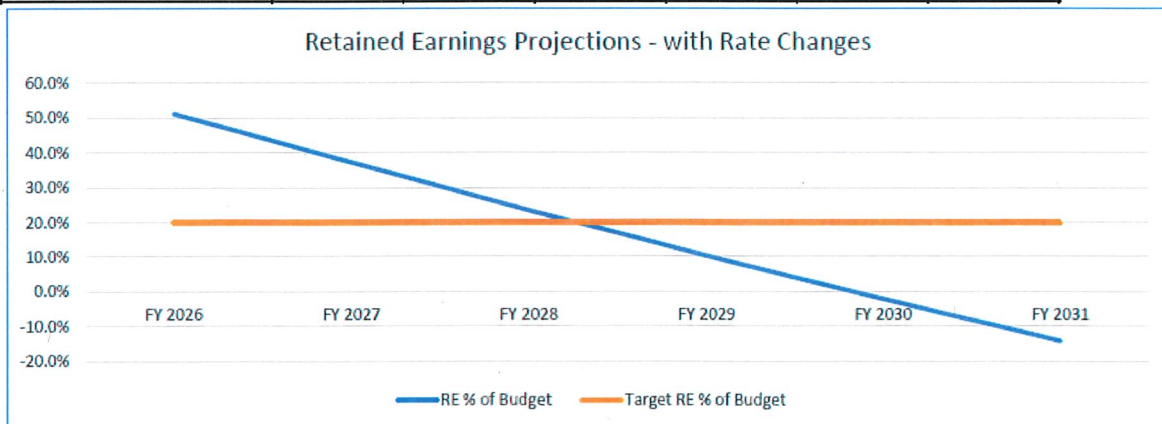
Water Rate Study

| Rate Changes:               | FY 2026              | FY 2027              | FY 2028              | FY 2029              | FY 2030              | FY 2031              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 3.50%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate Impact                 | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
| Surplus/Deficit             | \$ 514,183           | \$ (342,932)         | \$ (1,008,251)       | \$ (1,097,162)       | \$ (1,217,277)       | \$ (1,319,912)       |
| Projected Retained Earnings | \$5,335,172          | \$4,992,240          | \$ 3,983,989         | \$ 2,886,827         | \$ 1,669,550         | \$ 349,638           |
| RE % of Budget              | 53.9%                | 47.4%                | 34.4%                | 23.9%                | 13.2%                | 2.7%                 |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |



Sewer Rate Study

| Rate Changes:               | FY 2026              | FY 2027              | FY 2028              | FY 2029              | FY 2030              | FY 2031              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 3.50%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate Impact                 | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
| Surplus/Deficit             | \$ 884,676           | \$ (1,294,777)       | \$ (1,811,237)       | \$ (1,994,244)       | \$ (2,075,693)       | \$ (2,188,743)       |
| Projected Retained Earnings | \$ 6,811,848         | \$ 5,517,071         | \$ 3,705,834         | \$ 1,711,590         | \$ (364,103)         | \$ (2,552,846)       |
| RE % of Budget              | 51.2%                | 37.3%                | 23.4%                | 10.3%                | -2.1%                | -14.2%               |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |





Similarly, the annual budget deficits toward the end of the projection period have also grown substantially in the new rate study, projected at \$1.3 million in the Water Enterprise Fund and nearly \$2.2 million in the Sewer Enterprise Fund in FY 2031.

For this reason, the new rate study calls for substantially higher rate increases in the outyears of the projection window – 6% for water and 8% for sewer – to maintain retained earnings at a health level.

Our consultant recently informed us that the FY 2026 rate study contained a modeling error that contributed to the differences between the FY 2026 and FY 2027 financial outlooks for the Enterprise Funds. Building the model on FY 2024 actual user charges revenue, the consultant used FY 2025 rate increases that were higher than those actually adopted (5.5% for water and 6.0% for sewer versus the 3.5% adopted for both), which overstated projected revenues and understated the rate increases needed in FY 2026 and future years. After correcting the error in the FY 2027 rate study, higher rate increases were required to maintain healthy reserve levels.

While it is helpful to know one of the causes of the significant change in the financial outlook of the Enterprise Funds between the FY 2026 and FY 2027 rate studies was a modeling error, it does not change the fact that we are facing a serious financial challenge with the Enterprise Funds in the five-year projection window. As such, Assistant Director for Public Utilities Sean Harrington and I will lead a comprehensive review of the finances of the Funds well before the FY 2028 rate-setting process, beginning in the fall of this calendar year, in an attempt to mitigate the high rate increases currently shown in the model for FY 2028 and beyond. We intend to examine every expense category and revenue stream – starting with a careful review of the Capital Improvement Plan (CIP) for both Enterprise Funds as well as the combined additional \$4.4 million that has been included in the rate model for the past several years for unidentified capital projects to be funded out of retained earnings.

## **Proposed Rates and Charges**

Taking into consideration all the foregoing, we are recommending that Watertown increase its water rates, sewer rates, and service charges by 4.5% for FY 2027. This increase is slightly higher than the rate increase projected in the FY 2026 rate study (4%) because of the significant change in the financial outlook of the Water and Sewer Enterprise Funds presented in the FY 2027 rate study. We hope to mitigate the more substantial rate increases outlined in

Option 2 of the FY 2027 rate study with the comprehensive financial review of the Water and Sewer Enterprise Funds discussed above.

With a 4.5% increase, the quarterly water bill for a typical resident using 1,800cf will increase \$5.10 per quarter, from \$115.28 to \$120.38. The quarterly sewer bill for a typical resident with a usage of 1,800cf will increase \$9.54 per quarter, from \$213.48 to \$223.02. The overall or combined water and sewer bill for a typical resident with a usage of 1,800cf would increase from \$328.76 per quarter to \$343.40 per quarter; for an overall increase of \$14.64 per quarter, or 4.5%.

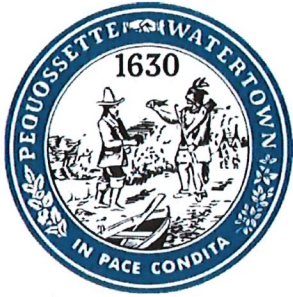
Tables 1 and 2 below present the current and proposed water and sewer rates, as well as quarterly bill impacts for typical customers, respectively.

**Table 1: Current and Proposed Water and Sewer Rates**

| <b>Base Charge</b>                       | <b>FY 2026</b> | <b>FY 2027</b>  | <b>Difference</b> |      |
|------------------------------------------|----------------|-----------------|-------------------|------|
| <i>Minimum Charge</i>                    |                |                 |                   |      |
| <i>(Quarterly)</i>                       | <i>Current</i> | <i>Proposed</i> | \$                | %    |
| 5/8                                      | \$9.44         | \$9.86          | \$0.42            | 4.5% |
| ¾                                        | \$10.05        | \$10.50         | \$0.45            | 4.5% |
| 1                                        | \$11.87        | \$12.40         | \$0.53            | 4.5% |
| 1 1/4                                    | \$14.29        | \$14.93         | \$0.64            | 4.5% |
| 1.5                                      | \$14.29        | \$14.93         | \$0.64            | 4.5% |
| 2                                        | \$20.84        | \$21.78         | \$0.94            | 4.5% |
| 3                                        | \$69.46        | \$72.59         | \$3.13            | 4.5% |
| 4                                        | \$87.46        | \$91.40         | \$3.94            | 4.5% |
| 6                                        | \$129.46       | \$135.29        | \$5.83            | 4.5% |
| <b>Volumetric Rate (per Ccf)</b>         |                |                 |                   |      |
| <u>Water</u>                             |                |                 |                   |      |
| Tier 1                                   | \$5.88         | \$6.14          | \$0.26            | 4.5% |
| Tier 2                                   | \$9.16         | \$9.57          | \$0.41            | 4.5% |
| Tier 3                                   | \$12.38        | \$12.94         | \$0.56            | 4.5% |
| Tier 4                                   | \$16.16        | \$16.89         | \$0.73            | 4.5% |
| <u>Sewer (100% of Water Consumption)</u> |                |                 |                   |      |
| Tier 1                                   | \$11.86        | \$12.39         | \$0.53            | 4.5% |
| Tier 2                                   | \$15.48        | \$16.18         | \$0.70            | 4.5% |
| Tier 3                                   | \$17.28        | \$18.06         | \$0.78            | 4.5% |
| Tier 4                                   | \$21.17        | \$22.12         | \$0.95            | 4.5% |
| <u>Combined Rate</u>                     |                |                 |                   |      |
| Tier 1                                   | \$17.74        | \$18.54         | \$0.80            | 4.5% |
| Tier 2                                   | \$24.64        | \$25.75         | \$1.11            | 4.5% |
| Tier 3                                   | \$29.66        | \$30.99         | \$1.33            | 4.5% |
| Tier 4                                   | \$37.33        | \$39.01         | \$1.68            | 4.5% |
| <u>Irrigation (all Ccf)</u>              | \$16.16        | \$16.89         | \$0.73            | 4.5% |

**Table 2: Quarterly Bill Impacts for Typical Customers**

| Meter Size | Usage (cu. Ft) | Current FY 2026 |             |             | Proposed FY 2027 |             |             | Difference |      |
|------------|----------------|-----------------|-------------|-------------|------------------|-------------|-------------|------------|------|
|            |                | Water           | Sewer       | Total       | Water            | Sewer       | Total       | \$         | %    |
| 5/8"       | 1,000          | \$68.24         | \$118.60    | \$186.84    | \$71.31          | \$123.94    | \$195.25    | \$8.41     | 4.5% |
| 5/8"       | 2,500          | \$156.44        | \$296.50    | \$452.94    | \$163.48         | \$309.84    | \$473.32    | \$20.38    | 4.5% |
| 5/8"       | 5,000          | \$385.44        | \$683.50    | \$1,068.94  | \$402.78         | \$714.26    | \$1,117.04  | \$48.10    | 4.5% |
| 5/8"       | 15,000         | \$1,623.44      | \$2,411.50  | \$4,034.94  | \$1,696.49       | \$2,520.02  | \$4,216.51  | \$181.57   | 4.5% |
| 1"         | 25,000         | \$2,863.87      | \$4,139.50  | \$7,003.37  | \$2,992.74       | \$4,325.78  | \$7,318.52  | \$315.15   | 4.5% |
| 4"         | 75,000         | \$11,019.46     | \$14,724.50 | \$25,743.96 | \$11,515.34      | \$15,387.10 | \$26,902.44 | \$1,158.48 | 4.5% |



City of Watertown  
Massachusetts

# Water and Sewer Rate Study

Fiscal Year 2027

June 2026



WESTON & SAMPSON ENGINEERS, INC.  
55 Walkers Brook Drive, Suite 100, Reading, MA 01867  
Tel: 978.532.1900





## TABLE OF CONTENTS

|                                                | Page |
|------------------------------------------------|------|
| TABLE OF CONTENTS .....                        | i    |
| LIST OF APPENDICES.....                        | ii   |
| EXECUTIVE SUMMARY .....                        | 1-1  |
| 1.0 BACKGROUND .....                           | 1-1  |
| 2.0 EXISTING RATE STRUCTURE AND CHARGES.....   | 2-2  |
| 2.1 Comparison to Neighboring Communities..... | 2-3  |
| 2.2 Existing Expenses and Revenues .....       | 2-4  |
| 3.0 BASELINE ANALYSIS .....                    | 3-5  |
| 4.0 OPTIONS FOR RATES AND CHANGES .....        | 4-6  |
| 4.1 Option 1 .....                             | 4-6  |
| 4.2 Option 2 .....                             | 4-9  |
| 5.0 CONCLUSION .....                           | 5-12 |

LIST OF APPENDICES

Appendix A ..... Water Rate Study

Appendix B ..... Sewer Rate Study



## EXECUTIVE SUMMARY

This report summarizes the Water and Sewer Rate Study performed for the City of Watertown ("City") by The Abrahams Group LLC and Weston & Sampson. This study was performed to provide the City with recommended water and sewer rate changes that will generate sufficient revenue to fund the purchase of water and wastewater treatment from the Massachusetts Water Resource Authority ("MWRA"), operational costs, indirect costs, debt service costs, and short-term and long-term capital improvements. The proposed rate changes will ensure the water fund and sewer fund continue to maintain healthy retained earnings.

Rate options were reviewed with City management and discussed with City staff. The discussion led to two (2) rate options for presentation in this report. The rate options are designed to support the City's final FY 2027 water and sewer budgets, planned capital projects, and maintain healthy retained earnings balances.

### 1.0 BACKGROUND

The City of Watertown consists of primarily urban commercial and residential development with a population of approximately 35,000, according to the 2020 U.S. Census. The City's Public Utilities Division through the City's Department of Public Works ("DPW"), provides services to approximately 9,500 commercial, residential, industrial, and institutional accounts.

The Public Utilities Division is responsible for providing its customers with drinking water and providing wastewater collection and conveyance in a cost-effective and environmentally friendly manner that meets EPA and DEP standards.

The City is a member community of the MWRA. The MWRA supplies water to the City, with an average daily demand of 2.52 million gallons per day, per the MWRA's Community Water Use data from December 2023. The water is then conveyed to the City's residents through the City's 82 miles of water distribution mains.

The City's sewer system consists of approximately 82 miles of sewer mains that transport wastewater to the MWRA's interceptors. The City transports an average daily flow of 3.85 million gallons per day, per the MWRA's Sewer Flow Report for the calendar years of 2021, 2022, and 2023.

## 2.0 EXISTING RATE STRUCTURE AND CHARGES

The City's water and sewer rates are based on a multi-tier rate structure in which the rate per 100 cubic feet of water increases with consumption. All 9,500 plus residential, commercial, and irrigation accounts are billed quarterly which are staggered across each quarter according to the billing cycle.

The City currently has an inclining, four-tier structure for non-irrigation water consumption and sewer flow and a flat fee for irrigation water consumption, as well as meter and fire protection charges. The following table shows current water and sewer rates for FY 2026:

| <b>Tier</b> | <b>Consumption</b>   | <b>Water Rate<br/>(per 100 cubic feet)</b> | <b>Sewer Rate<br/>(per 100 cubic feet)</b> |
|-------------|----------------------|--------------------------------------------|--------------------------------------------|
| 1           | 0 - 2,500 cu ft      | \$5.88                                     | \$11.86                                    |
| 2           | 2,501 - 5,000 cu ft  | \$9.16                                     | \$15.48                                    |
| 3           | 5,001 - 25,000 cu ft | \$12.38                                    | \$17.28                                    |
| 4           | Over 25,000 cu ft    | \$16.16                                    | \$21.17                                    |
| Irrigation  | All                  | \$16.16                                    | N/A                                        |

The following table shows current meter service charges for FY 2026:

| <b>Meter Size (inches)</b> | <b>Rates/Quarter</b> |
|----------------------------|----------------------|
| 5/8                        | \$9.44               |
| 3/4                        | \$10.05              |
| 1                          | \$11.87              |
| 1 1/4                      | \$14.29              |
| 1 1/2                      | \$14.29              |
| 2                          | \$20.84              |
| 3                          | \$69.46              |
| 4                          | \$87.46              |
| 6                          | \$129.46             |

The following table shows current fire service charges for FY 2026:

| Service Size (inches) | Rates/Quarter |
|-----------------------|---------------|
| 2                     | \$13.77       |
| 3                     | \$48.19       |
| 4                     | \$96.39       |
| 6                     | \$282.27      |
| 8                     | \$598.95      |
| 10                    | \$1,080.88    |

### 2.1 Comparison to Neighboring Communities

When considering rate and/or tier changes, comparing the City's rates and tiers to neighboring communities' rates and tiers provides helpful information on how communities measure up. The table below compares water rates by tier and base charges. The average customer's bill, based on an industry-standard 2,800 cubic feet of usage, is also included in the table. Each community in the table is a member of the MWRA.

| Community | Tiers   |             |              |               |              | Base    | Rates  |        |         |         |         | Average Bill |
|-----------|---------|-------------|--------------|---------------|--------------|---------|--------|--------|---------|---------|---------|--------------|
|           | Tier 1  | Tier 2      | Tier 3       | Tier 4        | Tier 5       |         | Tier 1 | Tier 2 | Tier 3  | Tier 4  | Tier 5  |              |
| Watertown | 0-2,500 | 2,500-5,000 | 5,001-25,000 | Over 25,000   |              | \$9.44  | \$5.88 | \$9.16 | \$12.38 | \$16.16 |         | \$183.92     |
| Waltham   | 0-2,100 | 2,100-4,500 | 4,500-12,000 | Over 12,000   |              |         | \$3.07 | \$4.15 | \$11.90 | \$17.14 |         | \$93.52      |
| Needham   | 0-600   | 600-2,700   | 2,700-4,200  | Over 4,200    |              | \$16.00 | \$3.47 | \$3.72 | \$5.44  | \$5.73  |         | \$120.38     |
| Lexington | 0-4,000 | 4,000-8,000 | Over 8,000   |               |              |         | \$5.06 | \$7.59 | \$10.02 |         |         | \$141.68     |
| Wellesley | 0-1,500 | 1,500-3,600 | 3,600-7,200  | 7,200-108,000 | Over 108,000 | \$32.25 | \$5.81 | \$6.82 | \$10.81 | \$14.00 | \$17.81 | \$208.06     |
| Brookline | 0-1,800 | Over 1,800  |              |               |              | \$39.42 | \$3.46 | \$8.65 |         |         |         | \$188.20     |
| Belmont   | 0-9,000 | Over 9,000  |              |               |              | \$18.90 | \$7.20 | \$8.26 |         |         |         | \$220.50     |
| Arlington | 0-1,500 | 1,500-3,000 | Over 3,000   |               |              | \$19.56 | \$9.19 | \$9.84 | \$11.95 |         |         | \$285.33     |
| Newton    | 0-1,000 | 1,000-2,500 | 2,500-6,000  | Over 6,000    |              |         | \$8.09 | \$9.36 | \$10.76 | \$13.42 |         | \$253.58     |

Data in the table above is per quarter. Tiers are in cubic feet. Rates per 100 cubic feet. Average bill is for usage of 2,800 cubic feet with 5/8" meter.



## FY '27 Water and Sewer Rate Study

The following table compares sewer rates by tier and base charges.

| Community | Tiers     |             |              |             |        | Base    | Rates   |         |         |         |        | Average Bill |
|-----------|-----------|-------------|--------------|-------------|--------|---------|---------|---------|---------|---------|--------|--------------|
|           | Tier 1    | Tier 2      | Tier 3       | Tier 4      | Tier 5 |         | Tier 1  | Tier 2  | Tier 3  | Tier 4  | Tier 5 |              |
| Watertown | 0-2,500   | 2,500-5,000 | 5,001-25,000 | Over 25,000 |        |         | \$11.86 | \$15.48 | \$17.28 | \$21.17 |        | \$342.94     |
| Waltham   | 0-2,100   | 2,100-4,500 | 4,500-12,000 | Over 12,000 |        |         | \$5.46  | \$7.63  | \$13.26 | \$16.51 |        | \$168.07     |
| Needham   | 0-600     | 600-2,700   | 2,700-4,200  | Over 4,200  |        | \$13.00 | \$11.13 | \$12.29 | \$13.25 | \$14.45 |        | \$351.12     |
| Lexington | 0-4,000   | 4,000-8,000 | Over 8,000   |             |        |         | \$10.27 | \$16.78 | \$26.69 |         |        | \$287.56     |
| Wellesley | Flat Rate |             |              |             |        | \$15.00 | \$11.55 |         |         |         |        | \$338.40     |
| Brookline | Flat Rate |             |              |             |        | \$39.42 | \$10.36 |         |         |         |        | \$329.50     |
| Belmont   | Flat Rate |             |              |             |        | \$17.76 | \$15.11 |         |         |         |        | \$440.84     |
| Arlington | 0-1,500   | 1,500-3,000 | Over 3,000   |             |        |         | \$10.80 | \$11.51 | \$13.97 |         |        | \$311.63     |
| Newton    | 0-1,000   | 1,000-2,500 | 2,500-6,000  | Over 6,000  |        |         | \$12.59 | \$14.73 | \$15.82 | \$18.19 |        | \$394.31     |

Data in the table above is per quarter. Tiers are in cubic feet. Rates per 100 cubic feet. Average bill is for usage of 2,800 cubic feet with 5/8" meter.

## 2.2 Existing Expenses and Revenues

A fourth tier was added to the water and sewer rate structures for FY 2023. The positive impact of the tier changes on water and sewer billings continued into FY 2024, FY 2025, and FY 2026. For FY 2025, water rates increased by 3.5% across all tiers and sewer rates increased by 3.5% across all tiers. A dry summer in 2024 impacted FY 2025 billings, with both the water fund and sewer fund ending FY 2025 with a large surplus. The water fund's surplus in FY 2025 was \$1,540,281 and the sewer fund's surplus in FY 2025 was \$2,862,347. These surpluses have contributed to healthy retained earnings balances for both funds at the time of the most recent certification, which was as of July 1, 2025. The latest certification for water was \$4,820,989, or 53.0%, of water fund expenses in FY 2025, and the latest certification for sewer was \$5,927,172, or 45.9%, of sewer fund expenses in FY 2025.

Projections for FY 2026 show that the water fund should end with a surplus of about \$500,000. The 3.5% rate increase and increased consumption due to very dry conditions for a second consecutive year greatly contributed to the projected surplus. Total fund expenses are projected to increase 8.8% over FY 2025's, which includes a \$96,000, or 2.1%, increase to the City's MWRA water

assessment and a \$292,000, or 25.1%, increase to long-term debt. The water fund's projected surplus for FY 2026 is \$514,183 despite these increases in expenses. Any surplus should further enhance the retained earnings balance. The sewer fund should also end FY 2026 with a sizable surplus. Like with water, the 3.5% rate increase and increased consumption due to very dry conditions at the end of the summer of 2025 have greatly contributed to the projected surplus. Total fund expenses are projected to increase 19.0% compared to FY 2025's. FY 2026 saw a \$398,000, or 5.5%, increase to the City's MWRA sewer assessment, an \$835,000, or 146.6%, increase in capital outlay, and a \$478,000, or 113.9%, increase to long-term debt. The sewer fund's projected surplus for FY 2025 is \$884,676. Any surplus should further enhance the retained earnings balance.

The City's FY 2027 water and sewer budgets were integrated into this study. The FY 2027 water budget is \$10,531,542, a 6.3% increase over FY 2026's water budget, and the FY 2027 sewer budget is \$14,788,830, a 10.8% increase over FY 2026's sewer budget. The MWRA's preliminary FY 2027 water assessment is \$4,707,331, a 0.4% increase over the FY 2026 assessment. Although an increase, this is the second straight year for which the City's water assessment increase is below the City's average increase in the recent past. The MWRA's preliminary FY 2027 sewer assessment is \$7,881,472, an increase of 2.7% over the FY 2026 assessment. The sewer assessment increased 2.9% on average over the five prior years. The MWRA's assessment is the single largest expense for the Water Enterprise Fund and the Sewer Enterprise Fund.

The City plans to invest in infrastructure improvements via its regularly maintained capital improvement plans ("CIPs") over the next five years. Included in the water projections presented, in addition to the funding of the City's regularly maintained CIP, is funding for capital improvements of \$2.4 million total from FY 2028 to FY 2031, to be funded out of retained earnings. Included in the sewer projections presented, in addition to the funding of the City's regularly maintained CIP, is funding for capital improvements of \$2.0 million total from FY 2028 to FY 2031, to be funded out of retained earnings.

### 3.0 BASELINE ANALYSIS

Without any changes in revenue (i.e., no rate adjustments), as presented in the baseline financial analysis, total projected water revenues for FY 2027 are \$9,816,450 and projected expenditures are \$10,531,533, leaving a deficit of over \$715,000 for FY 2027. The revenue total does not include liens, which is revenue from prior years that the City has already identified as revenue in those years.

Without any changes in revenue (i.e., no rate adjustments), as presented in the baseline financial analysis, total projected sewer revenues for FY 2027 are \$12,981,892 and projected expenditures are \$14,788,830, leaving a deficit of over \$1.8 million for FY 2027. The revenue total does not include liens, which is revenue from prior years that the City has already identified as revenue in those years.



The Water Enterprise Fund and the Sewer Enterprise Fund are experiencing budgetary shortfalls because revenue recovered from rates is insufficient to cover expenditures. The City should strongly consider rate action for FY 2027 and beyond to ensure sufficient revenue is realized from rates. Any deficit at the conclusion of a fiscal year would presumably be covered by available retained earnings. While healthy retained earnings balances in both funds would allow for this, the consistent use of retained earnings could eventually lead to retained earning balances dropping below recommended levels.

#### 4.0 OPTIONS FOR RATES AND CHANGES

Options for updated rates and charges included in this report are designed to ensure all expenses included can be covered by revenues and available retained earnings and to target retained earnings of 20% of total expenditures by the end of the five-year period. The recommended retained earnings balance is between 10% and 25%.

Since the analysis conducted was a five-year look-ahead, proposed rate increases are presented for the next five (5) fiscal years, including FY 2027. Each of these options will help the City achieve its goals of covering actual costs of services, maintaining healthy retained earnings, investing in capital improvements, and ensuring long-term fiscal stability, although one of the rate options presented is the rate plan supported by City Council when rates were set for FY 2026. Its inclusion allows for illustration of how the financial picture has changed for both water and sewer since the conclusion of the FY 2026 rate study.

The options are designed to change rates and charges only, without changes to the City's rate structure. This is consistent with how the City has changed rates and charges in the recent past, other than the recent addition of the fourth tier in the rate structure, which was implemented for FY 2023.

##### 4.1 Option 1

Option 1 is consistent with the rate plan supported by City Council as part of the FY 2026 rate study.

Rate increases are presented in the following table:

|       | <b>FY 2027</b> | <b>FY 2028</b> | <b>FY 2029</b> | <b>FY 2030</b> | <b>FY 2031</b> |
|-------|----------------|----------------|----------------|----------------|----------------|
| Water | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           |
| Sewer | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           |



## FY '27 Water and Sewer Rate Study

The following table shows current meter service charges and proposed FY 2027 meter service charges along with the difference between them. The increases to the meter service charges are the same as the increases to water rates.

| Meter Size (inches) | Rates/Quarter   |                  | Difference |      |
|---------------------|-----------------|------------------|------------|------|
|                     | Current FY 2026 | Proposed FY 2027 | \$         | %    |
| 5/8                 | \$9.44          | \$9.82           | \$0.38     | 4.0% |
| 3/4                 | \$10.05         | \$10.45          | \$0.40     | 4.0% |
| 1                   | \$11.87         | \$12.34          | \$0.47     | 4.0% |
| 1 1/4               | \$14.29         | \$14.86          | \$0.57     | 4.0% |
| 1 1/2               | \$14.29         | \$14.86          | \$0.57     | 4.0% |
| 2                   | \$20.84         | \$21.67          | \$0.83     | 4.0% |
| 3                   | \$69.46         | \$72.24          | \$2.78     | 4.0% |
| 4                   | \$87.46         | \$90.96          | \$3.50     | 4.0% |
| 6                   | \$129.46        | \$134.64         | \$5.18     | 4.0% |

The following table shows current private fire protection charges and proposed FY 2027 private fire protection charges along with the difference between them. The increases to the private fire protection charges are the same as the increases to water rates.

| Service Size (inches) | Rates/Quarter   |                  | Difference |      |
|-----------------------|-----------------|------------------|------------|------|
|                       | Current FY 2026 | Proposed FY 2027 | \$         | %    |
| 2"                    | \$13.77         | \$14.32          | \$0.55     | 4.0% |
| 3"                    | \$48.19         | \$50.12          | \$1.93     | 4.0% |
| 4"                    | \$96.39         | \$100.25         | \$3.86     | 4.0% |
| 6"                    | \$282.27        | \$293.56         | \$11.29    | 4.0% |
| 8"                    | \$598.95        | \$622.91         | \$23.96    | 4.0% |
| 10"                   | \$1,080.88      | \$1,124.12       | \$43.24    | 4.0% |

## FY '27 Water and Sewer Rate Study

The following table shows current volumetric rates and proposed FY 2027 volumetric rates along with the difference between them.

| Tier       | Volume<br>(cu. Ft) | Volumetric Rates (per 100 cubic feet) |                  | Difference |      |
|------------|--------------------|---------------------------------------|------------------|------------|------|
|            |                    | Current FY 2026                       | Proposed FY 2027 | \$         | %    |
| Water      |                    |                                       |                  |            |      |
| 1          | 0 - 2,500          | \$5.88                                | \$6.12           | \$0.24     | 4.0% |
| 2          | 2,501 - 5,000      | \$9.16                                | \$9.53           | \$0.37     | 4.0% |
| 3          | 5,001 - 25,000     | \$12.38                               | \$12.88          | \$0.50     | 4.0% |
| 4          | Over 25,000        | \$16.16                               | \$16.81          | \$0.65     | 4.0% |
| Irrigation | All                | \$16.16                               | \$16.81          | \$0.65     | 4.0% |
| Sewer      |                    |                                       |                  |            |      |
| 1          | 0 - 2,500          | \$11.86                               | \$12.33          | \$0.47     | 4.0% |
| 2          | 2,501 - 5,000      | \$15.48                               | \$16.10          | \$0.62     | 4.0% |
| 3          | 5,001 - 25,000     | \$17.28                               | \$17.97          | \$0.69     | 4.0% |
| 4          | Over 25,000        | \$21.17                               | \$22.02          | \$0.85     | 4.0% |
| Combined   |                    |                                       |                  |            |      |
| 1          | 0 - 2,500          | \$17.74                               | \$18.45          | \$0.71     | 4.0% |
| 2          | 2,501 - 5,000      | \$24.64                               | \$25.63          | \$0.99     | 4.0% |
| 3          | 5,001 - 25,000     | \$29.66                               | \$30.85          | \$1.19     | 4.0% |
| 4          | Over 25,000        | \$37.33                               | \$38.82          | \$1.49     | 4.0% |
| Irrigation | All                | \$16.16                               | \$16.81          | \$0.65     | 4.0% |

The following table contains the quarterly bill impact on sample customers.

| Meter<br>Size | Usage<br>(cu. Ft) | Current FY 2026 |             |             | Proposed FY 2027 |             |             | Difference |      |
|---------------|-------------------|-----------------|-------------|-------------|------------------|-------------|-------------|------------|------|
|               |                   | Water           | Sewer       | Total       | Water            | Sewer       | Total       | \$         | %    |
| 5/8"          | 1,000             | \$68.24         | \$118.60    | \$186.84    | \$70.97          | \$123.34    | \$194.31    | \$7.47     | 4.0% |
| 5/8"          | 2,500             | \$156.44        | \$296.50    | \$452.94    | \$162.70         | \$308.36    | \$471.06    | \$18.12    | 4.0% |
| 5/8"          | 5,000             | \$385.44        | \$683.50    | \$1,068.94  | \$400.86         | \$710.84    | \$1,111.70  | \$42.76    | 4.0% |
| 5/8"          | 15,000            | \$1,623.44      | \$2,411.50  | \$4,034.94  | \$1,688.38       | \$2,507.96  | \$4,196.34  | \$161.40   | 4.0% |
| 1"            | 25,000            | \$2,863.87      | \$4,139.50  | \$7,003.37  | \$2,978.42       | \$4,305.08  | \$7,283.50  | \$280.13   | 4.0% |
| 4"            | 75,000            | \$11,019.46     | \$14,724.50 | \$25,743.96 | \$11,460.24      | \$15,313.48 | \$26,773.72 | \$1,029.76 | 4.0% |

The information presented for this option includes the total additional funding of \$2.4 million in water capital from FY 2028 to FY 2031 to be funded out of retained earnings and the additional funding of \$2.0 million in sewer capital from FY 2028 to FY 2031 to be funded out of retained earnings. This funding is in addition to what is in the City-maintained water and sewer CIPs.

While a rate increase for FY 2027 of 4.0% certainly improves the outlook of both funds, projections based on annual 4.0% increases show that retained earnings will be below the targeted 20% of fund expenses by FY 2030 and FY 2031, in large part due to large expense increases in FY 2027, and

that corresponding revenues are no longer covering the larger expenses in both funds. This rate option is included so updated projections can illustrate that rate action greater than the supported plan during the FY 2026 study is necessary to allow retained earnings to remain healthy.

#### 4.2 Option 2

Option 2 contains a slightly higher rate increase for FY 2027 compared to the FY 2026 rate study supported by City Council, along with level rate increases in the subsequent years.

Rate increases are presented in the following table:

|       | <b>FY 2027</b> | <b>FY 2028</b> | <b>FY 2029</b> | <b>FY 2030</b> | <b>FY 2031</b> |
|-------|----------------|----------------|----------------|----------------|----------------|
| Water | 4.5%           | 6.0%           | 6.0%           | 6.0%           | 6.0%           |
| Sewer | 4.5%           | 8.0%           | 8.0%           | 8.0%           | 8.0%           |

The following table shows current meter service charges and proposed FY 2027 meter service charges along with the difference between them. The increases to the meter service charges are the same as the increases to water rates.

| <b>Meter Size (inches)</b> | <b>Rates/Quarter</b>   |                         | <b>Difference</b> |          |
|----------------------------|------------------------|-------------------------|-------------------|----------|
|                            | <b>Current FY 2026</b> | <b>Proposed FY 2027</b> | <b>\$</b>         | <b>%</b> |
| 5/8                        | \$9.44                 | \$9.86                  | \$0.42            | 4.5%     |
| 3/4                        | \$10.05                | \$10.50                 | \$0.45            | 4.5%     |
| 1                          | \$11.87                | \$12.40                 | \$0.53            | 4.5%     |
| 1 1/4                      | \$14.29                | \$14.93                 | \$0.64            | 4.5%     |
| 1 1/2                      | \$14.29                | \$14.93                 | \$0.64            | 4.5%     |
| 2                          | \$20.84                | \$21.78                 | \$0.94            | 4.5%     |
| 3                          | \$69.46                | \$72.59                 | \$3.13            | 4.5%     |
| 4                          | \$87.46                | \$91.40                 | \$3.94            | 4.5%     |
| 6                          | \$129.46               | \$135.29                | \$5.83            | 4.5%     |



## FY '27 Water and Sewer Rate Study

The following table shows current private fire protection charges and proposed FY 2027 private fire protection charges along with the difference between them. The increases to the private fire protection charges are the same as the increases to water rates.

| Service Size (inches) | Rates/Quarter   |                  | Difference |      |
|-----------------------|-----------------|------------------|------------|------|
|                       | Current FY 2026 | Proposed FY 2027 | \$         | %    |
| 2"                    | \$13.77         | \$14.39          | \$0.62     | 4.5% |
| 3"                    | \$48.19         | \$50.36          | \$2.17     | 4.5% |
| 4"                    | \$96.39         | \$100.73         | \$4.34     | 4.5% |
| 6"                    | \$282.27        | \$294.97         | \$12.70    | 4.5% |
| 8"                    | \$598.95        | \$625.90         | \$26.95    | 4.5% |
| 10"                   | \$1,080.88      | \$1,129.52       | \$48.64    | 4.5% |

The following table shows current volumetric rates and proposed FY 2027 volumetric rates along with the difference between them.

| Tier       | Volume<br>(cu. Ft) | Volumetric Rates (per 100 cubic feet) |                  | Difference |      |
|------------|--------------------|---------------------------------------|------------------|------------|------|
|            |                    | Current FY 2026                       | Proposed FY 2027 | \$         | %    |
| Water      |                    |                                       |                  |            |      |
| 1          | 0 - 2,500          | \$5.88                                | \$6.14           | \$0.26     | 4.5% |
| 2          | 2,501 - 5,000      | \$9.16                                | \$9.57           | \$0.41     | 4.5% |
| 3          | 5,001 - 25,000     | \$12.38                               | \$12.94          | \$0.56     | 4.5% |
| 4          | Over 25,000        | \$16.16                               | \$16.89          | \$0.73     | 4.5% |
| Irrigation | All                | \$16.16                               | \$16.89          | \$0.73     | 4.5% |
| Sewer      |                    |                                       |                  |            |      |
| 1          | 0 - 2,500          | \$11.86                               | \$12.39          | \$0.53     | 4.5% |
| 2          | 2,501 - 5,000      | \$15.48                               | \$16.18          | \$0.70     | 4.5% |
| 3          | 5,001 - 25,000     | \$17.28                               | \$18.06          | \$0.78     | 4.5% |
| 4          | Over 25,000        | \$21.17                               | \$22.12          | \$0.95     | 4.5% |
| Combined   |                    |                                       |                  |            |      |
| 1          | 0 - 2,500          | \$17.74                               | \$18.54          | \$0.80     | 4.5% |
| 2          | 2,501 - 5,000      | \$24.64                               | \$25.75          | \$1.11     | 4.5% |
| 3          | 5,001 - 25,000     | \$29.66                               | \$30.99          | \$1.33     | 4.5% |
| 4          | Over 25,000        | \$37.33                               | \$39.01          | \$1.68     | 4.5% |
| Irrigation | All                | \$16.16                               | \$16.89          | \$0.73     | 4.5% |

## FY '27 Water and Sewer Rate Study

The following table contains the quarterly bill impact on sample customers.

| Meter Size | Usage (cu. Ft) | Current FY 2026 |             |             | Proposed FY 2027 |             |             | Difference |      |
|------------|----------------|-----------------|-------------|-------------|------------------|-------------|-------------|------------|------|
|            |                | Water           | Sewer       | Total       | Water            | Sewer       | Total       | \$         | %    |
| 5/8"       | 1,000          | \$68.24         | \$118.60    | \$186.84    | \$71.31          | \$123.94    | \$195.25    | \$8.41     | 4.5% |
| 5/8"       | 2,500          | \$156.44        | \$296.50    | \$452.94    | \$163.48         | \$309.84    | \$473.32    | \$20.38    | 4.5% |
| 5/8"       | 5,000          | \$385.44        | \$683.50    | \$1,068.94  | \$402.78         | \$714.26    | \$1,117.04  | \$48.10    | 4.5% |
| 5/8"       | 15,000         | \$1,623.44      | \$2,411.50  | \$4,034.94  | \$1,696.49       | \$2,520.02  | \$4,216.51  | \$181.57   | 4.5% |
| 1"         | 25,000         | \$2,863.87      | \$4,139.50  | \$7,003.37  | \$2,992.74       | \$4,325.78  | \$7,318.52  | \$315.15   | 4.5% |
| 4"         | 75,000         | \$11,019.46     | \$14,724.50 | \$25,743.96 | \$11,515.34      | \$15,387.10 | \$26,902.44 | \$1,158.48 | 4.5% |

The information presented for this option includes the total additional funding of \$2.4 million in water capital from FY 2028 to FY 2031 to be funded out of retained earnings and the additional funding of \$2.0 million in sewer capital from FY 2028 to FY 2031 to be funded out of retained earnings. This funding is in addition to what is in the City-maintained water and sewer CIPs.

A rate increase for FY 2027 of 4.5% allows retained earnings to remain at a healthy level for both water and sewer in the short term, but strong rate action would be needed in subsequent years to ensure retained earnings remain healthy in those years.

## 5.0 CONCLUSION

It is important to the City that the proposed rate increases are mitigated as much as possible, given the current environment, while also balancing the importance of continuing to fund the City's water and sewer capital improvement plans. The projections in this report include the full funding of the CIPs, as well as funding of additional capital improvements as described.

The City is focused on water and sewer rate increases of 4.5% for FY 2027 and also on committing to a thorough review of the status of the water and sewer enterprise funds, the water and sewer capital plans, and the water and sewer rate structure in the early part of FY 2027. This review may yield changes that will mitigate the rate increases needed in future years.

The projections provided in the report are based on many assumptions. We recommend that the water and sewer analyses conducted for the City are reviewed and updated each year. For example, assumptions including planned expenditures and anticipated revenues, change year to year and it is important to capture those changes to ensure that the rate plans presented are based on the most accurate information available at the time.

If, in future years, retained earnings projections show balances lower than those considered industry standard, the City can look at its planned expenses to see if any can be adjusted for a given year. This review should include any planned debt as the City can choose to push out planned debt a year or two, if necessary.



## APPENDIX A

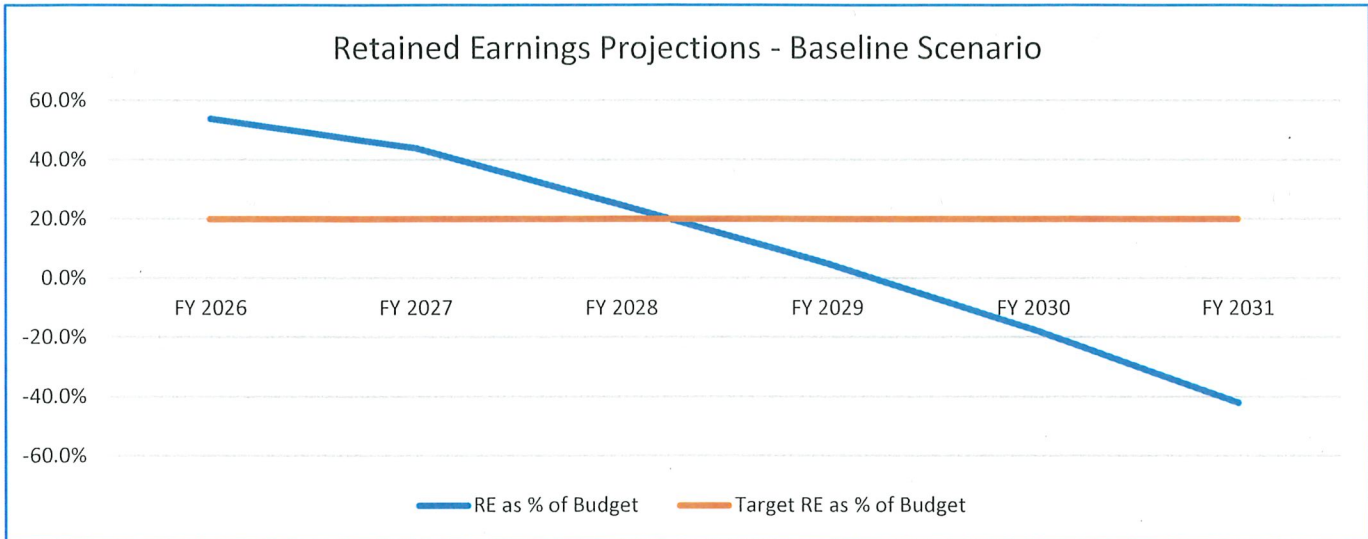
### Water Rate Study

#### Includes:

Baseline Scenario  
Option1 Summary  
Option 2 Summary

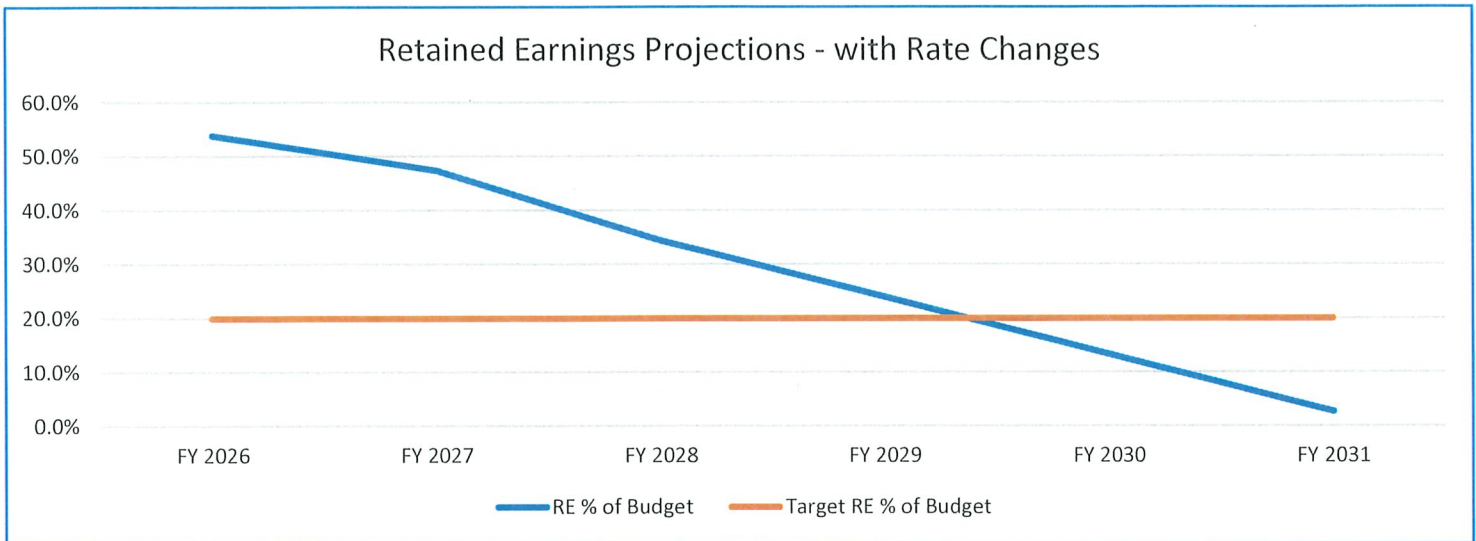
|                                          |       |
|------------------------------------------|-------|
| Target Retained Earnings as % of Budget: | 20.0% |
|------------------------------------------|-------|

| Baseline                    | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Surplus/Deficit             | \$ 514,183           | \$ (715,083)         | \$ (1,767,438)       | \$ (2,258,866)       | \$ (2,797,599)       | \$ (3,335,597)       |
| Projected Retained Earnings | \$5,335,172          | \$4,620,089          | \$ 2,852,651         | \$ 593,785           | \$ (2,203,814)       | \$ (5,539,411)       |
| RE as % of Budget           | 53.9%                | 43.9%                | 24.6%                | 4.9%                 | -17.5%               | -42.1%               |
| Target RE as % of Budget    | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |



| Description                                           | FY 2021<br>ACTUAL | FY 2022<br>ACTUAL | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>ACTUAL | FY 2026<br>BUDGETED | FY 2026<br>PROJECTED | FY 2027<br>BUDGETED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED | COMMENTS                                                                                                                            |
|-------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Revenues and Other Sources                            |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                     |
| TAX LIENS REDEEMED                                    | \$ 4,605          | \$ 7,498          | \$ 6,813          | \$ 2,148          | \$ 87,477         |                     | \$ 5,444             |                     | \$ 5,266             | \$ 5,266             | \$ 5,266             | \$ 5,266             | \$ 5,266             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                             |
| INT AND PEN ON LIENS/WATER                            | \$ 8,323          | \$ 3,594          | \$ 3,987          | \$ 2,860          | \$ 21,118         |                     | \$ 4,140             |                     | \$ 4,691             | \$ 4,691             | \$ 4,691             | \$ 4,691             | \$ 4,691             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                             |
| INT AND PEN WATER CHARGES                             | \$ 49,699         | \$ 43,905         | \$ 57,217         | \$ 49,102         | \$ 70,285         |                     | \$ 56,764            |                     | \$ 49,981            | \$ 49,981            | \$ 49,981            | \$ 49,981            | \$ 49,981            | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                             |
| WATER UTILITY USAGE CHARGES                           | \$ 7,148,519      | \$ 7,304,812      | \$ 8,410,930      | \$ 8,685,156      | \$ 9,628,770      |                     | \$ 9,686,176         |                     | \$ 9,303,756         | \$ 9,303,756         | \$ 9,303,756         | \$ 9,303,756         | \$ 9,303,756         | FY26, based on YTD actuals + estimated May commitments; FY27 and on based on FY26 YTD Actual; FY27 and on is the FY23 actual amount |
| MUNICIPAL WATER CHARGES                               | \$ 160,000        | \$ 185,675        | \$ 171,810        | \$ 210,248        | \$ 201,348        |                     | \$ 179,333           |                     | \$ 171,810           | \$ 171,810           | \$ 171,810           | \$ 171,810           | \$ 171,810           | FY26 YTD Actual; FY27 and on is the FY23 actual amount                                                                              |
| WATER LIENS                                           | \$ 190,168        | \$ 234,594        | \$ 256,455        | \$ 265,022        | \$ 392,895        |                     | \$ 340,009           |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | FY26 based on YTD actual; zeroed out FY27-FY31 to exclude from rev req't                                                            |
| WATER/OTHER UTILITY CHARGES                           | \$ 408,882        | \$ 68,287         | \$ 119,824        | \$ 190,732        | \$ 128,809        |                     | \$ 54,362            |                     | \$ 196,931           | \$ 196,931           | \$ 196,931           | \$ 196,931           | \$ 196,931           | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                             |
| WATER TEST CHARGES                                    | \$ 74,458         | \$ 77,255         | \$ 85,537         | \$ 85,034         | \$ 98,812         |                     | \$ 82,705            |                     | \$ 80,571            | \$ 80,571            | \$ 80,571            | \$ 80,571            | \$ 80,571            | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                             |
| SALE OF PROP/FINAL READS                              | \$ 3,890          | \$ -              | \$ -              | \$ -              | \$ -              |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assume none                                                                                                                         |
| WATER/INTEREST INCOME                                 | \$ 9,349          | \$ 1,177          | \$ 1,314          | \$ 1,939          | \$ 11,893         |                     | \$ 10,893            |                     | \$ 3,445             | \$ 3,445             | \$ 3,445             | \$ 3,445             | \$ 3,445             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                             |
| Sub Total                                             | \$ 8,057,893      | \$ 7,926,796      | \$ 9,113,886      | \$ 9,492,241      | \$ 10,641,406     | \$ 9,905,643        | \$ 10,419,826        | \$ 10,531,542       | \$ 9,816,450         | \$ 9,816,450         | \$ 9,816,450         | \$ 9,816,450         | \$ 9,816,450         |                                                                                                                                     |
| Retained Earnings                                     | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assume none                                                                                                                         |
| Total Revenues and Other Sources                      | \$ 8,057,893      | \$ 7,926,796      | \$ 9,113,886      | \$ 9,492,241      | \$ 10,641,406     | \$ 9,905,643        | \$ 10,419,826        | \$ 10,531,542       | \$ 9,816,450         | \$ 9,816,450         | \$ 9,816,450         | \$ 9,816,450         | \$ 9,816,450         |                                                                                                                                     |
|                                                       |                   |                   |                   |                   |                   |                     |                      | 27.5%               |                      |                      |                      |                      |                      |                                                                                                                                     |
| Expenditures and Other Uses                           |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                     |
| Salaries and Wages                                    | \$ 861,865        | \$ 999,818        | \$ 1,056,380      | \$ 991,273        | \$ 1,188,722      | \$ 1,316,084        | \$ 1,316,084         | \$ 1,325,709        | \$ 1,325,709         | \$ 1,385,366         | \$ 1,447,707         | \$ 1,512,854         | \$ 1,580,933         | FY26 and FY27 from Budget; FY28 on 4.5% yearly incr (6.3% avg. incr. last 5 years)                                                  |
| MWRA Assessment                                       | \$ 3,935,832      | \$ 4,184,354      | \$ 4,147,401      | \$ 4,202,656      | \$ 4,592,105      | \$ 4,688,527        | \$ 4,688,527         | \$ 4,707,340        | \$ 4,707,331         | \$ 5,074,534         | \$ 5,272,440         | \$ 5,478,066         | \$ 5,691,710         | FY26 actual and FY27 preliminary; FY28 and on based on 1.45% flow share                                                             |
| Other Expenses                                        | \$ 361,066        | \$ 358,695        | \$ 480,254        | \$ 508,423        | \$ 288,130        | \$ 492,757          | \$ 492,757           | \$ 672,000          | \$ 672,000           | \$ 688,800           | \$ 706,020           | \$ 723,671           | \$ 741,762           | FY26 and FY27 from Budget; FY28 on 2.5% yearly incr (1.0% avg. incr. last 5 years)                                                  |
| Capital Outlay                                        | \$ 235,199        | \$ 219,757        | \$ 103,981        | \$ 468,678        | \$ 252,672        | \$ 286,000          | \$ 286,000           | \$ 286,000          | \$ 286,000           | \$ 316,000           | \$ 386,000           | \$ 436,000           | \$ 486,000           | FY26 and FY27 from Budget; \$50K increase FY28 and on                                                                               |
| Long Term Debt                                        | \$ 542,013        | \$ 645,750        | \$ 1,271,610      | \$ 1,288,418      | \$ 1,164,200      | \$ 1,456,650        | \$ 1,456,650         | \$ 1,417,050        | \$ 1,417,050         | \$ 1,451,425         | \$ 1,438,463         | \$ 1,459,160         | \$ 1,464,943         | FY27 on, from Planned Debt schedule with CIP, as provided by the City                                                               |
| Projected Additional Capital                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ 450,000           | \$ 550,000           | \$ 650,000           | \$ 750,000           | Anticipated additional capital to be funded out of RE; Increase \$100,000 annually                                                  |
| Sub Total                                             | \$ 5,935,975      | \$ 6,408,373      | \$ 7,059,626      | \$ 7,459,468      | \$ 7,485,828      | \$ 8,240,018        | \$ 8,240,018         | \$ 8,408,099        | \$ 8,408,099         | \$ 9,386,125         | \$ 9,800,631         | \$ 10,259,750        | \$ 10,715,348        |                                                                                                                                     |
| Indirect Costs                                        | \$ 1,588,520      | \$ 1,553,006      | \$ 1,511,731      | \$ 1,423,464      | \$ 1,615,298      | \$ 1,665,625        | \$ 1,665,625         | \$ 2,123,443        | \$ 2,123,443         | \$ 2,197,764         | \$ 2,274,685         | \$ 2,354,299         | \$ 2,436,700         | FY26 and FY27 from Budget; FY28 on 3.5% yearly incr (0% avg. incr. last 5 years, but                                                |
| Transfer to Capital Projects                          | \$ 250,000        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Used to be \$250K/\$500K annually; not including now due to add'l debt line from ca                                                 |
| Total Expenditures and Other Uses                     | \$ 7,774,495      | \$ 7,961,379      | \$ 8,571,357      | \$ 8,882,932      | \$ 9,101,126      | \$ 9,905,643        | \$ 9,905,643         | \$ 10,531,542       | \$ 10,531,533        | \$ 11,583,888        | \$ 12,075,316        | \$ 12,614,050        | \$ 13,152,048        |                                                                                                                                     |
| Excess (Deficiency) of Revenues and                   |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                     |
| Available Funds > Expenditures and Other Uses         | \$ 283,398        | \$ (34,583)       | \$ 542,529        | \$ 609,309        | \$ 1,540,281      | \$ -                | \$ 514,183           | \$ -                | \$ (715,083)         | \$ (1,767,438)       | \$ (2,258,866)       | \$ (2,797,599)       | \$ (3,335,597)       |                                                                                                                                     |
| Retained Earnings Summary                             |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                     |
| Proj. Certified Retained Earnings as of July 1, 2025  |                   |                   |                   |                   | \$ 4,820,989      |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                     |
| Available Retained Earnings Start of FY               |                   |                   |                   |                   |                   |                     | \$ 4,820,989         |                     | \$ 5,335,172         | \$ 4,620,089         | \$ 2,852,651         | \$ 593,785           | \$ (2,203,814)       |                                                                                                                                     |
| Close Prior Year Reserves                             |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                                     |
| Establish New Year's Reserves (for Expenditures Only) |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                                     |
| Current Year Surplus/(Deficit)                        |                   |                   |                   |                   |                   |                     | \$ 514,183           |                     | \$ (715,083)         | \$ (1,767,438)       | \$ (2,258,866)       | \$ (2,797,599)       | \$ (3,335,597)       |                                                                                                                                     |
| Projected Retained Earnings Balance                   |                   |                   |                   |                   |                   |                     | \$ 5,335,172         |                     | \$ 4,620,089         | \$ 2,852,651         | \$ 593,785           | \$ (2,203,814)       | \$ (5,539,411)       |                                                                                                                                     |
| Projected Retained Earnings Balance as % of Budget    |                   |                   |                   |                   | 53.0%             |                     | 53.0%                |                     | 43.9%                | 24.6%                | 4.9%                 | -17.5%               | -42.1%               |                                                                                                                                     |

| Rate Changes:               | FY 2026              | FY 2027              | FY 2028              | FY 2029              | FY 2030              | FY 2031              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 3.50%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate Impact                 | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
| Surplus/Deficit             | \$ 514,183           | \$ (342,932)         | \$ (1,008,251)       | \$ (1,097,162)       | \$ (1,217,277)       | \$ (1,319,912)       |
| Projected Retained Earnings | \$5,335,172          | \$4,992,240          | \$ 3,983,989         | \$ 2,886,827         | \$ 1,669,550         | \$ 349,638           |
| RE % of Budget              | 53.9%                | 47.4%                | 34.4%                | 23.9%                | 13.2%                | 2.7%                 |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |



Service Charge

| Meter Size | Current   | FY 2027   | FY 2028   | FY 2029   | FY 2030   | FY 2031   |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5/8"       | \$ 9.44   | \$ 9.82   | \$ 10.21  | \$ 10.62  | \$ 11.04  | \$ 11.48  |
| 3/4"       | \$ 10.05  | \$ 10.45  | \$ 10.87  | \$ 11.30  | \$ 11.75  | \$ 12.22  |
| 1"         | \$ 11.87  | \$ 12.34  | \$ 12.83  | \$ 13.34  | \$ 13.87  | \$ 14.42  |
| 1 1/2"     | \$ 14.29  | \$ 14.86  | \$ 15.45  | \$ 16.07  | \$ 16.71  | \$ 17.38  |
| 2"         | \$ 20.84  | \$ 21.67  | \$ 22.54  | \$ 23.44  | \$ 24.38  | \$ 25.36  |
| 3"         | \$ 69.46  | \$ 72.24  | \$ 75.13  | \$ 78.14  | \$ 81.27  | \$ 84.52  |
| 4"         | \$ 87.46  | \$ 90.96  | \$ 94.60  | \$ 98.38  | \$ 102.32 | \$ 106.41 |
| 6"         | \$ 129.46 | \$ 134.64 | \$ 140.03 | \$ 145.63 | \$ 151.46 | \$ 157.52 |

Rates (per 100 cf of usage)

1st Step (0 - 2,500 cf)

2nd Step (2,501 - 5,000 cf)

3rd Step (5,001 - 25,000 cf)

4th Step (over 25,001)

|                              | Current  | FY 2027  | FY 2028  | FY 2029  | FY 2030  | FY 2031  |
|------------------------------|----------|----------|----------|----------|----------|----------|
| 1st Step (0 - 2,500 cf)      | \$ 5.88  | \$ 6.12  | \$ 6.36  | \$ 6.61  | \$ 6.87  | \$ 7.14  |
| 2nd Step (2,501 - 5,000 cf)  | \$ 9.16  | \$ 9.53  | \$ 9.91  | \$ 10.31 | \$ 10.72 | \$ 11.15 |
| 3rd Step (5,001 - 25,000 cf) | \$ 12.38 | \$ 12.88 | \$ 13.40 | \$ 13.94 | \$ 14.50 | \$ 15.08 |
| 4th Step (over 25,001)       | \$ 16.16 | \$ 16.81 | \$ 17.48 | \$ 18.18 | \$ 18.91 | \$ 19.67 |

| User Impact (per Bill) - Water Bills Only |        |              | New Bills    |              |              |              |              |
|-------------------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type                                 | Usage  | Current Bill | FY 2027      | FY 2028      | FY 2029      | FY 2030      | FY 2031      |
| Low-End User (5/8" meter)                 | 1,000  | \$ 68.24     | \$ 71.02     | \$ 73.81     | \$ 76.72     | \$ 79.74     | \$ 82.88     |
| High Tier 1 User (5/8" meter)             | 2,500  | \$ 156.44    | \$ 162.82    | \$ 169.21    | \$ 175.87    | \$ 182.79    | \$ 189.98    |
| High Tier 2 User (5/8" meter)             | 5,000  | \$ 385.44    | \$ 401.07    | \$ 416.96    | \$ 433.62    | \$ 450.79    | \$ 468.73    |
| Mid Tier 2 User (5/8" meter)              | 15,000 | \$ 1,623.44  | \$ 1,689.07  | \$ 1,756.96  | \$ 1,827.62  | \$ 1,900.79  | \$ 1,976.73  |
| High Tier 2 User (1" meter)               | 25,000 | \$ 2,863.87  | \$ 2,979.59  | \$ 3,099.58  | \$ 3,224.34  | \$ 3,353.62  | \$ 3,487.67  |
| Large User (4" meter)                     | 75,000 | \$ 11,019.46 | \$ 11,463.21 | \$ 11,921.35 | \$ 12,399.38 | \$ 12,897.07 | \$ 13,414.66 |

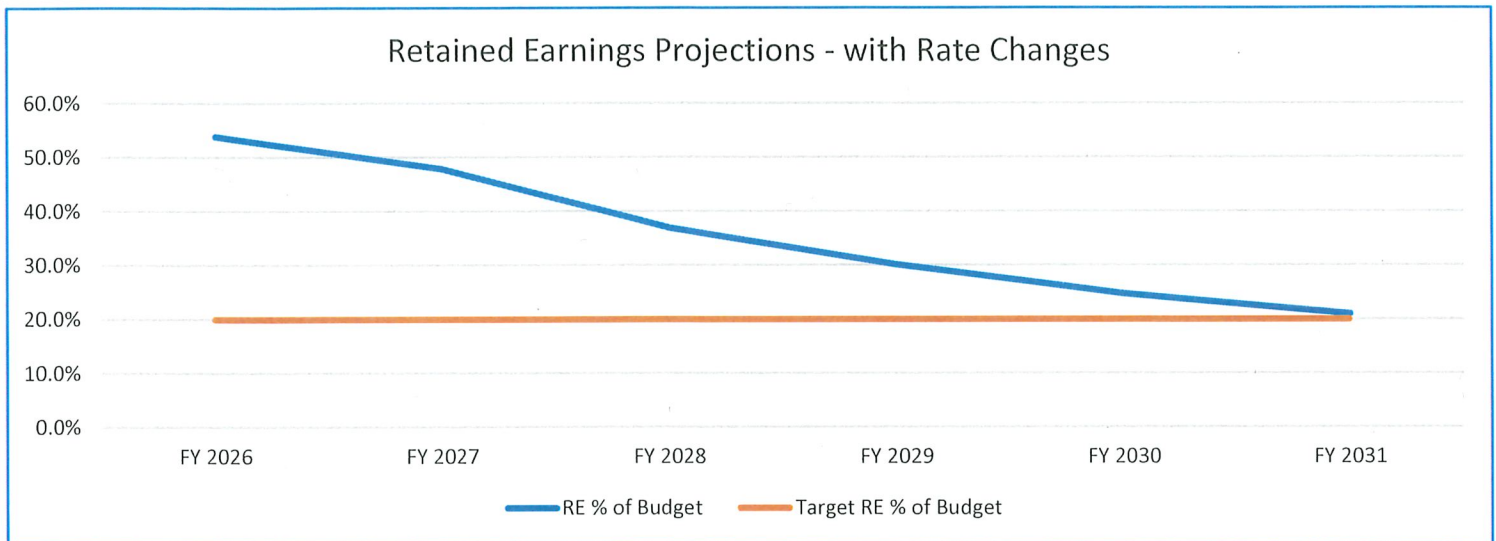
| Description                                                                       | FY 2020      | FY 2021     | FY 2022     | FY 2023     | FY 2024     | FY 2025      | FY 2026     | FY 2026      | FY 2027      | FY 2027      | FY 2028        | FY 2028        | FY 2029        | FY 2029        | FY 2030        | FY 2031        | COMMENTS                                                                                 |
|-----------------------------------------------------------------------------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------------------------------------------------------------------------|
|                                                                                   | ACTUAL       | ACTUAL      | ACTUAL      | ACTUAL      | ACTUAL      | ACTUAL       | BUDGETED    | PROJECTED    | BUDGETED     | PROJECTED    | PROJECTED      | PROJECTED      | PROJECTED      | PROJECTED      | PROJECTED      | PROJECTED      |                                                                                          |
| Revenues and Other Sources                                                        |              |             |             |             |             |              |             |              |              | 4.00%        | 4.00%          | 4.00%          | 4.00%          | 4.00%          | 4.00%          | 4.00%          |                                                                                          |
| TAX LIENS REDEEMED                                                                | \$ 6,608     | \$ 4,605    | \$ 7,498    | \$ 6,813    | \$ 2,148    | \$ 87,477    | \$ -        | \$ 5,444     | \$ -         | \$ 5,266     | \$ 5,266       | \$ 5,266       | \$ 5,266       | \$ 5,266       | \$ 5,266       | \$ 5,266       | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                  |
| INT AND PEN ON LIENS/WATER                                                        | \$ 7,825     | \$ 8,323    | \$ 3,594    | \$ 3,987    | \$ 2,860    | \$ 21,118    | \$ -        | \$ 4,140     | \$ -         | \$ 4,691     | \$ 4,691       | \$ 4,691       | \$ 4,691       | \$ 4,691       | \$ 4,691       | \$ 4,691       | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                  |
| INT AND PEN WATER CHARGES                                                         | \$ 46,155    | \$ 49,699   | \$ 43,905   | \$ 57,217   | \$ 49,102   | \$ 70,285    | \$ -        | \$ 56,764    | \$ -         | \$ 49,981    | \$ 49,981      | \$ 49,981      | \$ 49,981      | \$ 49,981      | \$ 49,981      | \$ 49,981      | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                  |
| WATER UTILITY USAGE CHARGES                                                       | \$6,629,005  | \$7,148,519 | \$7,304,812 | \$8,410,930 | \$8,685,156 | \$ 9,628,770 | \$ -        | \$ 9,686,176 | \$ -         | \$ 9,675,906 | \$10,062,942   | \$10,465,160   | \$10,884,078   | \$11,319,441   | \$11,751,810   | \$12,188,128   | FY26, based on YTD actuals + estimated May commitments; FY27 and on based on FY24        |
| MUNICIPAL WATER CHARGES                                                           | \$ 195,000   | \$ 160,000  | \$ 185,675  | \$ 171,810  | \$ 210,248  | \$ 201,348   | \$ -        | \$ 179,333   | \$ -         | \$ 171,810   | \$ 171,810     | \$ 171,810     | \$ 171,810     | \$ 171,810     | \$ 171,810     | \$ 171,810     | FY26 YTD Actual; FY27 and on is the FY23 actual amount                                   |
| WATER LIENS                                                                       | \$ 235,517   | \$ 190,168  | \$ 234,594  | \$ 256,455  | \$ 265,022  | \$ 392,895   | \$ -        | \$ 340,009   | \$ -         | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | FY26 based on YTD actuals; zeroed out FY27-FY31 to exclude from rev req't                |
| WATER/OTHER UTILITY CHARGES                                                       | \$ 113,359   | \$ 408,882  | \$ 68,287   | \$ 119,824  | \$ 190,732  | \$ 128,809   | \$ -        | \$ 54,362    | \$ -         | \$ 196,931   | \$ 196,931     | \$ 196,931     | \$ 196,931     | \$ 196,931     | \$ 196,931     | \$ 196,931     | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                  |
| WATER TEST CHARGES                                                                | \$ 71,850    | \$ 74,458   | \$ 77,255   | \$ 85,537   | \$ 85,034   | \$ 98,812    | \$ -        | \$ 82,705    | \$ -         | \$ 80,571    | \$ 80,571      | \$ 80,571      | \$ 80,571      | \$ 80,571      | \$ 80,571      | \$ 80,571      | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                  |
| SALE OF PROP/FINAL READS                                                          | \$ 117,633   | \$ 3,890    | \$ -        | \$ -        | \$ -        | \$ -         | \$ -        | \$ -         | \$ -         | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | Assume none                                                                              |
| WATER/INTEREST INCOME                                                             | \$ 9,819     | \$ 9,349    | \$ 1,177    | \$ 1,314    | \$ 1,939    | \$ 11,893    | \$ -        | \$ 10,893    | \$ -         | \$ 3,445     | \$ 3,445       | \$ 3,445       | \$ 3,445       | \$ 3,445       | \$ 3,445       | \$ 3,445       | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                  |
| Sub Total                                                                         | \$7,432,772  | \$8,057,893 | \$7,926,796 | \$9,113,886 | \$9,492,241 | \$10,641,406 | \$9,905,643 | \$10,419,826 | \$10,531,542 | \$10,188,601 | \$10,575,637   | \$10,978,154   | \$11,396,773   | \$11,832,136   | \$12,250,000   | \$12,668,128   |                                                                                          |
| Retained Earnings                                                                 | \$ -         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -         | \$ -        | \$ -         | \$ -         | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | Assume none                                                                              |
| Total Revenues and Other Sources                                                  | \$7,432,772  | \$8,057,893 | \$7,926,796 | \$9,113,886 | \$9,492,241 | \$10,641,406 | \$9,905,643 | \$10,419,826 | \$10,531,542 | \$10,188,601 | \$10,575,637   | \$10,978,154   | \$11,396,773   | \$11,832,136   | \$12,250,000   | \$12,668,128   |                                                                                          |
| Expenditures and Other Uses                                                       |              |             |             |             |             |              |             |              |              |              |                |                |                |                |                |                |                                                                                          |
| Salaries and Wages                                                                | \$ 898,466   | \$ 861,865  | \$ 999,818  | \$1,056,380 | \$ 991,273  | \$ 1,188,722 | \$1,316,084 | \$ 1,316,084 | \$ 1,325,709 | \$ 1,325,709 | \$ 1,385,366   | \$ 1,447,707   | \$ 1,512,854   | \$ 1,580,933   | \$ 1,650,000   | \$ 1,715,348   | FY26 and FY27 from Budget; FY28 on 4.5% yearly incr (6.3% avg. incr. last 5 years)       |
| MVRA Assessment                                                                   | \$3,897,384  | \$3,935,832 | \$4,184,354 | \$4,147,401 | \$4,202,656 | \$ 4,592,105 | \$4,688,527 | \$ 4,688,527 | \$ 4,707,340 | \$ 4,707,331 | \$ 5,074,534   | \$ 5,272,440   | \$ 5,478,066   | \$ 5,691,710   | \$ 5,910,000   | \$ 6,125,348   | FY26 actual and FY27 preliminary; FY28 and on based on 1.45% flow share                  |
| Other Expenses                                                                    | \$ 310,698   | \$ 361,066  | \$ 358,695  | \$ 480,254  | \$ 508,423  | \$ 288,130   | \$ 492,757  | \$ 492,757   | \$ 672,000   | \$ 672,000   | \$ 688,800     | \$ 706,020     | \$ 723,671     | \$ 741,762     | \$ 760,000     | \$ 778,128     | FY26 and FY27 from Budget; FY28 on 2.5% yearly incr (1.0% avg. incr. last 5 years)       |
| Capital Outlay                                                                    | \$ 231,446   | \$ 235,199  | \$ 219,757  | \$ 103,981  | \$ 468,678  | \$ 252,672   | \$ 286,000  | \$ 286,000   | \$ 286,000   | \$ 286,000   | \$ 336,000     | \$ 386,000     | \$ 436,000     | \$ 486,000     | \$ 536,000     | \$ 586,000     | FY26 and FY27 from budget; \$50k increase FY28 and on                                    |
| Long Term Debt                                                                    | \$ 676,446   | \$ 542,013  | \$ 645,750  | \$1,271,610 | \$1,288,438 | \$1,164,200  | \$1,456,650 | \$ 1,417,050 | \$ 1,417,050 | \$ 1,417,050 | \$ 1,451,425   | \$ 1,438,463   | \$ 1,459,160   | \$ 1,464,943   | \$ 1,464,943   | \$ 1,464,943   | FY27 on, from Planned Debt schedule with CIP, as provided by the City                    |
| Projected Additional Capital                                                      | \$ -         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -         | \$ -        | \$ -         | \$ -         | \$ -         | \$ 450,000     | \$ 550,000     | \$ 650,000     | \$ 750,000     | \$ 850,000     | \$ 950,000     | Anticipated additional capital to be funded out of RE; increase \$100,000 annually       |
| Sub Total                                                                         | \$6,034,439  | \$5,935,975 | \$6,408,373 | \$7,059,626 | \$7,459,458 | \$ 7,485,828 | \$8,240,018 | \$ 8,240,018 | \$ 8,408,099 | \$ 8,408,099 | \$ 9,386,125   | \$ 9,800,631   | \$10,259,750   | \$10,715,348   | \$11,171,000   | \$11,626,648   |                                                                                          |
| Indirect Costs                                                                    | \$1,631,803  | \$1,588,320 | \$1,553,006 | \$1,511,731 | \$1,423,464 | \$ 1,615,298 | \$1,665,625 | \$ 1,665,625 | \$ 1,723,443 | \$ 1,723,443 | \$ 1,797,764   | \$ 1,874,685   | \$ 1,954,299   | \$ 2,034,000   | \$ 2,113,348   | \$ 2,192,696   | FY26 and FY27 from Budget; FY28 on 3.5% yearly incr (0% avg. incr. last 5 years, but big |
| Transfer to Capital Projects                                                      | \$ 500,000   | \$ 500,000  | \$ -        | \$ -        | \$ -        | \$ -         | \$ -        | \$ -         | \$ -         | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | Used to be \$250K/\$500K annually; not including now due to add'l debt line from capital |
| Total Expenditures and Other Uses                                                 | \$8,166,247  | \$7,774,495 | \$7,961,379 | \$8,571,357 | \$8,882,932 | \$ 9,101,126 | \$9,905,643 | \$ 9,905,643 | \$10,531,542 | \$10,531,533 | \$11,583,888   | \$12,075,316   | \$12,614,050   | \$13,152,048   | \$13,699,000   | \$14,249,044   |                                                                                          |
| Excess (Deficiency) of Revenues and Available Funds > Expenditures and Other Uses | \$ (733,475) | \$ 283,398  | \$ (34,583) | \$ 542,529  | \$ 609,309  | \$ 1,540,281 | \$ -        | \$ 514,183   | \$ -         | \$ (342,932) | \$ (1,008,251) | \$ (1,097,162) | \$ (1,217,277) | \$ (1,319,912) | \$ (1,468,968) | \$ (1,572,916) |                                                                                          |
| Retained Earnings Summary                                                         |              |             |             |             |             |              |             |              |              |              |                |                |                |                |                |                |                                                                                          |
| Proj. Certified Retained Earnings as of July 1, 2025                              |              |             |             |             |             | \$ 4,820,989 |             | \$ 4,820,989 |              | \$ 5,335,172 | \$ 4,992,240   | \$ 3,983,989   | \$ 2,886,827   | \$ 1,669,550   | \$ 500,000     | \$ 250,000     |                                                                                          |
| Available Retained Earnings Start of FY                                           |              |             |             |             |             |              |             | \$ -         |              | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |                                                                                          |
| Close Prior Year Reserves                                                         |              |             |             |             |             |              |             | \$ -         |              | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |                                                                                          |
| Establish New Year's Reserves (for Expenditures Only)                             |              |             |             |             |             |              |             | \$ -         |              | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |                                                                                          |
| Current Year Surplus/(Deficit)                                                    |              |             |             |             |             |              |             | \$ 514,183   |              | \$ (342,932) | \$ (1,008,251) | \$ (1,097,162) | \$ (1,217,277) | \$ (1,319,912) | \$ (1,468,968) | \$ (1,572,916) |                                                                                          |
| Projected Retained Earnings Balance                                               |              |             |             |             |             |              |             | \$ 5,335,172 |              | \$ 4,992,240 | \$ 3,983,989   | \$ 2,886,827   | \$ 1,669,550   | \$ 500,000     | \$ 250,000     | \$ 125,000     |                                                                                          |
| Projected Retained Earnings Balance as % of Budget                                |              |             |             |             |             |              |             | 53.0%        |              | 53.0%        | 47.4%          | 34.4%          | 23.9%          | 13.2%          | 7.7%           | 3.9%           |                                                                                          |



City of Watertown  
Water Rate Study

5-Year Analysis - Option 2

| Rate Changes:               | FY 2026              | FY 2027              | FY 2028              | FY 2029              | FY 2030              | FY 2031              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 3.50%                | 4.50%                | 6.00%                | 6.00%                | 6.00%                | 6.00%                |
| Rate Impact                 | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
| Surplus/Deficit             | \$ 514,183           | \$ (296,414)         | \$ (765,423)         | \$ (638,505)         | \$ (521,791)         | \$ (365,016)         |
| Projected Retained Earnings | \$ 5,335,172         | \$ 5,038,758         | \$ 4,273,335         | \$ 3,634,830         | \$ 3,113,039         | \$ 2,748,023         |
| RE % of Budget              | 53.9%                | 47.8%                | 36.9%                | 30.1%                | 24.7%                | 20.9%                |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |



Service Charge

| Meter Size | Current   | FY 2027   | FY 2028   | FY 2029   | FY 2030   | FY 2031   |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5/8"       | \$ 9.44   | \$ 9.86   | \$ 10.45  | \$ 11.08  | \$ 11.74  | \$ 12.44  |
| 3/4"       | \$ 10.05  | \$ 10.50  | \$ 11.13  | \$ 11.80  | \$ 12.51  | \$ 13.26  |
| 1"         | \$ 11.87  | \$ 12.40  | \$ 13.14  | \$ 13.93  | \$ 14.77  | \$ 15.66  |
| 1 1/2"     | \$ 14.29  | \$ 14.93  | \$ 15.83  | \$ 16.78  | \$ 17.79  | \$ 18.86  |
| 2"         | \$ 20.84  | \$ 21.78  | \$ 23.09  | \$ 24.48  | \$ 25.95  | \$ 27.51  |
| 3"         | \$ 69.46  | \$ 72.59  | \$ 76.95  | \$ 81.57  | \$ 86.46  | \$ 91.65  |
| 4"         | \$ 87.46  | \$ 91.40  | \$ 96.88  | \$ 102.69 | \$ 108.85 | \$ 115.38 |
| 6"         | \$ 129.46 | \$ 135.29 | \$ 143.41 | \$ 152.01 | \$ 161.13 | \$ 170.80 |

Rates (per 100 cf of usage)

1st Step (0 - 2,500 cf)

2nd Step (2,501 - 5,000 cf)

3rd Step (5,001 - 25,000 cf)

4th Step (over 25,001)

|                              | Current  | FY 2027  | FY 2028  | FY 2029  | FY 2030  | FY 2031  |
|------------------------------|----------|----------|----------|----------|----------|----------|
| 1st Step (0 - 2,500 cf)      | \$ 5.88  | \$ 6.14  | \$ 6.51  | \$ 6.90  | \$ 7.31  | \$ 7.75  |
| 2nd Step (2,501 - 5,000 cf)  | \$ 9.16  | \$ 9.57  | \$ 10.14 | \$ 10.75 | \$ 11.40 | \$ 12.08 |
| 3rd Step (5,001 - 25,000 cf) | \$ 12.38 | \$ 12.94 | \$ 13.72 | \$ 14.54 | \$ 15.41 | \$ 16.33 |
| 4th Step (over 25,001)       | \$ 16.16 | \$ 16.89 | \$ 17.90 | \$ 18.97 | \$ 20.11 | \$ 21.32 |

| User Impact (per Bill) - Water Bills Only |        |              | New Bills    |              |              |              |              |
|-------------------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type                                 | Usage  | Current Bill | FY 2027      | FY 2028      | FY 2029      | FY 2030      | FY 2031      |
| Low-End User (5/8" meter)                 | 1,000  | \$ 68.24     | \$ 71.26     | \$ 75.55     | \$ 80.08     | \$ 84.84     | \$ 89.94     |
| High Tier 1 User (5/8" meter)             | 2,500  | \$ 156.44    | \$ 163.36    | \$ 173.20    | \$ 183.58    | \$ 194.49    | \$ 206.19    |
| High Tier 2 User (5/8" meter)             | 5,000  | \$ 385.44    | \$ 402.61    | \$ 426.70    | \$ 452.33    | \$ 479.49    | \$ 508.19    |
| Mid Tier 2 User (5/8" meter)              | 15,000 | \$ 1,623.44  | \$ 1,696.61  | \$ 1,798.70  | \$ 1,906.33  | \$ 2,020.49  | \$ 2,141.19  |
| High Tier 2 User (1" meter)               | 25,000 | \$ 2,863.87  | \$ 2,993.15  | \$ 3,173.39  | \$ 3,363.18  | \$ 3,564.52  | \$ 3,777.41  |
| Large User (4" meter)                     | 75,000 | \$ 11,019.46 | \$ 11,517.15 | \$ 12,207.13 | \$ 12,936.94 | \$ 13,713.60 | \$ 14,537.13 |

| Description                                                                       | FY 2020<br>ACTUAL | FY 2021<br>ACTUAL | FY 2022<br>ACTUAL | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>ACTUAL | FY 2026<br>BUDGETED | FY 2026<br>PROJECTED | FY 2027<br>BUDGETED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED | COMMENTS                                                                                                                                                                          |
|-----------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenues and Other Sources                                                        |                   |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                                                                   |
| TAX LIENS REDEEMED                                                                | \$ 6,608          | \$ 4,605          | \$ 7,498          | \$ 6,813          | \$ 2,148          | \$ 87,477         | \$ -                | \$ 5,444             | \$ -                | \$ 5,266             | \$ 5,266             | \$ 5,266             | \$ 5,266             | \$ 5,266             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                                                                           |
| INT AND PEN ON LIENS/WATER                                                        | \$ 7,825          | \$ 8,323          | \$ 3,594          | \$ 3,987          | \$ 2,860          | \$ 21,118         | \$ -                | \$ 4,140             | \$ -                | \$ 4,691             | \$ 4,691             | \$ 4,691             | \$ 4,691             | \$ 4,691             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                                                                           |
| INT AND PEN WATER CHARGES                                                         | \$ 46,155         | \$ 49,699         | \$ 43,905         | \$ 57,217         | \$ 49,102         | \$ 70,285         | \$ -                | \$ 56,764            | \$ -                | \$ 49,981            | \$ 49,981            | \$ 49,981            | \$ 49,981            | \$ 49,981            | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                                                                           |
| WATER UTILITY USAGE CHARGES                                                       | \$ 6,629,005      | \$ 7,148,519      | \$ 7,304,812      | \$ 8,410,930      | \$ 8,685,156      | \$ 9,628,770      | \$ -                | \$ 9,686,176         | \$ -                | \$ 9,722,425         | \$ 10,305,770        | \$ 10,924,117        | \$ 11,579,564        | \$ 12,274,337        | FY26, based on YTD actuals + estimated May commitments; FY27 and on based on FY26 YTD Actual; FY27 and on is the FY23 actual amount                                               |
| MUNICIPAL WATER CHARGES                                                           | \$ 195,000        | \$ 160,000        | \$ 185,675        | \$ 171,810        | \$ 210,248        | \$ 201,348        | \$ -                | \$ 179,333           | \$ -                | \$ 171,810           | \$ 171,810           | \$ 171,810           | \$ 171,810           | \$ 171,810           | FY26 based on YTD actuals; zeroed out FY27-FY31 to exclude from rev req't                                                                                                         |
| WATER LIENS                                                                       | \$ 235,517        | \$ 190,168        | \$ 234,594        | \$ 236,455        | \$ 265,022        | \$ 392,895        | \$ -                | \$ 340,009           | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                                                                           |
| WATER/OTHER UTILITY CHARGES                                                       | \$ 113,359        | \$ 408,882        | \$ 68,287         | \$ 119,824        | \$ 190,732        | \$ 128,809        | \$ -                | \$ 54,362            | \$ -                | \$ 196,931           | \$ 196,931           | \$ 196,931           | \$ 196,931           | \$ 196,931           | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                                                                           |
| WATER TEST CHARGES                                                                | \$ 71,850         | \$ 74,458         | \$ 77,555         | \$ 85,537         | \$ 85,034         | \$ 98,812         | \$ -                | \$ 82,705            | \$ -                | \$ 80,571            | \$ 80,571            | \$ 80,571            | \$ 80,571            | \$ 80,571            | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                                                                           |
| SALE OF PROP/PIPING READS                                                         | \$ 117,633        | \$ 3,890          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assume none                                                                                                                                                                       |
| WATER/INTEREST INCOME                                                             | \$ 9,819          | \$ 9,349          | \$ 1,177          | \$ 1,314          | \$ 1,939          | \$ 11,893         | \$ -                | \$ 10,893            | \$ -                | \$ 3,445             | \$ 3,445             | \$ 3,445             | \$ 3,445             | \$ 3,445             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                                                                                           |
| Sub Total                                                                         | \$ 7,432,772      | \$ 8,057,893      | \$ 7,926,796      | \$ 9,113,886      | \$ 9,492,241      | \$ 10,641,406     | \$ 9,905,643        | \$ 10,419,826        | \$ 10,531,542       | \$ 10,235,119        | \$ 10,818,465        | \$ 11,436,811        | \$ 12,092,258        | \$ 12,787,032        |                                                                                                                                                                                   |
| Retained Earnings                                                                 | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assume none                                                                                                                                                                       |
| Total Revenues and Other Sources                                                  | \$ 7,432,772      | \$ 8,057,893      | \$ 7,926,796      | \$ 9,113,886      | \$ 9,492,241      | \$ 10,641,406     | \$ 9,905,643        | \$ 10,419,826        | \$ 10,531,542       | \$ 10,235,119        | \$ 10,818,465        | \$ 11,436,811        | \$ 12,092,258        | \$ 12,787,032        |                                                                                                                                                                                   |
| Expenditures and Other Uses                                                       |                   |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                                                                   |
| Salaries and Wages                                                                | \$ 898,466        | \$ 861,865        | \$ 999,818        | \$ 1,056,380      | \$ 991,273        | \$ 1,188,722      | \$ 1,316,084        | \$ 1,316,084         | \$ 1,325,709        | \$ 1,325,709         | \$ 1,385,366         | \$ 1,447,707         | \$ 1,512,854         | \$ 1,580,933         | FY26 and FY27 from Budget; FY28 on 4.5% yearly incr (6.3% avg. incr. last 5 years)                                                                                                |
| MWRA Assessment                                                                   | \$ 3,897,384      | \$ 3,935,832      | \$ 4,184,354      | \$ 4,147,401      | \$ 4,202,656      | \$ 4,592,105      | \$ 4,688,527        | \$ 4,688,527         | \$ 4,707,340        | \$ 4,707,331         | \$ 5,074,534         | \$ 5,272,440         | \$ 5,478,066         | \$ 5,691,710         | FY26 actual and FY27 preliminary; FY28 and on based on 1.45% flow share                                                                                                           |
| Other Expenses                                                                    | \$ 330,698        | \$ 361,066        | \$ 358,695        | \$ 480,254        | \$ 508,423        | \$ 288,130        | \$ 492,757          | \$ 492,757           | \$ 672,000          | \$ 672,000           | \$ 688,800           | \$ 706,020           | \$ 723,671           | \$ 741,762           | FY26 and FY27 from Budget; FY28 on 2.5% yearly incr (1.0% avg. incr. last 5 years)                                                                                                |
| Capital Outlay                                                                    | \$ 231,446        | \$ 235,199        | \$ 219,757        | \$ 103,981        | \$ 468,678        | \$ 252,672        | \$ 286,000          | \$ 286,000           | \$ 286,000          | \$ 286,000           | \$ 336,000           | \$ 386,000           | \$ 436,000           | \$ 486,000           | FY26 and FY27 from Budget; \$50K increase FY28 and on                                                                                                                             |
| Long Term Debt                                                                    | \$ 676,146        | \$ 542,013        | \$ 645,750        | \$ 1,271,610      | \$ 1,288,438      | \$ 1,164,200      | \$ 1,456,650        | \$ 1,456,650         | \$ 1,417,050        | \$ 1,417,050         | \$ 1,451,425         | \$ 1,438,463         | \$ 1,459,160         | \$ 1,464,943         | FY27 on, from Planned Debt schedule with CIP, as provided by the City                                                                                                             |
| Projected Additional Capital                                                      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ 450,000           | \$ 550,000           | \$ 650,000           | \$ 750,000           | Anticipated additional capital to be funded out of RE; increase \$100,000 annually                                                                                                |
| Sub Total                                                                         | \$ 6,034,439      | \$ 5,935,975      | \$ 6,408,373      | \$ 7,059,626      | \$ 7,459,468      | \$ 7,485,828      | \$ 8,240,018        | \$ 8,240,018         | \$ 8,408,099        | \$ 8,408,099         | \$ 9,386,125         | \$ 9,800,631         | \$ 10,259,750        | \$ 10,715,346        |                                                                                                                                                                                   |
| Indirect Costs                                                                    | \$ 1,631,808      | \$ 1,588,320      | \$ 1,553,006      | \$ 1,511,731      | \$ 1,423,464      | \$ 1,615,298      | \$ 1,665,625        | \$ 1,665,625         | \$ 2,123,443        | \$ 2,123,443         | \$ 2,197,764         | \$ 2,274,685         | \$ 2,354,299         | \$ 2,436,700         | FY26 and FY27 from Budget; FY28 on 3.5% yearly incr (0% avg. incr. last 5 years, but big Used to be \$250K/\$500K annually; not including now due to add'l debt line from capital |
| Transfer to Capital Projects                                                      | \$ 900,000        | \$ 250,000        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                                                                                   |
| Total Expenditures and Other Uses                                                 | \$ 8,166,247      | \$ 7,774,495      | \$ 7,961,379      | \$ 8,571,357      | \$ 8,882,932      | \$ 9,101,126      | \$ 9,905,643        | \$ 9,905,643         | \$ 10,531,542       | \$ 10,531,533        | \$ 11,583,888        | \$ 12,075,316        | \$ 12,614,050        | \$ 13,152,046        |                                                                                                                                                                                   |
| Excess (Deficiency) of Revenues and Available Funds > Expenditures and Other Uses | \$ (733,475)      | \$ 283,398        | \$ (34,583)       | \$ 542,529        | \$ 609,309        | \$ 1,540,281      | \$ -                | \$ 514,183           | \$ -                | \$ (296,414)         | \$ (765,423)         | \$ (688,505)         | \$ (521,791)         | \$ (365,016)         |                                                                                                                                                                                   |
| Retained Earnings Summary                                                         |                   |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                                                                   |
| Proj. Certified Retained Earnings as of July 1, 2025                              |                   |                   |                   |                   |                   | \$ 4,820,989      |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                                                                                   |
| Available Retained Earnings Start of FY                                           |                   |                   |                   |                   |                   |                   | \$ 4,820,989        |                      | \$ 5,335,172        | \$ 5,038,758         | \$ 4,273,335         | \$ 3,634,830         | \$ 3,113,039         |                      |                                                                                                                                                                                   |
| Close Prior Year Reserves                                                         |                   |                   |                   |                   |                   |                   |                     |                      | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                                                                                   |
| Establish New Year's Reserves (for Expenditures Only)                             |                   |                   |                   |                   |                   |                   |                     |                      | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                                                                                   |
| Current Year Surplus/(Deficit)                                                    |                   |                   |                   |                   |                   |                   |                     |                      | \$ 514,183          | \$ (296,414)         | \$ (765,423)         | \$ (688,505)         | \$ (521,791)         | \$ (365,016)         |                                                                                                                                                                                   |
| Projected Retained Earnings Balance                                               |                   |                   |                   |                   |                   |                   |                     |                      | \$ 5,335,172        | \$ 5,038,758         | \$ 4,273,335         | \$ 3,634,830         | \$ 3,113,039         | \$ 2,748,023         |                                                                                                                                                                                   |
| Projected Retained Earnings Balance as % of Budget                                |                   |                   |                   |                   |                   |                   | 53.0%               |                      | 53.9%               | 47.8%                | 36.9%                | 30.1%                | 24.7%                | 20.9%                |                                                                                                                                                                                   |

## APPENDIX B

### Sewer Rate Study

Includes:

Baseline Scenario

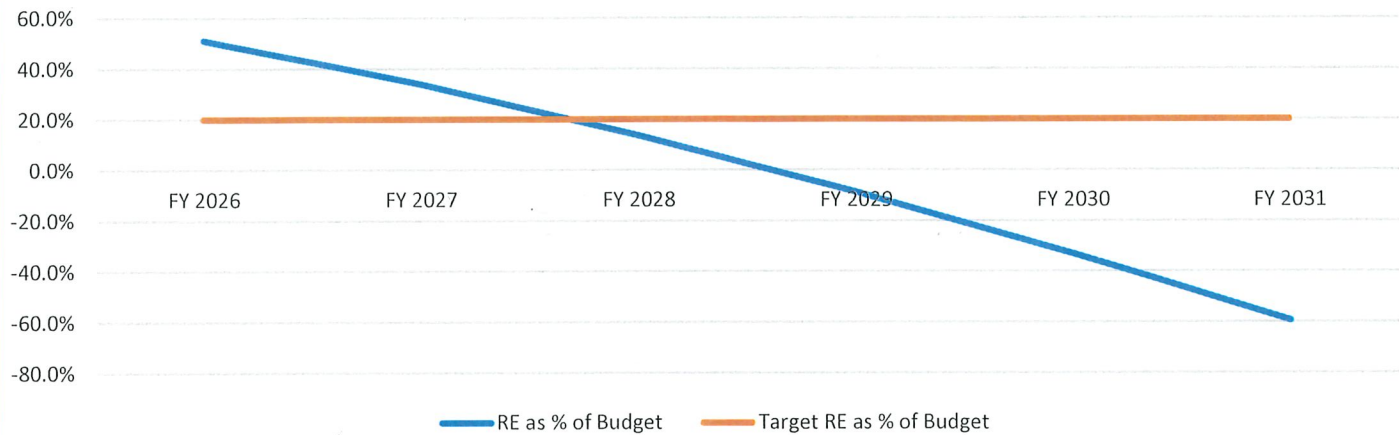
Option1 Summary

Option 2 Summary

|                                          |       |
|------------------------------------------|-------|
| Target Retained Earnings as % of Budget: | 20.0% |
|------------------------------------------|-------|

| Baseline                    | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Surplus/Deficit             | \$ 884,676           | \$ (1,806,938)       | \$ (2,856,046)       | \$ (3,593,006)       | \$ (4,250,566)       | \$ (4,962,772)       |
| Projected Retained Earnings | \$ 6,811,848         | \$ 5,004,910         | \$ 2,148,864         | \$ (1,444,142)       | \$ (5,694,708)       | \$ (10,657,480)      |
| RE as % of Budget           | 51.2%                | 33.8%                | 13.6%                | -8.7%                | -33.0%               | -59.4%               |
| Target RE as % of Budget    | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |

Retained Earnings Projections - Baseline Scenario



| Description                                                                       | FY 2021<br>ACTUAL | FY 2022<br>ACTUAL | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>ACTUAL | FY 2026<br>BUDGETED | FY 2026<br>PROJECTED | FY 2027<br>BUDGETED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED | COMMENTS                                                                                                           |
|-----------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------------------------------------------------------------------------------------------|
| Revenues and Other Sources                                                        |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                    |
| TAX LIENS REDEEMED                                                                | \$ 7,742          | \$ 12,202         | \$ 9,969          | \$ 3,164          | \$ 130,302        |                     | \$ 9,263             |                     | \$ 8,269             | \$ 8,269             | \$ 8,269             | \$ 8,269             | \$ 8,269             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                            |
| INT AND PEN ON LIENS/SEWER                                                        | \$ 12,874         | \$ 5,233          | \$ 6,191          | \$ 4,434          | \$ 31,260         |                     | \$ 7,102             |                     | \$ 7,183             | \$ 7,183             | \$ 7,183             | \$ 7,183             | \$ 7,183             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                            |
| INT AND PEN ON SEWER CHARGES                                                      | \$ 80,888         | \$ 70,772         | \$ 88,187         | \$ 77,234         | \$ 105,199        |                     | \$ 91,392            |                     | \$ 79,270            | \$ 79,270            | \$ 79,270            | \$ 79,270            | \$ 79,270            | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                            |
| SEWER UTILITY USAGE CHARGES                                                       | \$ 10,304,173     | \$ 10,519,436     | \$ 11,557,328     | \$ 11,952,692     | \$ 13,021,653     |                     | \$ 13,395,042        |                     | \$ 12,804,023        | \$ 12,804,023        | \$ 12,804,023        | \$ 12,804,023        | \$ 12,804,023        | FY26, based on YTD actuals + estimated May commitments; FY27 and on based on FY27 and on is the FY23 actual amount |
| MUNICIPAL SEWER CHARGES                                                           | \$ 86,068         | \$ 85,000         | \$ 77,190         | \$ 110,217        | \$ 128,731        |                     | \$ 85,563            |                     | \$ 77,190            | \$ 77,190            | \$ 77,190            | \$ 77,190            | \$ 77,190            | FY26 based on YTD actuals; zeroed out FY27-FY31 to exclude from rev req't                                          |
| SEWER LIENS                                                                       | \$ 327,560        | \$ 383,618        | \$ 461,044        | \$ 551,077        | \$ 614,514        |                     | \$ 581,121           |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                            |
| SEWER/OTHER UTILITY CHARGES                                                       | \$ 630            | \$ 1,170          | \$ 1,705          | \$ 240            | \$ 210            |                     | \$ 615               |                     | \$ 936               | \$ 936               | \$ 936               | \$ 936               | \$ 936               | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                            |
| SEWER/INTEREST INCOME                                                             | \$ 14,855         | \$ 1,378          | \$ 1,641          | \$ 2,208          | \$ 16,325         |                     | \$ 16,756            |                     | \$ 5,021             | \$ 5,021             | \$ 5,021             | \$ 5,021             | \$ 5,021             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                                            |
| Sub Total                                                                         | \$ 10,834,789     | \$ 11,078,809     | \$ 12,203,256     | \$ 12,701,266     | \$ 14,048,194     | \$ 13,351,401       | \$ 14,197,854        | \$ 14,788,838       | \$ 12,981,892        | \$ 12,981,892        | \$ 12,981,892        | \$ 12,981,892        | \$ 12,981,892        | Assume none                                                                                                        |
| Retained Earnings                                                                 | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                    |
| Total Revenues and Other Sources                                                  | \$ 10,834,789     | \$ 11,078,809     | \$ 12,203,256     | \$ 12,701,266     | \$ 14,048,194     | \$ 13,351,401       | \$ 14,197,854        | \$ 14,788,838       | \$ 12,981,892        | \$ 12,981,892        | \$ 12,981,892        | \$ 12,981,892        | \$ 12,981,892        |                                                                                                                    |
| Expenditures and Other Uses                                                       |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                    |
| Salaries and Wages                                                                | \$ 498,991        | \$ 547,601        | \$ 624,811        | \$ 620,031        | \$ 796,215        | \$ 924,601          | \$ 924,601           | \$ 1,320,030        | \$ 1,320,030         | \$ 1,379,431         | \$ 1,441,506         | \$ 1,506,374         | \$ 1,574,160         | FY26 and FY27 from Budget; FY28 on 4.5% yearly incr (10.2% avg. incr. last 5 years)                                |
| MWRA Assessment                                                                   | \$ 6,648,177      | \$ 6,806,903      | \$ 6,800,255      | \$ 7,004,552      | \$ 7,277,190      | \$ 7,713,813        | \$ 7,675,590         | \$ 7,881,480        | \$ 7,881,472         | \$ 8,117,916         | \$ 8,361,454         | \$ 8,612,297         | \$ 8,870,666         | FY26 actual and FY27 preliminary; increase 3.0% yearly (3.0% average last 5 years)                                 |
| Other Expenses                                                                    | \$ 450,569        | \$ 796,940        | \$ 397,024        | \$ 694,988        | \$ 403,841        | \$ 513,775          | \$ 513,775           | \$ 529,000          | \$ 529,000           | \$ 542,225           | \$ 555,781           | \$ 569,675           | \$ 583,917           | FY26 and FY27 from Budget; FY28 on 2.5% yearly incr (12.4% avg. incr. last 5 years)                                |
| Capital Outlay                                                                    | \$ 1,053,285      | \$ 3,648,133      | \$ 771,263        | \$ 2,835,168      | \$ 569,718        | \$ 1,405,000        | \$ 1,405,000         | \$ 1,405,000        | \$ 1,405,000         | \$ 1,455,000         | \$ 1,505,000         | \$ 1,555,000         | \$ 1,605,000         | FY26 and FY27 from budget; \$50k increase FY28 and on                                                              |
| Long Term Debt                                                                    | \$ 411,053        | \$ 369,578        | \$ 300,253        | \$ 254,588        | \$ 419,904        | \$ 898,355          | \$ 1,049,635         | \$ 1,049,635        | \$ 1,049,635         | \$ 1,298,543         | \$ 1,472,017         | \$ 1,552,351         | \$ 1,673,123         | FY27 on, from Planned Debt schedule with CIP, as provided by the City                                              |
| Projected Additional Capital                                                      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ 350,000           | \$ 450,000           | \$ 550,000           | \$ 650,000           | Anticipated additional capital to be funded out of RE; increase \$100,000 annually                                 |
| Sub Total                                                                         | \$ 9,072,074      | \$ 12,169,154     | \$ 8,893,606      | \$ 11,409,327     | \$ 9,466,969      | \$ 11,455,544       | \$ 11,417,321        | \$ 12,185,145       | \$ 12,185,137        | \$ 13,145,116        | \$ 13,785,757        | \$ 14,345,697        | \$ 14,956,867        |                                                                                                                    |
| Indirect Costs                                                                    | \$ 1,491,802      | \$ 1,507,448      | \$ 1,397,934      | \$ 1,494,512      | \$ 1,718,878      | \$ 1,895,857        | \$ 1,895,857         | \$ 2,603,693        | \$ 2,603,693         | \$ 2,694,822         | \$ 2,789,141         | \$ 2,886,751         | \$ 2,987,798         | FY26 and FY27 from Budget; FY28 on 3.5% yearly incr (2.6% avg. incr. last 5 years, but                             |
| Transfer to Capital Projects                                                      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Was \$250k per year, but not including new due to additional debt line from capital                                |
| Total Expenditures and Other Uses                                                 | \$ 10,563,876     | \$ 13,676,602     | \$ 10,291,600     | \$ 12,903,839     | \$ 11,185,847     | \$ 13,351,401       | \$ 13,313,178        | \$ 14,788,838       | \$ 14,788,830        | \$ 15,837,938        | \$ 16,574,698        | \$ 17,232,458        | \$ 17,944,664        |                                                                                                                    |
| Excess (Deficiency) of Revenues and Available Funds > Expenditures and Other Uses | \$ 270,913        | \$ (2,597,792)    | \$ 1,911,656      | \$ (202,573)      | \$ 2,862,347      | \$ -                | \$ 884,676           | \$ -                | \$ (1,806,938)       | \$ (2,856,046)       | \$ (3,593,006)       | \$ (4,250,566)       | \$ (4,962,772)       |                                                                                                                    |
| Retained Earnings Summary                                                         |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                    |
| Certified Retained Earnings as of July 1, 2025                                    |                   |                   |                   |                   | \$ 5,927,172      |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                                                    |
| Available Retained Earnings Start of FY                                           |                   |                   |                   |                   |                   |                     | \$ 5,927,172         |                     | \$ 6,811,848         | \$ 5,004,910         | \$ 2,148,864         | \$ (1,444,142)       | \$ (5,694,708)       |                                                                                                                    |
| Close Prior Year Reserves                                                         |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                    |
| Establish New Year's Reserves (for Expenditures Only)                             |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                                                    |
| Current Year Surplus/(Deficit)                                                    |                   |                   |                   |                   |                   |                     | \$ 884,676           |                     | \$ (1,806,938)       | \$ (2,856,046)       | \$ (3,593,006)       | \$ (4,250,566)       | \$ (4,962,772)       |                                                                                                                    |
| Projected Retained Earnings Balance                                               |                   |                   |                   |                   |                   |                     | \$ 6,811,848         |                     | \$ 5,004,910         | \$ 2,148,864         | \$ (1,444,142)       | \$ (5,694,708)       | \$ (10,657,480)      |                                                                                                                    |
| Projected Retained Earnings Balance as % of Budget                                |                   |                   |                   |                   |                   | 45.9%               | 51.2%                |                     | 33.8%                | 13.6%                | -8.7%                | -33.0%               | -59.4%               |                                                                                                                    |



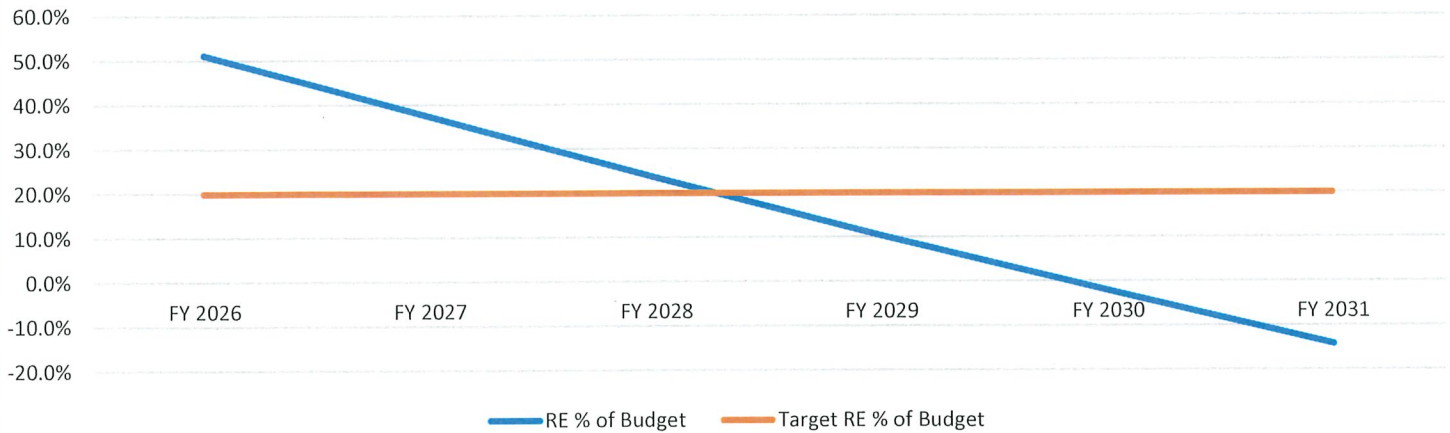
City of Watertown  
Sewer Rate Study

5-Year Analysis - Option 1

| Rate Changes: | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|---------------|---------|---------|---------|---------|---------|---------|
|               | 3.50%   | 4.00%   | 4.00%   | 4.00%   | 4.00%   | 4.00%   |

| Rate Impact                 | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Surplus/Deficit             | \$ 884,676           | \$ (1,294,777)       | \$ (1,811,237)       | \$ (1,994,244)       | \$ (2,075,693)       | \$ (2,188,743)       |
| Projected Retained Earnings | \$ 6,811,848         | \$ 5,517,071         | \$ 3,705,834         | \$ 1,711,590         | \$ (364,103)         | \$ (2,552,846)       |
| RE % of Budget              | 51.2%                | 37.3%                | 23.4%                | 10.3%                | -2.1%                | -14.2%               |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |

Retained Earnings Projections - with Rate Changes



Rates (per 100 cf of usage)

1st Step (0 - 2,500 cf)

2nd Step (2,501 - 5,000 cf)

3rd Step (5,001 - 25,000 cf)

4th Step (over 25,001)

|                              | Current  | FY 2027  | FY 2028  | FY 2029  | FY 2030  | FY 2031  |
|------------------------------|----------|----------|----------|----------|----------|----------|
| 1st Step (0 - 2,500 cf)      | \$ 11.86 | \$ 12.33 | \$ 12.82 | \$ 13.33 | \$ 13.86 | \$ 14.41 |
| 2nd Step (2,501 - 5,000 cf)  | \$ 15.48 | \$ 16.10 | \$ 16.74 | \$ 17.41 | \$ 18.11 | \$ 18.83 |
| 3rd Step (5,001 - 25,000 cf) | \$ 17.28 | \$ 17.97 | \$ 18.69 | \$ 19.44 | \$ 20.22 | \$ 21.03 |
| 4th Step (over 25,001)       | \$ 21.17 | \$ 22.02 | \$ 22.90 | \$ 23.82 | \$ 24.77 | \$ 25.76 |

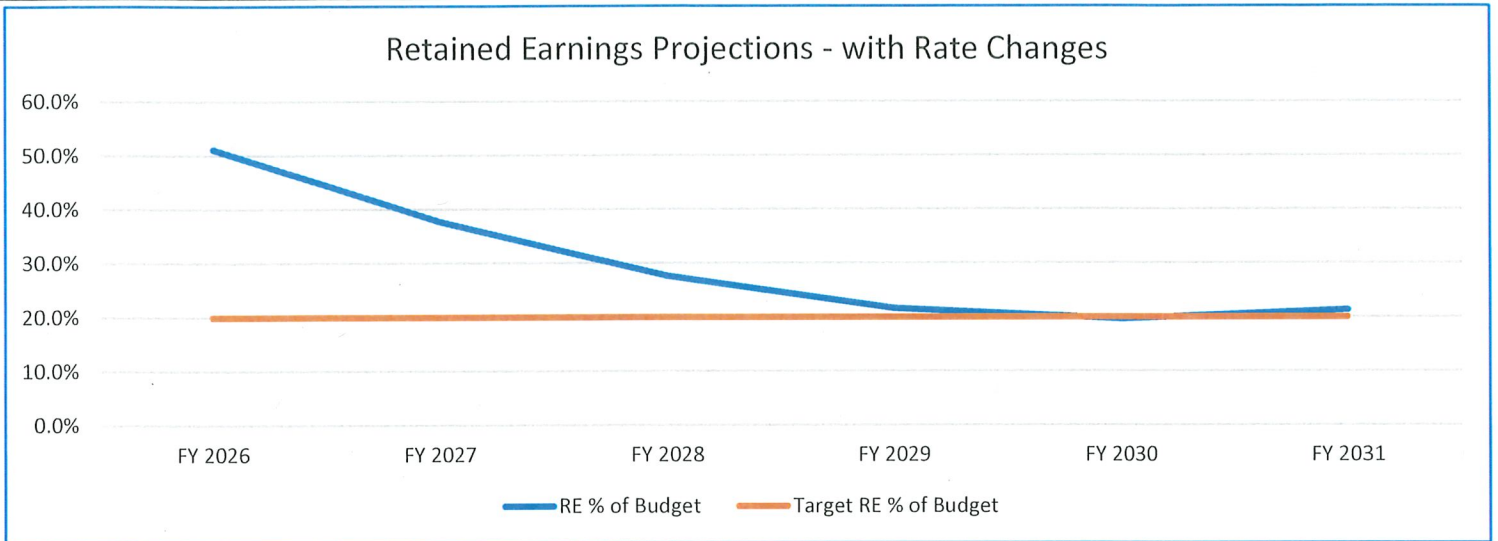
| User Impact (per Bill) - Sewer Bills Only |        |              | New Bills    |              |              |              |              |
|-------------------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type                                 | Usage  | Current Bill | FY 2027      | FY 2028      | FY 2029      | FY 2030      | FY 2031      |
| Low-End User                              | 1,000  | \$ 118.60    | \$ 123.30    | \$ 128.20    | \$ 133.30    | \$ 138.60    | \$ 144.10    |
| High Tier 1 User                          | 2,500  | \$ 296.50    | \$ 308.25    | \$ 320.50    | \$ 333.25    | \$ 346.50    | \$ 360.25    |
| Low Tier 2 User                           | 5,000  | \$ 683.50    | \$ 710.75    | \$ 739.00    | \$ 768.50    | \$ 799.25    | \$ 831.00    |
| Mid Tier 2 User                           | 15,000 | \$ 2,411.50  | \$ 2,507.75  | \$ 2,608.00  | \$ 2,712.50  | \$ 2,821.25  | \$ 2,934.00  |
| High Tier 2 User                          | 25,000 | \$ 4,139.50  | \$ 4,304.75  | \$ 4,477.00  | \$ 4,656.50  | \$ 4,843.25  | \$ 5,037.00  |
| Large User                                | 75,000 | \$ 14,724.50 | \$ 15,314.75 | \$ 15,927.00 | \$ 16,566.50 | \$ 17,228.25 | \$ 17,917.00 |

| Description                                           | FY 2021<br>ACTUAL | FY 2022<br>ACTUAL | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>ACTUAL | FY 2026<br>BUDGETED | FY 2026<br>PROJECTED | FY 2027<br>BUDGETED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED | COMMENTS                                                                                   |
|-------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------------------------------------------------------------------|
| Revenues and Other Sources                            |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| TAX LIENS REDEMPTD                                    | \$ 7,742          | \$ 12,202         | \$ 9,969          | \$ 3,164          | \$ 130,302        | \$ -                | \$ 9,263             | \$ -                | \$ 8,269             | \$ 8,269             | \$ 8,269             | \$ 8,269             | \$ 8,269             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| INT AND PEN ON LIENS/SEWER                            | \$ 12,874         | \$ 5,233          | \$ 6,191          | \$ 4,434          | \$ 31,260         | \$ -                | \$ 7,102             | \$ -                | \$ 7,183             | \$ 7,183             | \$ 7,183             | \$ 7,183             | \$ 7,183             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| INT AND PEN ON SEWER CHARGES                          | \$ 80,888         | \$ 70,772         | \$ 88,187         | \$ 77,234         | \$ 105,199        | \$ -                | \$ 91,392            | \$ -                | \$ 79,270            | \$ 79,270            | \$ 79,270            | \$ 79,270            | \$ 79,270            | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| SEWER UTILITY USAGE CHARGES                           | \$ 10,304,173     | \$ 10,519,436     | \$ 11,557,328     | \$ 11,952,692     | \$ 11,021,653     | \$ -                | \$ 13,395,042        | \$ -                | \$ 13,316,184        | \$ 13,848,831        | \$ 14,402,784        | \$ 14,978,896        | \$ 15,578,052        | FY26, based on YTD actuals + estimated May commitments; FY27 and on based on FY24          |
| MUNICIPAL SEWER CHARGES                               | \$ 85,068         | \$ 85,000         | \$ 77,190         | \$ 110,217        | \$ 128,731        | \$ -                | \$ 96,563            | \$ -                | \$ 77,190            | \$ 77,190            | \$ 77,190            | \$ 77,190            | \$ 77,190            | FY27 and on is the FY23 actual amount                                                      |
| SEWER LIENS                                           | \$ 327,560        | \$ 383,618        | \$ 461,044        | \$ 551,077        | \$ 614,514        | \$ -                | \$ 581,121           | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | FY26 based on YTD actuals/forecast out FY27-FY31 to exclude from rev req't                 |
| SEWER/OTHER UTILITY CHARGES                           | \$ 630            | \$ 1,170          | \$ 1,705          | \$ 240            | \$ 210            | \$ -                | \$ 615               | \$ -                | \$ 936               | \$ 936               | \$ 936               | \$ 936               | \$ 936               | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| SEWER/INTEREST INCOME                                 | \$ 14,855         | \$ 1,378          | \$ 1,641          | \$ 2,200          | \$ 16,325         | \$ -                | \$ 16,756            | \$ -                | \$ 5,021             | \$ 5,021             | \$ 5,021             | \$ 5,021             | \$ 5,021             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| Sub Total                                             | \$ 10,834,789     | \$ 11,078,809     | \$ 12,203,256     | \$ 12,701,266     | \$ 14,048,194     | \$ 13,351,401       | \$ 14,197,854        | \$ 14,788,838       | \$ 13,494,053        | \$ 14,026,700        | \$ 14,580,654        | \$ 15,156,765        | \$ 15,755,921        |                                                                                            |
| Retained Earnings                                     | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assume none                                                                                |
| Total Revenues and Other Sources                      | \$ 10,834,789     | \$ 11,078,809     | \$ 12,203,256     | \$ 12,701,266     | \$ 14,048,194     | \$ 13,351,401       | \$ 14,197,854        | \$ 14,788,838       | \$ 13,494,053        | \$ 14,026,700        | \$ 14,580,654        | \$ 15,156,765        | \$ 15,755,921        |                                                                                            |
| Expenditures and Other Uses                           |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| Salaries and Wages                                    | \$ 498,991        | \$ 547,601        | \$ 624,811        | \$ 620,031        | \$ 796,215        | \$ 924,601          | \$ 924,601           | \$ 1,320,030        | \$ 1,320,030         | \$ 1,379,431         | \$ 1,441,506         | \$ 1,506,374         | \$ 1,574,160         | FY26 and FY27 from Budget; FY28 on 4.5% yearly incr (10.2% avg. incr. last 5 years)        |
| MWRA Assessment                                       | \$ 6,648,177      | \$ 6,806,903      | \$ 6,800,255      | \$ 7,004,552      | \$ 7,277,150      | \$ 7,713,813        | \$ 7,675,590         | \$ 7,881,480        | \$ 7,881,472         | \$ 8,117,916         | \$ 8,361,454         | \$ 8,612,287         | \$ 8,870,666         | FY26 actual and FY27 preliminary; increase 3.0% yearly (3.0% average last 5 years)         |
| Other Expenses                                        | \$ 400,569        | \$ 796,940        | \$ 397,024        | \$ 694,988        | \$ 409,941        | \$ 513,775          | \$ 513,775           | \$ 529,000          | \$ 529,000           | \$ 542,225           | \$ 555,781           | \$ 569,675           | \$ 583,917           | FY26 and FY27 from Budget; FY28 on 2.5% yearly incr (12.4% avg. incr. last 5 years)        |
| Capital Outlay                                        | \$ 1,053,285      | \$ 3,648,133      | \$ 771,263        | \$ 2,835,168      | \$ 569,718        | \$ 1,405,000        | \$ 1,405,000         | \$ 1,405,000        | \$ 1,405,000         | \$ 1,455,000         | \$ 1,505,000         | \$ 1,555,000         | \$ 1,605,000         | FY26 and FY27 from Budget; \$50k increase FY28 and on                                      |
| Long Term Debt                                        | \$ 411,053        | \$ 369,578        | \$ 300,253        | \$ 254,588        | \$ 419,504        | \$ 898,355          | \$ 898,355           | \$ 1,049,635        | \$ 1,049,635         | \$ 1,298,543         | \$ 1,472,017         | \$ 1,552,351         | \$ 1,673,123         | FY27 on, from Planned Debt schedule with CIP, as provided by the City                      |
| Projected Additional Capital                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ 350,000           | \$ 450,000           | \$ 550,000           | \$ 650,000           | Anticipated additional capital to be funded out of RE; increase \$100,000 annually         |
| Projected New Debt (stormwater capital plan below)    | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Anticipated debt tied to additional stormwater projects as shown below                     |
| Prior Year Expenses                                   | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Only FY17 impact shown                                                                     |
| Prior Year Capital                                    | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Only FY17 and FY18 impact shown                                                            |
| New Long Term Debt Service                            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Ignoring since new debt provided by Town in schedule on Existing Debt row                  |
| Short Term Debt (Related to New Debt Service)         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assuming none for now                                                                      |
| Sub Total                                             | \$ 9,072,074      | \$ 12,169,154     | \$ 8,893,606      | \$ 11,409,327     | \$ 9,466,969      | \$ 11,455,544       | \$ 11,417,321        | \$ 12,185,145       | \$ 12,185,137        | \$ 13,143,116        | \$ 13,785,757        | \$ 14,345,697        | \$ 14,956,867        |                                                                                            |
| Indirect Costs                                        | \$ 1,491,802      | \$ 1,507,448      | \$ 1,397,994      | \$ 1,494,512      | \$ 1,718,878      | \$ 1,895,857        | \$ 1,895,857         | \$ 2,603,693        | \$ 2,603,693         | \$ 2,694,822         | \$ 2,769,141         | \$ 2,886,761         | \$ 2,987,798         | FY26 and FY27 from Budget; FY28 on 3.5% yearly incr (2.6% avg. incr. last 5 years, but big |
| Transfer to Capital Projects                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Was \$250K per year, but not including now due to additional debt line from capital        |
| Total Expenditures and Other Uses                     | \$ 10,563,876     | \$ 13,676,602     | \$ 10,291,600     | \$ 12,903,839     | \$ 11,185,847     | \$ 13,351,401       | \$ 13,313,178        | \$ 14,788,838       | \$ 14,788,830        | \$ 15,837,938        | \$ 16,574,898        | \$ 17,232,458        | \$ 17,944,664        |                                                                                            |
| Excess (Deficiency) of Revenues and                   |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| Available Funds > Expenditures and Other Uses         | \$ 270,913        | \$ (2,597,792)    | \$ 1,911,656      | \$ (202,573)      | \$ 2,862,347      | \$ -                | \$ 884,676           | \$ -                | \$ (1,294,777)       | \$ (1,811,237)       | \$ (1,994,244)       | \$ (2,075,693)       | \$ (2,188,743)       |                                                                                            |
| Retained Earnings Summary                             |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| Certified Retained Earnings as of July 1, 2025        |                   |                   |                   |                   | \$ 5,927,172      |                     | \$ 5,927,172         |                     | \$ 6,811,848         | \$ 5,517,071         | \$ 3,705,834         | \$ 1,711,590         | \$ (364,103)         |                                                                                            |
| Available Retained Earnings Start of FY               |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                            |
| Close Prior Year Reserves                             |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                            |
| Establish New Year's Reserves (for Expenditures Only) |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                            |
| Current Year Surplus/(Deficit)                        |                   |                   |                   |                   |                   |                     | \$ 884,676           |                     | \$ (1,294,777)       | \$ (1,811,237)       | \$ (1,994,244)       | \$ (2,075,693)       | \$ (2,188,743)       |                                                                                            |
| Projected Retained Earnings Balance                   |                   |                   |                   |                   |                   |                     | \$ 6,811,848         |                     | \$ 5,517,071         | \$ 3,705,834         | \$ 1,711,590         | \$ (364,103)         | \$ (2,552,846)       |                                                                                            |
| Projected Retained Earnings Balance as % of Budget    |                   |                   |                   |                   | 45.9%             |                     | 51.2%                |                     | 37.3%                | 23.4%                | 10.3%                | -2.1%                | -14.2%               |                                                                                            |

City of Watertown  
Sewer Rate Study

5-Year Analysis - Option 2

| Rate Changes:               | FY 2026              | FY 2027              | FY 2028              | FY 2029              | FY 2030              | FY 2031              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 3.50%                | 4.50%                | 8.00%                | 8.00%                | 8.00%                | 8.00%                |
| Rate Impact                 | FY 2026<br>PROJECTED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED |
| Surplus/Deficit             | \$ 884,676           | \$ (1,230,757)       | \$ (1,209,448)       | \$ (790,359)         | \$ (199,385)         | \$ 436,825           |
| Projected Retained Earnings | \$ 6,811,848         | \$ 5,581,091         | \$ 4,371,643         | \$ 3,581,284         | \$ 3,381,899         | \$ 3,818,724         |
| RE % of Budget              | 51.2%                | 37.7%                | 27.6%                | 21.6%                | 19.6%                | 21.3%                |
| Target RE % of Budget       | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                | 20.0%                |



Rates (per 100 cf of usage)

|                              | Current  | FY 2027  | FY 2028  | FY 2029  | FY 2030  | FY 2031  |
|------------------------------|----------|----------|----------|----------|----------|----------|
| 1st Step (0 - 2,500 cf)      | \$ 11.86 | \$ 12.39 | \$ 13.38 | \$ 14.45 | \$ 15.61 | \$ 16.86 |
| 2nd Step (2,501 - 5,000 cf)  | \$ 15.48 | \$ 16.18 | \$ 17.47 | \$ 18.87 | \$ 20.38 | \$ 22.01 |
| 3rd Step (5,001 - 25,000 cf) | \$ 17.28 | \$ 18.06 | \$ 19.50 | \$ 21.06 | \$ 22.74 | \$ 24.56 |
| 4th Step (over 25,001)       | \$ 21.17 | \$ 22.12 | \$ 23.89 | \$ 25.80 | \$ 27.86 | \$ 30.09 |

| User Impact (per Bill) - Sewer Bills Only |        |              | New Bills    |              |              |              |              |
|-------------------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type                                 | Usage  | Current Bill | FY 2027      | FY 2028      | FY 2029      | FY 2030      | FY 2031      |
| Low-End User                              | 1,000  | \$ 118.60    | \$ 123.90    | \$ 133.80    | \$ 144.50    | \$ 156.10    | \$ 168.60    |
| High Tier 1 User                          | 2,500  | \$ 296.50    | \$ 309.75    | \$ 334.50    | \$ 361.25    | \$ 390.25    | \$ 421.50    |
| Low Tier 2 User                           | 5,000  | \$ 683.50    | \$ 714.25    | \$ 771.25    | \$ 833.00    | \$ 899.75    | \$ 971.75    |
| Mid Tier 2 User                           | 15,000 | \$ 2,411.50  | \$ 2,520.25  | \$ 2,721.25  | \$ 2,939.00  | \$ 3,173.75  | \$ 3,427.75  |
| High Tier 2 User                          | 25,000 | \$ 4,139.50  | \$ 4,326.25  | \$ 4,671.25  | \$ 5,045.00  | \$ 5,447.75  | \$ 5,883.75  |
| Large User                                | 75,000 | \$ 14,724.50 | \$ 15,386.25 | \$ 16,616.25 | \$ 17,945.00 | \$ 19,377.75 | \$ 20,928.75 |

| Description                                                                       | FY 2021<br>ACTUAL | FY 2022<br>ACTUAL | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>ACTUAL | FY 2026<br>BUDGETED | FY 2026<br>PROJECTED | FY 2027<br>BUDGETED | FY 2027<br>PROJECTED | FY 2028<br>PROJECTED | FY 2029<br>PROJECTED | FY 2030<br>PROJECTED | FY 2031<br>PROJECTED | COMMENTS                                                                                   |
|-----------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------------------------------------------------------------------|
| Revenues and Other Sources                                                        |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| TAX LIENS REDEEMED                                                                | \$ 7,742          | \$ 12,202         | \$ 9,969          | \$ 3,164          | \$ 130,302        | \$ -                | \$ 9,263             | \$ -                | \$ 8,269             | \$ 8,269             | \$ 8,269             | \$ 8,269             | \$ 8,269             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| INT AND PEN ON LIENS/SEWER                                                        | \$ 12,874         | \$ 5,233          | \$ 8,191          | \$ 4,434          | \$ 31,260         | \$ -                | \$ 7,102             | \$ -                | \$ 7,183             | \$ 7,183             | \$ 7,183             | \$ 7,183             | \$ 7,183             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| INT AND PEN ON SEWER CHARGES                                                      | \$ 80,888         | \$ 70,772         | \$ 88,187         | \$ 77,234         | \$ 105,199        | \$ -                | \$ 91,392            | \$ -                | \$ 79,270            | \$ 79,270            | \$ 79,270            | \$ 79,270            | \$ 79,270            | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| SEWER UTILITY USAGE CHARGES                                                       | \$ 10,304,173     | \$ 10,519,436     | \$ 11,557,328     | \$ 11,952,692     | \$ 13,021,653     | \$ -                | \$ 13,395,042        | \$ -                | \$ 13,380,204        | \$ 14,450,620        | \$ 15,606,670        | \$ 16,855,203        | \$ 18,203,620        | FY26, based on YTD actuals + estimated May commitments; FY27 and on based on FY24          |
| MUNICIPAL SEWER CHARGES                                                           | \$ 86,068         | \$ 85,000         | \$ 77,190         | \$ 110,217        | \$ 128,731        | \$ -                | \$ 96,561            | \$ -                | \$ 77,190            | \$ 77,190            | \$ 77,190            | \$ 77,190            | \$ 77,190            | FY27 and on is the FY23 actual amount                                                      |
| SEWER LIENS                                                                       | \$ 327,560        | \$ 383,618        | \$ 461,044        | \$ 551,077        | \$ 614,514        | \$ -                | \$ 581,121           | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | FY26 based on YTD actualized out FY27-FY31 to exclude from rev req't                       |
| SEWER/OTHER UTILITY CHARGES                                                       | \$ 630            | \$ 1,170          | \$ 1,705          | \$ 240            | \$ 210            | \$ -                | \$ 615               | \$ -                | \$ 936               | \$ 936               | \$ 936               | \$ 936               | \$ 936               | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| SEWER/INTEREST INCOME                                                             | \$ 14,855         | \$ 1,378          | \$ 1,641          | \$ 2,208          | \$ 16,325         | \$ -                | \$ 16,756            | \$ -                | \$ 5,021             | \$ 5,021             | \$ 5,021             | \$ 5,021             | \$ 5,021             | FY26 YTD Actual; FY27-FY31, four-year average FY21-FY24                                    |
| Sub Total                                                                         | \$ 10,834,789     | \$ 11,078,809     | \$ 12,203,256     | \$ 12,701,266     | \$ 14,048,194     | \$ 13,351,401       | \$ 14,197,854        | \$ 14,788,838       | \$ 13,558,073        | \$ 14,628,490        | \$ 15,784,539        | \$ 17,033,073        | \$ 18,381,489        |                                                                                            |
| Retained Earnings                                                                 | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assume none                                                                                |
| Total Revenues and Other Sources                                                  | \$ 10,834,789     | \$ 11,078,809     | \$ 12,203,256     | \$ 12,701,266     | \$ 14,048,194     | \$ 13,351,401       | \$ 14,197,854        | \$ 14,788,838       | \$ 13,558,073        | \$ 14,628,490        | \$ 15,784,539        | \$ 17,033,073        | \$ 18,381,489        |                                                                                            |
| Expenditures and Other Uses                                                       |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| Salaries and Wages                                                                | \$ 498,991        | \$ 547,601        | \$ 624,811        | \$ 620,031        | \$ 796,215        | \$ 924,601          | \$ 924,601           | \$ 1,320,030        | \$ 1,320,030         | \$ 1,379,431         | \$ 1,441,506         | \$ 1,506,374         | \$ 1,574,160         | FY26 and FY27 from Budget; FY28 on 4.5% yearly incr (10.2% avg. incr. last 5 years)        |
| MWRA Assessment                                                                   | \$ 6,648,177      | \$ 6,806,903      | \$ 6,800,255      | \$ 7,004,552      | \$ 7,277,190      | \$ 7,713,813        | \$ 7,675,590         | \$ 7,881,480        | \$ 7,881,472         | \$ 8,117,916         | \$ 8,361,454         | \$ 8,612,297         | \$ 8,870,666         | FY26 actual and FY27 preliminary; increase 3.0% yearly (3.0% average last 5 years)         |
| Other Expenses                                                                    | \$ 460,569        | \$ 796,940        | \$ 397,024        | \$ 694,988        | \$ 403,941        | \$ 513,775          | \$ 513,775           | \$ 529,000          | \$ 529,000           | \$ 542,225           | \$ 555,781           | \$ 569,675           | \$ 583,917           | FY26 and FY27 from Budget; FY28 on 2.5% yearly incr (12.4% avg. incr. last 5 years)        |
| Capital Outlay                                                                    | \$ 1,053,285      | \$ 3,648,133      | \$ 771,263        | \$ 2,835,168      | \$ 569,718        | \$ 1,405,000        | \$ 1,405,000         | \$ 1,405,000        | \$ 1,405,000         | \$ 1,455,000         | \$ 1,505,000         | \$ 1,555,000         | \$ 1,605,000         | FY26 and FY27 from Budget; \$50k increase FY28 and on                                      |
| Long Term Debt                                                                    | \$ 411,053        | \$ 369,578        | \$ 300,253        | \$ 254,588        | \$ 419,904        | \$ 898,355          | \$ 898,355           | \$ 1,049,635        | \$ 1,049,635         | \$ 1,298,543         | \$ 1,472,017         | \$ 1,552,351         | \$ 1,673,123         | FY27 on, from Planned Debt schedule with CIP, as provided by the City                      |
| Projected Additional Capital                                                      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ 350,000           | \$ 450,000           | \$ 550,000           | \$ 650,000           | Anticipated additional capital to be funded out of RE; increase \$100,000 annually         |
| Projected New Debt (stormwater capital plan below)                                | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Anticipated debt tied to additional stormwater projects as shown below                     |
| Prior Year Expenses                                                               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Only FY17 impact shown                                                                     |
| Prior Year Capital                                                                | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Only FY17 and FY18 impact shown                                                            |
| New Long Term Debt Service                                                        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Ignoring since new debt provided by Town in schedule on Existing Debt row                  |
| Short Term Debt (Related to New Debt Service)                                     | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Assuming none for now                                                                      |
| Sub Total                                                                         | \$ 9,072,074      | \$ 12,169,154     | \$ 8,893,606      | \$ 11,409,327     | \$ 9,466,969      | \$ 11,455,544       | \$ 11,417,321        | \$ 12,185,145       | \$ 12,185,137        | \$ 13,143,116        | \$ 13,785,757        | \$ 14,345,697        | \$ 14,956,867        |                                                                                            |
| Indirect Costs                                                                    | \$ 1,491,802      | \$ 1,507,448      | \$ 1,397,994      | \$ 1,494,512      | \$ 1,718,878      | \$ 1,895,857        | \$ 1,895,857         | \$ 2,603,693        | \$ 2,603,693         | \$ 2,694,822         | \$ 2,789,141         | \$ 2,886,761         | \$ 2,987,798         | FY26 and FY27 from Budget; FY28 on 3.5% yearly incr (2.6% avg. incr. last 5 years, but big |
| Transfer to Capital Projects                                                      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Was \$250K per year, but not including now due to additional debt line from capital        |
| Total Expenditures and Other Uses                                                 | \$ 10,563,876     | \$ 13,676,602     | \$ 10,291,600     | \$ 12,903,839     | \$ 11,185,847     | \$ 13,351,401       | \$ 13,313,178        | \$ 14,788,838       | \$ 14,788,830        | \$ 15,837,938        | \$ 16,574,898        | \$ 17,232,458        | \$ 17,944,664        |                                                                                            |
| Excess (Deficiency) of Revenues and Available Funds > Expenditures and Other Uses | \$ 270,913        | \$ (2,597,792)    | \$ 1,911,656      | \$ (202,573)      | \$ 2,862,347      | \$ -                | \$ 884,676           | \$ -                | \$ (1,230,757)       | \$ (1,209,448)       | \$ (790,359)         | \$ (199,385)         | \$ 436,825           |                                                                                            |
| Retained Earnings Summary                                                         |                   |                   |                   |                   |                   |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| Certified Retained Earnings as of July 1, 2025                                    |                   |                   |                   |                   | \$ 5,927,172      |                     |                      |                     |                      |                      |                      |                      |                      |                                                                                            |
| Available Retained Earnings Start of FY                                           |                   |                   |                   |                   |                   |                     | \$ 5,927,172         |                     | \$ 6,811,848         | \$ 5,581,091         | \$ 4,371,643         | \$ 3,581,284         | \$ 3,381,899         |                                                                                            |
| Close Prior Year Reserves                                                         |                   |                   |                   |                   |                   |                     | \$ -                 |                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |                                                                                            |
| Establish New Year's Reserves (for Expenditures Only)                             |                   |                   |                   |                   |                   |                     | \$ 884,676           |                     | \$ (1,230,757)       | \$ (1,209,448)       | \$ (790,359)         | \$ (199,385)         | \$ 436,825           |                                                                                            |
| Current Year Surplus/(Deficit)                                                    |                   |                   |                   |                   |                   |                     | \$ 6,811,848         |                     | \$ 5,581,091         | \$ 4,371,643         | \$ 3,581,284         | \$ 3,381,899         | \$ 3,818,724         |                                                                                            |
| Projected Retained Earnings Balance                                               |                   |                   |                   |                   |                   |                     | \$ 6,811,848         |                     | \$ 5,581,091         | \$ 4,371,643         | \$ 3,581,284         | \$ 3,381,899         | \$ 3,818,724         |                                                                                            |
| Projected Retained Earnings Balance as % of Budget                                |                   |                   |                   |                   | 45.9%             |                     | 51.2%                |                     | 37.7%                | 27.6%                | 21.6%                | 19.6%                | 21.3%                |                                                                                            |





**WATERTOWN**  
**MASSACHUSETTS**  
**HUMAN RESOURCES**

MEMORANDUM

To: Honorable City Council  
From: Colleen Doyle, Human Resources Director  
Date: June 5, 2026  
RE: Chapter 268, Section 20b exemption

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Enclosed for consideration is a Chapter 286A, Section 20b disclosure for Andrew MacDonald. His primary position with the City is with the Watertown Recreation Department as a part-time seasonal employee and will serve as a Summer Laborer with the Watertown Department of Public Works.



**DISCLOSURE BY MUNICIPAL EMPLOYEE  
OF FINANCIAL INTEREST IN A MUNICIPAL CONTRACT  
AS REQUIRED BY G. L. c. 268A, § 20(b)**

| MUNICIPAL EMPLOYEE INFORMATION                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of municipal employee:                                                                                                       | Andrew MacDonald                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Title/ Position                                                                                                                   | DPW Summer Laborer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Fill in this box if it applies to you.                                                                                            | If you are a municipal employee because a municipal agency has contracted with your company or organization, please provide the name and address of the company or organization.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Agency/ Department                                                                                                                | City of Watertown - DPW                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Agency Address                                                                                                                    | 149 Main Street<br>Watertown, MA 02472                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Office phone:                                                                                                                     | 617-972-6494                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Office e-mail:                                                                                                                    | hr@watertown-ma.gov                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                   | Check one: <input type="checkbox"/> Elected or <input checked="" type="checkbox"/> Non-elected                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Starting date as a municipal employee.                                                                                            | Tuesday 6/9/26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>BOX # 1</b><br><br><b>Select either STATEMENT #1 or STATEMENT #2.</b><br><br><b>Write an X beside your financial interest.</b> | <b>ELECTED MUNICIPAL EMPLOYEE</b><br><br>I am an <b>elected municipal employee</b> .<br><br>___ <b>STATEMENT #1:</b> I had one of the following financial interests in a contract made by a municipal agency before I was elected to my municipal employee position. I will continue to have this financial interest in a municipal contract. <b>OR</b><br>___ <b>STATEMENT #2:</b> I will have a new financial interest in a contract made by a municipal agency.<br><br><b>My financial interest in a municipal contract is:</b><br><br>___ I have a non-elected, compensated municipal employee position.<br>___ A municipal agency has a contract with me.<br>___ I have a financial benefit or obligation because of a contract that a municipal agency has with another person or an entity, such as a company or organization.<br>___ I work for a company or organization that has a contract with a municipal agency, and I am a "key employee" because the contract identifies me by name or it is otherwise clear that the city or town has contracted for my services in particular. |
| <b>BOX # 2</b><br><br><b>Select either STATEMENT #1 or STATEMENT #2.</b>                                                          | <b>NON-ELECTED, COMPENSATED MUNICIPAL EMPLOYEE</b><br><br>I am a <b>non-elected municipal employee</b> .<br><br>___ <b>STATEMENT #1:</b> I had one of the following financial interests in a contract made by a municipal agency <b>before</b> I took a position as a non-elected municipal employee. I will continue to have this financial interest in a municipal contract.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Write an X beside your financial interest.</b></p>                | <p><b>My financial interest in a municipal contract is:</b></p> <p><input type="checkbox"/> A municipal agency has a contract with me, but not an employment contract.</p> <p><input type="checkbox"/> I have a financial benefit or obligation because of a contract that a municipal agency has with another person or an entity, such as a company or organization.</p> <p><b>-- OR --</b></p> <p><input type="checkbox"/> <b>STATEMENT # 2:</b> I will have a <b>new</b> financial interest in a contract made by a municipal agency.</p> <p><b>My financial interest in a municipal contract is:</b></p> <p><input checked="" type="checkbox"/> I have a non-elected, compensated municipal employee position.</p> <p><input type="checkbox"/> A municipal agency has a contract with me.</p> <p><input type="checkbox"/> I have a financial benefit or obligation because of a contract that a municipal agency has with another person or an entity, such as a company or organization.</p> <p><input type="checkbox"/> I work for a company or organization that has a contract with a municipal agency, and I am a "key employee" because the contract identifies me by name or it is otherwise clear that the city or town has contracted for my services in particular.</p> |
| <p align="center"><b>FINANCIAL INTEREST IN A MUNICIPAL CONTRACT</b></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Name and address of municipal agency that made the contract</p>      | <p>City of Watertown<br/>149 Main Street<br/>Watertown, MA 02472</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Please put in an X to confirm these facts.</b></p>                | <p><b>"My Municipal Agency"</b> is the municipal agency that I serve as a <b>municipal employee</b>.</p> <p>The <b>"contracting agency"</b> is the <b>municipal agency that made the contract</b>.</p> <p><input type="checkbox"/> My Municipal Agency is not the contracting agency.</p> <p><input type="checkbox"/> My Municipal Agency does not regulate the activities of the contracting agency.</p> <p><input checked="" type="checkbox"/> In my work for my Municipal Agency, I do not participate in or have official responsibility for any of the activities of the contracting agency.</p> <p><input type="checkbox"/> The contract was made after public notice or through competitive bidding.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>FILL IN THIS BOX OR THE BOX BELOW</b></p>                         | <p><b>ANSWER THE QUESTION IN THIS BOX IF THE CONTRACT IS BETWEEN THE CITY OR TOWN AND YOU.</b></p> <p>- Please explain what the contract is for.</p> <p>2nd Position with the DPW</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>FILL IN THIS BOX OR THE BOX ABOVE</b></p>                         | <p><b>ANSWER THE QUESTIONS IN THIS BOX IF THE CONTRACT IS BETWEEN THE CITY OR TOWN AND ANOTHER PERSON OR ENTITY.</b></p> <p>- Please identify the person or entity that has the contract with the municipal agency.</p> <p>- What is your relationship to the person or entity?</p> <p>- What is the contract for?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What is your financial interest in the municipal contract?    | - Please explain the financial interest and include the dollar amount if you know it.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Date when you acquired a financial interest                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| What is the financial interest of your immediate family?      | - Please explain the financial interest and include the dollar amount if you know it.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Date when your immediate family acquired a financial interest |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Write an X to confirm each statement.                         | <p><b>FOR A CONTRACT FOR PERSONAL SERVICES –</b></p> <p><b>Answer the questions in this box ONLY if you will have a contract for personal services with a municipal agency (i.e., you will do work directly for the contracting agency).</b></p> <p>I will have a contract with a municipal agency to provide personal services.</p> <p><input type="checkbox"/> X The services will be provided outside my normal working hours as a municipal employee.</p> <p><input type="checkbox"/> X The services are not required as part of my regular duties as a municipal employee.</p> <p><input type="checkbox"/> X For these services, I will be compensated for not more than 500 hours during a calendar year.</p> |
| Employee signature:                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Date:                                                         | 06/05/2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

Attach additional pages if necessary.

NOT A PERSONAL SERVICES CONTRACT -- File disclosure with the city or town clerk.

SEE CERTIFICATION AND APPROVAL REQUIRED FOR PERSONAL SERVICES CONTRACTS, BELOW.

**FOR CONTRACTS FOR PERSONAL SERVICES ONLY:**

If you are disclosing a financial interest in a contract for personal services with a municipal agency, you must file the Certification below signed by the head of the contracting agency, and you must get approval of the exemption from the city council, board of aldermen, board of selectmen or town council.

**CERTIFICATION BY HEAD OF CONTRACTING AGENCY**

|                   |                                                                                                                                                                                                                                                                                                        |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | <b>INFORMATION ABOUT HEAD OF CONTRACTING AGENCY</b>                                                                                                                                                                                                                                                    |
| Name:             | George Proakis                                                                                                                                                                                                                                                                                         |
| Title/ Position   | City Manager                                                                                                                                                                                                                                                                                           |
| Municipal Agency: | City of Watertown                                                                                                                                                                                                                                                                                      |
| Agency Address:   | 149 Main Street<br>Watertown, MA 02472                                                                                                                                                                                                                                                                 |
| Office Phone:     | 617-972-6465                                                                                                                                                                                                                                                                                           |
|                   | <b>CERTIFICATION</b>                                                                                                                                                                                                                                                                                   |
|                   | I have received a disclosure under G.L. c. 268A, § 20(b) from a municipal employee who seeks to provide personal services to my municipal agency, identified above. I certify that no employee of my agency is available to perform the services described above as part of his or her regular duties. |
| Signature:        |                                                                                                                                                                                                                                                                                                        |
| Date:             |                                                                                                                                                                                                                                                                                                        |

**APPROVAL BY CITY COUNCIL, BOARD OF ALDERMEN,  
BOARD OF SELECTMEN OR TOWN COUNCIL**

|                 |                                                                                                                                                                                                             |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <b>INFORMATION ABOUT APPROVING BODY</b>                                                                                                                                                                     |
| Name:           |                                                                                                                                                                                                             |
| Title/ Position |                                                                                                                                                                                                             |
| Agency Address: | 149 Main Street<br>Watertown, MA 02472                                                                                                                                                                      |
| Office Phone:   | 617-972-6470                                                                                                                                                                                                |
|                 | <b>APPROVAL</b>                                                                                                                                                                                             |
|                 | I have received a disclosure under G.L. c. 268A, § 20(b) from a municipal employee who seeks to provide personal services to a municipal agency, identified above. The exemption under § 20(b) is approved. |
| Signature:      | On behalf of the Council or Board, I sign this approval.                                                                                                                                                    |
| Date:           |                                                                                                                                                                                                             |

Attach additional pages if necessary.  
File disclosure, Certification and Approval with the city or town clerk.

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve expenditure of gifts of funds – Watertown Food Pantry





## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 69

2026 – R – 69

### RESOLUTION APPROVING THE EXPENDITURE OF GIFTS TO THE WATERTOWN FOOD PANTRY

**WHEREAS**, the City of Watertown gratefully acknowledges the generosity of individuals, community organizations, businesses, and foundations that provide ongoing support to the Watertown Food Pantry; and

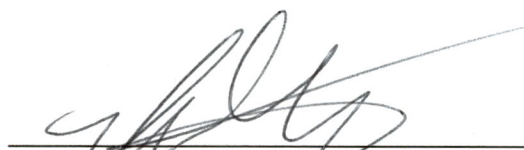
**WHEREAS**, the total amount of donations received between January and May 2026, amounts to \$31,967.38 in combined food and monetary donations, reflecting exceptional community commitment to supporting residents in need; and

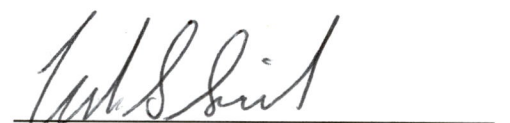
**WHEREAS**, in accordance with Massachusetts General Laws Chapter 44, Section 53A, the expenditure of gifted funds requires the approval of both the City Manager and the City Council;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Watertown hereby approves the expenditure of gifts totaling \$31,967.38 for the benefit of the Watertown Food Pantry, as outlined in the correspondence submitted by the Director of Human Services

  
\_\_\_\_\_  
Council Member

I hereby certify that at a meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 4 for, 0 against, and 0 present on June 23, 2026.

  
\_\_\_\_\_  
Brendan T. McCarthy, Council Clerk

  
\_\_\_\_\_  
Mark S. Sideris, Council President

## **ELECTED OFFICIALS**

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Theophilus Offei,  
Councilor At Large

Lisa J. Feltner,  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Emily Izzo,  
District D Councilor



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council

From: George J. Proakis, City Manager

Date: June 15, 2026

RE: Agenda Item – Approval of Gift Expenditures

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I am pleased to share the attached correspondence from Jenna Bancroft, Director of Human Services, detailing the generous support provided to the Watertown Food Pantry. Between January and May 2026, the pantry received a total of \$31,967.38 in combined food and monetary donations. This exceptional level of support reflects the collective generosity of individuals, community organizations, businesses, and foundations.

In accordance with Massachusetts General Laws Chapter 44, Section 53A, any expenditure of gifted funds requires the approval of the City Manager and City Council.

Therefore, I respectfully request that the attached resolution approving these gift expenditures be placed on the City Council agenda for June 23, 2026.

Thank you for your consideration and action on this matter



# WATERTOWN

## MASSACHUSETTS

### HUMAN SERVICES

#### MEMORANDUM

To: George Proakis, City Manager

From: Jenna Bancroft, Director of Human Services

Date: June 11, 2026

Subject: Watertown Food Pantry Donation Acceptance (January – May 2026)

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During the months of January, February, March, April and May 2026, the Watertown Food Pantry, a program of Human Services, received a total of \$31,967.38 in monetary donations from individual community members, groups, and local businesses. These donations include funds from the Watertown Community Foundation through their online fundraising platform for local food access programs.

I respectfully ask that these donations be brought to City Council for review and acceptance. Please contact me with any questions. Thank you.

---

#### Watertown Food Pantry Donations January – March 2026

Fidelity Charitable (Anonymous) \$6,000  
Watertown Community Foundation  
(unidentified individual donors) \$9,077.78  
Sons of Italy \$2,000  
Phyllis Birnbaum \$3,000  
Sophie Rich \$2,245  
John Murray \$1,000  
Mary Heilman \$140  
St. Stephen's Armenian Apostolic Church  
\$1,000  
Carol Ryder-Foley \$2,000  
The Franchi-Hershoff Family Charitable  
Foundation \$1,000  
Shervin Riahi \$300

Greater Boston Church of Spiritualism \$200  
Eventbrite, Inc. \$292.74  
Gregory Lichniak \$100  
Canadian American Club of MA \$150  
Odysseys Unlimited Inc. \$528  
Susan Fish \$300  
Marian Kowalski \$50  
William Aldridge \$200  
John Oliver Trust \$60  
Vanasse Hangen Brustlin, Inc. \$1,923.86  
Roberta Brown \$100  
Carl & May Daw \$100  
Wendy Scott \$200

Total \$31,967.38

**WHEREAS** noise pollution is a hazard to public health, welfare, safety, and quality of life; and

**WHEREAS** a substantial body of science and technology exists by which noise pollution may be measured and abated; and

**WHEREAS** people have a right to and should be ensured an environment free from excessive noise pollution that may jeopardize their health, welfare, or safety.

**NOW THEREFORE BE IT ORDAINED** by the City Council of Watertown that Title IX, Chapter 95 of the Watertown Code of Ordinances, inclusive of all sections, is hereby repealed and replaced in its entirety with a new Chapter 95 as follows:

**95.01 Statement of Purpose**

- A. Noise pollution is a serious hazard to public health, welfare, safety, and quality of life. A substantial body of science and technology exists by which noise may be measured and substantially abated, and the people have a right to and should be ensured an environment free from excessive noise that may jeopardize their health, welfare, or safety, or degrade their quality of life. This chapter serves to address persistent noise pollution.

**95.02 Definitions:**

- A. Construction and demolition: Any site preparation, assembly, erection, substantial repair, alteration, destruction, or similar action for public or private rights of way, structures, utilities, or similar property, and also the use of any equipment for any processing of any material
- B. Emergency: Any occurrence or set of circumstances involving actual or imminent physical hazard or property damage which demands immediate action
- C. Emergency work: Any work performed to prevent or alleviate the physical hazard or property damage threatened or caused by an emergency
- D. Noise pollution: A noise source which increases noise level above ambient to the level prescribed in 95.03 (A), or the level prescribed in 95.03 (B) in the case of tonal noise
- E. A-weighted decibels (dBA): The A-weighted sound-pressure level expressed in decibels
- F. Ambient noise level: The sound level associated with a given environment, being a composite of sounds from all sources excluding the alleged offensive noise, at the location and approximate time at which a comparison with the alleged offensive noise is to be made
- G. Plainly audible: any sound that is detectable and distinguishable from ambient or background noise at a specified location, such that the sound's source or character can be reasonably identified under ordinary conditions. A determination of plainly audible sound may be made by direct observation
- H. Tonal noise: any noise that is judged by a listener to have the characteristics of a pure tone, whine, hum, or buzz



### **95.03 Prohibition of Noise Pollution**

- A. Any activity, other than those exempted by 95.03(C) below, which creates or produces sound measured at 10 dBA above ambient noise level at any of the following locations shall be deemed a violation of this section:
  - 1. The property line of any property
  - 2. At least fifty feet away from the source of noise if on any publicly accessible space within a private property
- B. When a tonal noise, as defined in 95.02 (H) above, is emitted, the creation or production of noise measured at 5 dBA above ambient noise level at any of the following locations shall be deemed a violation of this section:
  - 1. The property line of any property
  - 2. At least fifty feet away from the source of noise if on any publicly accessible space within a private property
- C. Noise emanating from the operation of the following is exempt from the application of this section 95.03:
  - 1. Motor vehicles on a public highway
  - 2. Equipment used for construction and demolition
  - 3. Equipment used in domestic or commercial maintenance
  - 4. Noncommercial public speaking and public assembly as protected by state and federal constitutions
  - 5. An emergency or emergency work
  - 6. City-sponsored events
- D. No person owning, leasing or controlling a source of noise shall cause, suffer, allow or permit unnecessary emissions from said source of noise that causes noise pollution.

### **95.04 Construction and Demolition**

- A. All devices employed in construction or demolition which are plainly audible shall be permitted for use during the hours of 7:00 AM to 7:00 PM on Monday through Friday, and during the hours of 8:00 AM to 7:00 PM on Saturdays. All such devices shall be prohibited outside of such hours on Monday through Friday and Saturdays, and at any time on Sundays and legal holidays.
- B. Nothing in this section shall be construed to prohibit noise emanating from vehicles used in construction or demolition for the purposes of safety such as backup alarms on a vehicle.

### **95.05 Domestic and Commercial Maintenance**

- A. All devices employed in domestic lawn, garden, or grounds maintenance which are plainly audible shall be permitted for use during the hours of 7:00 AM to 8:00 PM on Monday through Friday, and from 8:00 AM to 7:00 PM on Saturdays, Sundays, and legal holidays. All such devices which are plainly audible are prohibited outside of such hours.
- B. All devices employed in commercial lawn, garden, or grounds maintenance which are plainly audible shall be permitted for use during the hours of 7:00 AM to 5:00 PM on Monday through

Friday, and from 8:00 AM to 5:00 PM on Saturdays, Sundays, and legal holidays. All such devices which are plainly audible are prohibited outside of such hours.

#### **95.06 Waiver**

- A. The Director of Public Health or their designee may grant a waiver for any activity otherwise forbidden by the provisions of this chapter upon a determination that compliance in the conduct of such activity would cause undue hardship on the person or persons conducting such activity or on the community, taking into account the extent of noise pollution caused by not requiring such compliance and whether reasonable efforts have been made to abate the noise. The Director of Public Health shall establish appropriate procedures for the processing of requests for such waivers, including such hearings as they deem appropriate. The Director of Public Health may seek the input of the Director of Public Works in waiver requests related to construction or demolition. In granting any such waiver, the Director of Public Health may impose such appropriate conditions as they deem necessary pursuant to this section. Copies of all such waivers shall be filed with the City Clerk and sent to all City Councilors.

#### **95.07 Enforcement**

- A. The provisions of this chapter may be enforced by the Director of Public Health or their designee. The provisions of this chapter may also be enforced by the Chief of Police or their designee, the Fire Chief or their designee, and the Building Inspector or their designee.

#### **95.08 Penalty**

- A. Pursuant to Chapter 40, Section 21D of Massachusetts General Law and the City's non-criminal disposition ordinance, any person who violates any provision of this chapter shall be issued a written and verbal warning for the first offense, then fined as follows:
  - 1. \$100 for the second offense
  - 2. \$200 for the third offense
  - 3. \$300 for the fourth offense and each subsequent offense
- B. Each subsequent day or part thereof on which a violation occurs, whether continuous or intermittent, shall be considered a separate and succeeding offense.
- C. Nothing in this section shall be deemed to limit the use of other lawful methods of abating violations of this section, including but not limited to application for equitable relief from a court of law.

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to accept the report of the Committee on Climate and Energy from March 23, 2026



## **Watertown City Council Committee on Climate and Energy**

**Councilor Palomba, Chair, Councilor Bays, Vice Chair, Councilor Offei, Secretary**

**Committee Report from Committee Meeting held on March 23, 2026**

The Committee convened on Monday March 23, 2026, at 5:45 pm in the Richard E. Mastrangelo Council Chamber. The meeting was also on zoom. Present were Councilor Anthony Palomba, Chair; Councilor Caroline Bays, Vice Chair; and Councilor Theo Offei, Secretary. Also present in chambers were Councilor Vincent Piccirilli, Councilor Lisa Feltner, and Councilor Nicole Gardner. Staff present were Mia Kania, Sustainability Planner; Silas Fyler, Assistant Director for Energy Management; Katie Swan, Environmental Planner and Conservation Agent; and Em Schule, Energy Advocate. Residents attending the meeting in-person included Deborah Peterson, Nancy Hammett, Ernesta Krackiewicz, Susan Falkoff, Jolly Tager, and David Aitcheson. Resident Brian Hebeisen attended on Zoom.

### **Purpose of the Meeting**

The purpose of the meeting was to review and discuss the Climate and Energy Plan 3-Year Metric Report. The Report is attached.

### **Opening Remarks**

#### **Councilor Offei**

Councilor Offei thanked the public for their attendance and characterized the meeting as meaningful climate accountability work — not merely goal-setting, but pausing to measure progress honestly and course-correcting where needed. He thanked city staff for producing the three-year metrics report, acknowledging the difficulty of pulling from dozens of data sources, navigating gaps, and being transparent about what is not yet known. He also recognized WFCC for the quality and technical rigor of their written response, noting that their letter raised concrete methodological questions and proposed alternative approaches. He stated his goals for the meeting: clarity on data questions raised, a shared understanding of where the plan needs acceleration, and a path forward on metrics not yet being tracked. He requested his opening remarks be included in the official minutes.

#### **Councilor Palomba (Chair)**

Councilor Palomba thanked the sustainability team, WFCC, and all attendees. He noted that the 2022 Climate and Energy Plan is subject to a five-year comprehensive review in 2027, making this metrics review a valuable preparatory step. He stated his intention to conclude the meeting no later than 8:00 PM and, if necessary, to schedule a follow-up meeting. He provided an orientation to the plan structure — five elements, each with goals, strategies, and actions, totaling 67 proposed actions — and noted that a column correlating plan actions to specific metrics had been added to the report at his request following the December committee meeting.

### **Staff Presentation: Three-Year Metrics Review**

Mia Kania, Sustainability Planner, led the presentation on behalf of the sustainability team, joined by Silas Fyler, Katie Swan, and Em Schule.

## **Plan Actions Status Overview**

Of the 67 total actions in the Climate and Energy Plan, staff reported the following status breakdown:

- 22% Initiated — preliminary or ground-level work has begun
- 39% In Progress — initial research complete; city staff and partners actively working
- 12% Established and Ongoing — program built and functioning
- 6% Completed — specific end goal achieved (e.g., organics recycling program)
- 21% Not Yet Scheduled — no work or research begun

## **Context and Purpose of the Metrics Review**

Ms. Kania explained that the metrics were written by consultant KLA in the original 2022 plan and were not designed to correlate directly with specific plan actions — they were proposed as quantitative approximations of progress in each plan section. The metrics review asked three driving questions: Are the proposed metrics still appropriate? Are the data sources still viable? Where are data gaps that need to be addressed before the five-year review?

Staff identified five categories of metric status used throughout the report:

- Data remains consistent with the original source
- Updated to a more precise data source
- No metric was ever created for this action step
- Original source no longer available or not updated; alternative source needed
- No source or proxy available at this time; data cannot be reported

Ms. Kania noted that overall Watertown is trending toward most goals that could be tracked, while acknowledging real gaps in several areas.

## **Discussion by Plan Element**

### **1. Buildings and Energy**

Staff reported the following status across the eight Buildings and Energy metrics:

- Trending toward goals (4): potential solar capacity on rooftops; installed solar capacity; number of gas/oil-heated residential properties; number of gas/oil-heated commercial properties
- Trending away from goals (1): enrollment in Watertown Electricity Choice
- Data availability issues (3): percent of income spent on energy for households at 0–30% AMI; estimated total solar electricity produced; commercial energy use intensity (EUI) for buildings over 5,000 sq ft



## Discussion

**Gas/Oil-Heated Residential Properties:** Councilor Offei noted that the number of gas-heated homes increased slightly from 9,625 to 9,701 against a 2030 target of 5,775. Silas Fyler explained that the Specialized Stretch Code, effective 2024, now requires any new gas connection to include full electric wiring and panel capacity, effectively preventing further growth. The prior uptick was partly attributable to construction activity during the COVID period. Commercial properties showed improvement, declining from 510 to 347 against a target of 312.

**Fossil Fuel Pathway in Stretch Code:** Councilor Offei noted that the Specialized Stretch Code contains a fossil fuel pathway — it incentivizes electrification but does not prohibit gas. Homes being fully renovated are still being sold with gas systems. He argued this distinction must be clearly communicated when claiming progress on this metric.

**Installed Solar Capacity — Data Jump:** Installed solar capacity appeared to jump from 4,521 kW to 811,902 kW. Mr. Fyler clarified this reflects a switch in data source from the Mass. CDC solar tracking program (which had significant missing entries) to DPW tracking of PPS1 and PPS2 — the original baseline was materially understated. The corrected figure is still incomplete, as it excludes installations that did not claim SMART incentives, including the city's own installations at Hosmer School and the new high school. Those facilities are not on SMART because the city elected to retain the RECs for municipal use; the new high school additionally cannot participate in SMART due to LEED Platinum certification requirements.

**Solar Goals Already Exceeded:** Several members noted that if the corrected data is accurate, Watertown has already surpassed its original solar goals. Staff agreed the 2030 and 2050 targets for this metric will need to be revised upward. Mr. Fyler offered to attempt to reconstruct historical figures, noting that PPS1 records do not include start dates, making this difficult.

**Watertown Electricity Choice Enrollment Decline:** Concerns were voiced about why enrollment in the 100% renewable option was declining. Staff explained that the standard option has been upgraded to 100% Class 3 renewable energy, causing some residents to perceive the two products as equivalent and drop to the lower tier. Additionally, some residents are opting out of the community choice program entirely to seek individually negotiated rates. Solar panel owners also represent an opt-out segment.

**Assessor Database Accuracy:** Councilor Piccirilli noted that the Assessor's database — proposed as a source for several metrics including gas/oil-heated properties — is materially out of date. He cited his own home as an example: a slate roof replaced in 2018 and gas heat replaced with electric heat pumps within the past year are both still recorded incorrectly. He urged the committee to address the reliability of this source before relying on it for plan metrics.

**Denominator and Definition Issues:** Councilor Piccirilli raised a methodological concern applicable across multiple metrics: as Watertown adds housing, per-property and per-capita denominators change over time, making gross numbers hard to interpret without context. He argued that both gross numbers and percentages should be reported, and that key terms such as "residential property" should be precisely defined (e.g., whether a 100-unit apartment building counts as one property or 100). He noted that Watertown has added approximately 500–600 new housing units since 2019, which could mean the percentage of gas-heated homes is declining even if the gross count is slightly up.

**Graph Presentation — Target Lines:** Brian Hebeisen raised an overarching presentation concern: while 2030 and 2050 targets are listed in tables, they are not shown graphically within the charts, making it difficult for readers to assess progress visually. He requested that target lines be added to all charts.

**Proposed Metric 9 — Total Greenhouse Gas Emissions:** WFC member Jolly Tager proposed the addition of a ninth metric tracking total citywide greenhouse gas emissions. This metric is not currently tracked. There was broad agreement among committee members that this metric is essential to the plan's goals.

## 2. Transportation and Mobility

Staff reported the following status across the five Transportation and Mobility metrics:

- Trending toward goals (3): total EVs by percentage; total population within half mile of public EV charging; number of publicly accessible EV charging stations
- Trending away from goals (1): residents using sustainable modes to travel to work (bike, walk, transit)
- Data availability issues (1): roads rated 4 or 5 stress level — analysis from the Bike and Pedestrian Plan has not been updated

### Discussion

**Work-From-Home as a Sustainable Mode:** Councilor Offei cited WFCC's critique that counting work-from-home (WFH) as a sustainable commute mode inflates the metric while only capturing approximately 20% of total car trips. Staff acknowledged the concern, explaining that WFH was included to show totals with and without it included and to account for pandemic-era shifts. Staff indicated willingness to explore a weighted methodology.

**Road Stress Level Data:** The data for this metric comes from a stress-level analysis in the Bike and Pedestrian Plan, which has not been updated and has no published update date. WFCC representative Deborah Peterson suggested that as an interim measure, the city could assess a smaller subset of key north-south routes and major corridors. Staff indicated they would work with Transportation Planner Zeke Mermell to determine whether an update could be incorporated into an upcoming plan revision.

**Process Concern from WFCC:** Deborah Peterson noted that WFCC responded to what they understood to be a finalized published document, but additional work has since been done on the metrics, creating an out-of-sync dynamic. She suggested that some methodological questions would be better resolved through direct conversations between WFC and sustainability staff rather than through formal public meetings. Councilor Palomba acknowledged the suggestion. Ms. Kania confirmed the metrics document has not been revised since its January 2026 publication.

## 3. Natural Resources

Katie Swan, Environmental Planner, presented on Natural Resources metrics. Staff reported:

- Trending toward goals (2): open space per person; area (sq ft) of school and community gardens
- Data availability issues (4): tree canopy coverage; impervious surfaces; number of public trees; air quality

## Discussion

**Open Space Per Capita — Data Discrepancy:** The baseline figure of 3.25 acres per 1,000 people appeared to jump to 15.3 acres — well above the 2030 target of 5 and the 2050 target of 10. Ms. Swan explained that the original consultants used a methodology that could not be replicated, as it required access to a proprietary program. Staff instead used census tract data matched with citywide open space data, calculating an average. She acknowledged this is a methodological shift, not simply updated data. Figures also vary significantly by census tract — eastern Watertown shows higher open space per capita in part due to Mount Auburn Cemetery.

**Definition of Open Space:** WFCC noted that the distinction between open space and green space has not been defined in the plan. Artificial turf fields (e.g., BBN fields, Watertown High School athletic fields) should not be counted as natural open space for climate and ecological purposes. The committee agreed that a clear definitional framework is needed before the five-year review.

**Tree Canopy Study:** A tree canopy study is currently being administered by DPW with a consultant, expected to be delivered by June 30 with results likely available in July. The current baseline figure is from 2016 (20.89%), with a 2030 target of 23% and a 2050 target of 27%.

**Stormwater Quality as a Metric:** A member speaking on behalf of the Stormwater Advisory Committee noted that the city already collects stormwater quality data from all drains annually as part of its MS4 permit reporting. She proposed that water quality data going from Watertown's drains into the Charles River could serve as a direct and measurable indicator of the combined impact of tree canopy, open space management, and infiltration practices. Staff and the committee received the suggestion positively, noting that the Natural Resources section already includes a goal to minimize stormwater runoff and improve quality.

**Open Space Equity Mapping:** Councilor Gardner asked whether staff has data showing where open space gaps are greatest within the city. Ms. Swan confirmed this information exists in the raw data and offered to share it. Councilor Gardner indicated strong interest in making this information available to the full council.

## 4. Infrastructure and Waste

Staff reported the following:

- Trending toward goals (4): tons of trash sent to incineration; household waste generation (lbs/household/year); diversion rate (recycled tons / total tons); number of households signed up for food waste pickup
- Data availability issues (1): critical infrastructure in hazardous areas — pending the Hazard Mitigation Plan

## Discussion

**Food Waste Pickup Enrollment:** As of March 6, 2026, 3,316 households are enrolled in the food waste pickup program.

**Diversion Rate Definition:** WFCC requested confirmation that the diversion rate metric includes both recycling and composting in the numerator. Staff indicated they would verify with Matthew Bacon, the city recycling coordinator, who provides the data directly from Republic Services and Waste Management.

**Coverage Gap for Multi-Family and Commercial Waste:** Approximately 70% of Watertown residents use city-contracted trash services; the remaining 30% — primarily large residential buildings and commercial properties with private haulers — are not captured in current data. Staff committed to researching whether other municipalities have developed methods to track waste for this segment.

## 5. Public Health and Community Preparedness

Staff reported the following:

- Trending toward goals (2): community members signed up for emergency alerts; customer hours of weather-related power outages
- Data availability issues (3): number of census tracts with moderate or high heat vulnerability scores; businesses signed up for emergency alerts; number of residents served by resilience hubs annually

### Discussion

**Weather-Related Power Outages:** The data shows a dramatic improvement from the baseline figure. Staff acknowledged uncertainty about how the original metric was calculated and backtracked the data manually from annual state reports to verify consistency. The large improvement does appear to hold. Staff intends to continue using Eversource and DPW/Department of Public Utilities records as sources.

**Relevance of Power Outage Metric:** Councilor Bays questioned whether city actions can meaningfully move this metric, since most outage duration is determined by Eversource's infrastructure and maintenance. Staff acknowledged that city tree maintenance does have some impact but that the city is not the primary responsible party.

**Heat Vulnerability Score Metric:** The original data source was created for a one-time study and has not been updated. Staff has been unable to recreate the methodology and is working to identify an equivalent alternative.

**Business Emergency Alert Enrollment:** Emergency alert data is collected through the Watertown Police Department, which has no way to distinguish individual from business sign-ups. This metric cannot be tracked under the current system.

**Resilience Hubs:** The city is actively working to establish resilience hubs but has not yet finalized locations or programming. Staff noted a related grant application was recently submitted. The metric for residents served cannot be reported until the program is operational.

## Next Steps

Councilor Palomba closed the presentation and summarized the path forward:

- The sustainability team will review suggestions from WFCC and councilors and incorporate revisions as appropriate in preparation for the five-year plan review.
  - The five-year comprehensive review of the Climate and Energy Plan is anticipated for 2027. Laurel Schwab returns from parental leave in approximately three weeks and will lead that process.
  - Several data sources and baseline figures require revision before the five-year review, including at minimum: solar capacity data, open space calculation methodology, and gas/oil-heated property definitions.
  - A follow-up Committee meeting may be needed to continue discussion on unresolved items.
  - Staff will work with WFCC directly to address open methodological questions, including the work-from-home commute classification and road stress data.
  - Staff will consult with Transportation Planner Zeke Mermell on a timeline for updating the road stress analysis.
  - Staff will follow up on: accuracy of the Assessor's database as a heating system data source; feasibility of tracking waste for the 30% of residents not on city-contracted collection; and historical solar capacity figures if PPS1 start dates can be obtained.
- 

## Meeting Summary

### Key Findings

- Watertown is trending toward most trackable goals. Real wins include solar growth, composting enrollment, stretch energy code adoption, and EV charging infrastructure.
- Several goals have already been exceeded — notably installed solar capacity and open space per capita — but this is largely the result of understated baselines and methodology changes, not solely new progress. Targets in these areas must be revised upward before the five-year review.
- The Specialized Stretch Code is an important policy tool but contains a fossil fuel pathway — it does not require all-electric construction. Progress claims on gas/oil-heated properties must reflect this nuance.
- The Assessor's database is not being reliably updated and should not be used as a primary data source for heating system type until its accuracy is verified.
- Total citywide greenhouse gas emissions are not currently tracked. There was broad agreement that this must be added as a metric (proposed Metric 9) before the five-year review.
- The sustainable commute metric is trending in the wrong direction, and the methodology — including work-from-home as a sustainable mode — requires reassessment.
- Definitions of “open space” and “green space” are not established in the plan. Artificial turf fields should be excluded from natural open space calculations.
- Approximately 30% of resident waste (multi-family and commercial with private haulers) is not captured in current diversion and generation metrics.



## Action Items and Next Steps

- **Staff — Solar data:** Attempt to reconstruct a corrected historical baseline for installed solar capacity using PPS1/PPS2 data; report back on what is recoverable.
- **Staff — Solar and open space goals:** Revise 2030 and 2050 targets for solar capacity and open space per capita to reflect corrected baselines.
- **Staff — Assessor database:** Investigate why the Assessor's database is not being updated with current heating system and roof data, and assess its viability as a data source for plan metrics.
- **Staff — Charts:** Add 2030 and 2050 target lines to all metric charts in the report.
- **Staff — Greenhouse gas metric:** Develop a methodology and data source for tracking total citywide greenhouse gas emissions (proposed Metric 9) for inclusion in the five-year review.
- **Staff — Commute metric:** Explore a weighted methodology for the sustainable commute metric that accounts for the disproportionate share of total trips represented by work-from-home, in consultation with WFCC.
- **Staff — Road stress data:** Work with Transportation Planner Zeke Mermell to determine a timeline for updating the road stress analysis in the Bike and Pedestrian Plan, or identify an interim subset of corridors to measure.
- **Staff — Open space definition:** Establish clear definitions of "open space" and "green space" for use in the plan, ensuring artificial turf areas are excluded from natural open space calculations.
- **Staff — Open space equity data:** Share open space gap analysis by census tract with Councilor Gardner and the full council.
- **Staff — Stormwater metric:** Work with the Stormwater Committee to evaluate incorporating MS4 stormwater quality data into the Natural Resources metrics.
- **Staff — Diversion rate:** Confirm with Matthew Bacon that the diversion rate metric includes both recycling and composting in the numerator.
- **Staff — Waste coverage gap:** Research how other municipalities track waste for residents and commercial properties not on city-contracted collection services.
- **Chair — Follow-up meeting:** Councilor Palomba to schedule a follow-up Committee meeting as needed to continue discussion on unresolved items ahead of the 2027 five-year review.

## Motions and Votes

No formal motions were made or votes taken at this meeting. The session was a presentation and discussion forum. The committee anticipates further action at a follow-up meeting once outstanding data and methodology questions have been addressed by staff.

*The meeting adjourned 7:50 PM*

*Minutes were prepared by Councilor Offei*

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to accept the report of the Committee on Public Works from June 11, 2026

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve the first action item from the report of the Committee on Public Works  
from June 11, 2026

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve the second action item from the report of the Committee on Public Works from June 11, 2026



## **Watertown City Council Committee on Public Works**

**Councilor Piccirilli-Chair, Councilor Feltner-Vice Chair, Councilor Palomba- Secretary**

### **Committee Report of June 11, 2026 Meeting Presented to the City Council on June 23, 2026**

The Committee on Public Works met on Thursday, June 11 in the City Council Office at 5:30 PM to interview Christopher Coner for appointment to the Stormwater Committee, Eileen Ryan for reappointment to the Solid Waste and Recycling Committee, and Russ Arico for reappointment to the Solid Waste and Recycling Committee. Present at the meeting were Councilor Piccirilli, Chair, Councilor Feltner, Vice Chair, and Councilor Palomba, Secretary.

Please note that Ms. Ryan was unable to attend the meeting. The Committee will schedule a meeting in the future to interview her.

#### **Appointment of Christopher Coner to the Stormwater Committee to fill the unexpired term of Lilian Muscala.**

Mr. Coner and his family have lived in Watertown since 2015. He has extensive experience as an environmental scientist and consultant. He has served in this capacity for the last 15 years. He decided to apply to serve on the Stormwater Committee after he received an invitation to do so from the City.

He believes that he can contribute to the Stormwater Committee's mission because of his professional experience. In addition, he feels he can assist the Committee's public education efforts given his ability to translate technical information into language that residents will understand. While he has not had direct experience working or volunteering with municipalities, he is very interested in learning about the scientific goals of the Committee and helping to achieve those goals. He is also interested in the efforts of the Committee's chair to revitalize the Committee and increase its interaction with Watertown residents and believes he can make a valuable contribution to these important efforts.

Councilor Feltner made the following motion –

**The Committee on Public Works recommends that the City Council approve the appointment of Christopher Coner to the Stormwater Committee for a term expiring July 15, 2027.**

Councilor Palomba seconded the motion and it passed 3 – 0.

#### **Reappointment of Russ Arico to the Solid Waste and Recycling Committee**



Mr. Arico is proud of what the Solid Waste and Recycling Committee has done and continues to do. He feels above all else recycling has the most positive impact on our environment. He is particularly pleased with the Swap Shop program which has taken place four times to date. He has participated in three of the programs. He believes it is a great community event in addition to a valuable recycling activity as residents are genuinely appreciative of being able to bring items to the Swap Shop and at the same time leave with something they need.

-2-

He has great respect for Matt Bacon, our Recycling and Sustainability Coordinator, who staffs the Committee. He personally does not have specific suggestions on what new initiatives the Committee might pursue. However, he believes that it is important that whatever the Committee agrees to do in the future they must create goals that can be reached for accomplishing specific goals is key to the Committee's future growth, collaboration, and effectiveness.

Councilor Feltner made the following motion –

**The Committee on Public Works recommends that the City Council approve the reappointment of Russ Arico to the Solid Waste and Recycling Committee for a term ending May 15, 2029.**

Councilor Palomba seconded the motion and it passed 3 – 0.

Councilor Feltner made a motion to adjourn which was seconded by Councilor Palomba and passed 3 – 0. The meeting adjourned at approximately 6:25 PM. Minutes were prepared by Councilor Palomba.



## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 70

2026 - R - 70

### RESOLUTION CONFIRMING THE APPOINTMENT OF CHRISTOPHER CONER TO THE STORMWATER COMMITTEE

**BE IT RESOLVED:** That pursuant to the provisions of the Watertown Home Rule Charter, the City Council of the City of Watertown hereby confirms the appointment of Christopher Coner to the Stormwater Committee for a term expiring July 15, 2027.

Council Member

I hereby certify that at a Meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026

  
Brendan T. McCarthy, Council Clerk  
Mark S. Sideris, Council President

### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

John G. Gannon,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Theophilus Offei,  
Councilor At Large

Lisa J. Feltner,  
District B Councilor

Caroline Bays,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Emily Izzo,  
District D Councilor



## Watertown City Council

Administration Building  
149 Main Street  
Watertown, MA 02472  
Phone: 617-972-6470

RESOLUTION # 71

2026 - R - 71

### RESOLUTION CONFIRMING THE REAPPOINTMENT OF RUSS ARICO TO THE SOLID WASTE & RECYCLING ADVISORY COMMITTEE

**BE IT RESOLVED:** That pursuant to the provisions of the Watertown Home Rule Charter, the City Council of the City of Watertown hereby confirms the reappointment of Russ Arico to the Solid Waste & Recycling Advisory Committee for a term expiring May 15, 2029.

  
\_\_\_\_\_  
Council Member

I hereby certify that at a Meeting of the City Council for which a quorum was present, the above resolution was adopted by a vote of 9 for, 0 against, and 0 present on June 23, 2026

  
\_\_\_\_\_  
Brendan T. McCarthy, Council Clerk

  
\_\_\_\_\_  
Mark S. Sideris, Council President

### ELECTED OFFICIALS

Mark S. Sideris,  
Council President

Vincent J. Piccirilli, Jr.,  
Vice President &  
District C Councilor

Caroline Bays,  
Councilor At Large

John G. Gannon,  
Councilor At Large

Theophilus Offei,  
Councilor At Large

Anthony Palomba,  
Councilor At Large

Nicole Gardner,  
District A Councilor

Lisa J. Feltner,  
District B Councilor

Emily Izzo,  
District D Councilor

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to accept the report of the Committee on Human Services from June 15, 2026

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to approve the action item of the report of the Committee on Human Services from June 15, 2026



## **Watertown City Council**

### **Committee on Human Services**

**Councilor Palomba-Chair, Councilor Bays-Vice Chair, Councilor Izzo- Secretary**

### **Committee Report of June 15, 2026 Meeting Presented to the City Council on June 23, 2026**

The Committee convened on Monday, June 15, 2026, at 5:30 p.m. in the City Council Chamber. Present were Tony Palomba, Chair, Caroline Bays, Vice Chair, and Emily Izzo, Secretary. Also present were Council President Mark Sideris, Councilor Vinnie Piccirilli, Councilor Nicole Gardner, and Councilor John Gannon. City staff present included Gideon Schreiber, Director of Planning and Zoning and Will Downie, Senior Planner for Housing. Representatives from the Metropolitan Area Planning Council ("MAPC") included Adam Ploetz, Emma Yudelevitch, and Evelyne St-Louis. Also present were Cliff Cook, Chair of the Affordable Housing Trust, Barney Heath, Executive Director of Metro West Collaborative Development, Jacky van Leeuwen, Jamie Gordon, and Daniel Pritchard from Housing for All Watertown, and resident Dawn Slaven. Ms. St-Louis, Mr. Pritchard, and Ms. Slaven were present via Zoom.

The purpose of the meeting was to receive a presentation and discuss the Watertown Affordable Housing Incentives Study prepared by MAPC. Please see the Study attached.

Mr. Downie explained that the study originated from the Watertown Square planning and zoning process. As part of that effort, the City adopted several affordable housing incentives with the understanding that a broader evaluation would be undertaken to examine additional strategies for encouraging both market-rate developers and affordable housing developers to produce more affordable housing. The study was intended to evaluate potential incentives, identify barriers to housing production, and provide recommendations for future policy consideration.

MAPC staff presented the study findings and recommendations. The study examined incentives that could encourage market-rate developers to provide affordable housing beyond the requirements of Watertown's Inclusionary Zoning Ordinance, as well as strategies to support the development of affordable housing projects. The study concluded that incentives that reduce development costs, increase predictability, and shorten permitting timelines are generally the most effective tools for improving project feasibility and encouraging additional affordable housing production.



The presentation highlighted a number of recommendations for market-rate development, including density bonuses, height and dimensional relief, reductions in parking requirements, expedited permitting, waiver of certain ground-floor commercial requirements, and fee reductions. MAPC noted that many of these incentives can improve project feasibility by reducing construction costs or increasing the number of units that can be developed on a site. The study also emphasized that reducing uncertainty in the permitting process can provide significant value to developers and may encourage greater housing production.

The Committee also received information regarding recommendations designed to support affordable housing developers. MAPC explained that affordable housing projects face significant funding challenges because affordable rents generate less revenue than market-rate developments. As a result, affordable housing projects often rely on multiple subsidy sources and face funding gaps that can delay or prevent development. Recommendations included reducing land acquisition costs through the use of publicly owned land, reducing parking requirements, waiving commercial space requirements where appropriate, reducing fees, and exploring targeted financial assistance programs to support deeper affordability.

The presentation further discussed a potential “buy-down” program through which the City could provide financial assistance to support affordability levels below those currently required by inclusionary zoning. MAPC explained that deeper affordability generally requires substantial public investment because of the gap between affordable rents and market-rate rents. The study estimated that significant subsidies would be necessary to convert market-rate units into affordable units or to deepen affordability levels within projects that already contain affordable housing.

Committee members discussed the relationship between zoning reform and incentive-based approaches. Questions were raised regarding whether broader streamlining of zoning and permitting processes could be more effective than project-specific incentives. MAPC responded that the two approaches are not mutually exclusive and that streamlining development review can itself function as an incentive by reducing project delays, carrying costs, and uncertainty. The Committee also discussed the importance of clear development standards and expectations so that applicants better understand what is required before entering the permitting process.

Discussion also focused on the practical implementation of the study recommendations. It was noted that the recommendations are complex and may interact with one another in different ways. Questions were raised regarding potential unintended consequences and the need to evaluate how various incentives would function within Watertown’s existing zoning framework. It was emphasized that the study should serve as the beginning of a broader policy discussion involving the City Council, Administration,

Watertown Affordable Housing Trust, City's housing advocates, and development community.

Public comment highlighted the continuing regional housing shortage and the challenges affordable housing developers face in competing for land and securing financing. Commenters expressed support for further exploration of the study's recommendations and emphasized the importance of identifying practical ways to increase affordable housing production in Watertown. Concerns were also raised regarding staff capacity and the resources that may be necessary to implement future housing initiatives. The study presents a number of potential policy options and provides a useful framework for future discussion. The Chair emphasized the need to actualize the study recommendations in a timely fashion and to further investigate issues identified in the study such as parking requirements, additional methods of increasing density, the elimination of permit fees, and tax-exemption options.

Councilor Palomba made the following motion,

*The Committee on Human Services recommends that the City Council direct the Administration to further analyze the Watertown Affordable Housing Incentives Study and develop options for implementing specific programs and policies based on the Study's recommendations.*

Councilor Bays seconded the motion and it passed by a vote of 3–0.

The meeting adjourned at 7:07 p.m. Report prepared by Councilor Emily Izzo.

# Watertown Affordable Housing Incentives Study

City Council Committee on Human Services

June 15, 2026



# Agenda

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- Study overview
- Recap of process and major tasks
- Summary of recommendations
  - Recommendations for market-rate projects
  - Recommendations for affordable projects

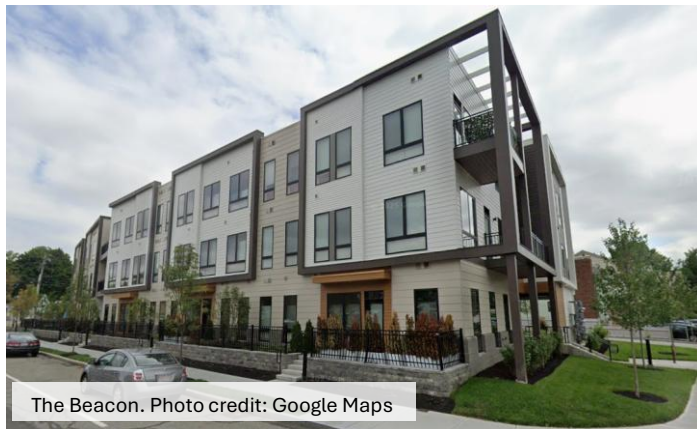
# Project Overview

# Purpose of this Study

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The purpose of this study is to assess **voluntary incentives** that would encourage either or both:

- **Market rate developers** to produce **more or deeper affordable units** than is already required by Watertown's mandatory inclusionary zoning (IZ) policy
- Greater production of **affordable housing developments** (e.g., 100% affordable LIHTC projects)





# Watertown's Existing Policy Context

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## Mandatory inclusionary zoning (IZ) policy

- **Threshold:** new developments with a minimum 6 units
- **Small-scale development (6-19 units):** 12.5% of units at 80% AMI (rental and ownership)
- **Medium- to large-scale development (20+ units):** 10% of units @ 80% AMI + 5% of units @ 65% AMI (rental); 15% at 80% AMI (ownership)

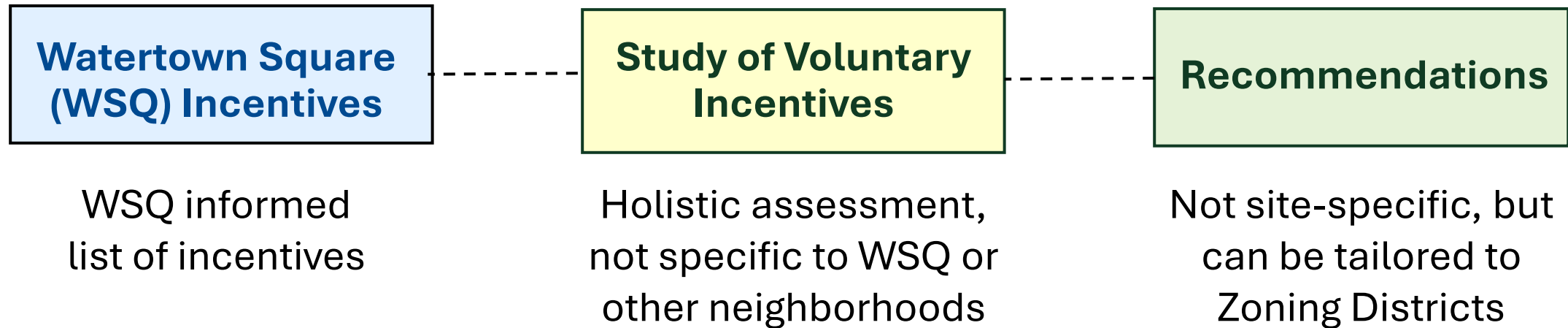
## Incentives for affordable projects in Watertown Square

- Multifamily projects in Watertown Square with at least **50% of units affordable at <80% AMI are eligible for incentives.**
- **Incentives:**
  - 1 additional floor if affordable units are <80% AMI
  - 2 additional floors if affordable units are <60% AMI average
  - Reduced parking minimum (0.25 spaces/unit); greater reduction by special permit

*\*Only considering incentives for rental developments*

# Policy Context + Incentive Study

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# **Recap of Process and Major Tasks**

# Recap of Major Tasks

---

## Phase 1: Understanding the Local Context

- Market and submarket assessment
- Zoning assessment

## Phase 2: Informing the List and Use of Voluntary Incentives

- Interviews with market-rate developers
- Interviews with affordable housing developers
- Focus group with Planning and Zoning Board members
- Case study research of voluntary affordable housing incentive programs in other municipalities

## Phase 3: Testing the Incentives

- Market-rate financial feasibility analyses: market rate pro forma and a simplified buy-down model
- Affordable sources & uses model for a typical 100% affordable project

## Phase 4: Recommendations

- Summary of recommendations based on findings from Phases 1-3

# Recap of Major Tasks

---

## Phase 1: Understanding the Local Context

- Market and submarket assessment
- Zoning assessment

## Phase 2: Informing the List and Use of Voluntary Incentives

- Interviews with market-rate developers
- Interviews with affordable housing developers
- Focus group with Planning and Zoning Board members
- Case study research of voluntary affordable housing incentive programs in other municipalities

## Phase 3: Testing the Incentives

- Market-rate financial feasibility analyses: market rate pro forma and a simplified buy-down model
- Affordable sources & uses model for a typical 100% affordable project

## Phase 4: Recommendations

- Summary of recommendations based on findings from Phases 1-3

# Recap of Major Tasks

---

## Phase 1: Understanding the Local Context

- Market and submarket assessment
- Zoning assessment

## Phase 2: Informing the List and Use of Voluntary Incentives

- Interviews with market-rate developers
- Interviews with affordable housing developers
- Focus group with Planning and Zoning Board members
- Case study research of voluntary affordable housing incentive programs in other municipalities

***Focus of  
Dec 2025  
presentation***

## Phase 3: Testing the Incentives

- Market-rate financial feasibility analyses: market rate pro forma and a simplified buy-down model
- Affordable sources & uses model for a typical 100% affordable project

## Phase 4: Recommendations

- Summary of recommendations based on findings from Phases 1-3



# Recap of Major Tasks

---

## Phase 1: Understanding the Local Context

- Market and submarket assessment
- Zoning assessment

## Phase 2: Informing the List and Use of Voluntary Incentives

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- Interviews with affordable housing developers
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# Recap of Major Tasks

---

## Phase 1: Understanding the Local Context

- Market and submarket assessment
- Zoning assessment

## Phase 2: Informing the List and Use of Voluntary Incentives

- Interviews with market-rate developers
- Interviews with affordable housing developers
- Focus group with Planning and Zoning Board members
- Case study research of voluntary affordable housing incentive programs in other municipalities

## Phase 3: Testing the Incentives

- Market-rate financial feasibility analyses: market rate pro forma and a simplified buy-down model
- Affordable sources & uses model for a typical 100% affordable project

***Focus of  
March 2026  
presentation***

## Phase 4: Recommendations

- Summary of recommendations based on findings from Phases 1-3

# Recap of Major Tasks

---

## Phase 1: Understanding the Local Context

- Market and submarket assessment
- Zoning assessment

## Phase 2: Informing the List and Use of Voluntary Incentives

- Interviews with market-rate developers
- Interviews with affordable housing developers
- Focus group with Planning and Zoning Board members
- Case study research of voluntary affordable housing incentive programs in other municipalities

## Phase 3: Testing the Incentives

- Market-rate financial feasibility analyses: market rate pro forma and a simplified buy-down model
- Affordable sources & uses model for a typical 100% affordable project

## Phase 4: Recommendations

- Summary of recommendations based on findings from Phases 1-3

# Recap of Major Tasks

---

## Phase 1: Understanding the Local Context

- Market and submarket assessment
- Zoning assessment

## Phase 2: Informing the List and Use of Voluntary Incentives

- Interviews with market-rate developers
- Interviews with affordable housing developers
- Focus group with Planning and Zoning Board members
- Case study research of voluntary affordable housing incentive programs in other municipalities

## Phase 3: Testing the Incentives

- Market-rate financial feasibility analyses: market rate pro forma and a simplified buy-down model
- Affordable sources & uses model for a typical 100% affordable project

## Phase 4: Recommendations

- Summary of recommendations based on findings from Phases 1-3

***Focus for  
today***

# List of Incentives Tested

|                                                               | Market-rate Pro Forma | Affordable Sources & Uses Model |
|---------------------------------------------------------------|-----------------------|---------------------------------|
| Free Publicly Owned Land                                      |                       | ✓                               |
| Reduced Parking Minimum (0.25 spaces per unit)*               |                       | ✓                               |
| Reduced Parking Minimum (0.5 spaces per unit)*                | ✓                     | ✓                               |
| Waived Commercial Requirement                                 | ✓                     | ✓                               |
| Waived Permitting Fees                                        | ✓                     | ✓                               |
| Waived Commercial Requirement and Permitting Fees             | ✓                     |                                 |
| Density bonus (1x)                                            | ✓                     | ✓                               |
| Density bonus (2x)                                            | ✓                     | ✓                               |
| Density Bonus (1x) and Reduced Parking (0.25 spaces per unit) |                       | ✓                               |
| Density Bonus (1x) and Reduced Parking (0.5 spaces per unit)  | ✓                     |                                 |
| Density Bonus (1x) and Waived Commercial Requirement          | ✓                     |                                 |
| Density Bonus (1x) and Waived Permitting Fees                 | ✓                     |                                 |

# Summary of Recommendations



# Approach to recommendations

---

- **Total of seven recommendations:**
  - Four for market-rate projects
  - Three for affordable projects
- MAPC worked closely with City Staff to develop these recommendations.
  - When moving from testing incentives to formulating recommendations, there is a need to balance what may be granted (incentive) for what is gained (more or deeper affordability). Narrative includes what tradeoffs should be considered.
  - Some recommendations can be applied citywide (regardless of the zoning district), and some require tailoring to the neighborhood/zoning district context.
  - Some recommendations are new, while some the city is already pursuing, but are important to emphasize.

# **Summary of Recommendations**

**Recommendations for market-rate projects**

**Recommendation #1:** Consider adopting a voluntary incentive program for market-rate development projects that provide more or deeper affordability, available citywide, tiered by project size.

- **#1a: Small-scale development (6-19 units) affordable + incentive options:**

- For more affordable units (15% of units at 80% AMI): Waive commercial requirements + permitting fees.

**OR**

- For deeper affordability (10% of units at 65% AMI): Less viable unless a density bonus is offered. *Note that a density bonuses could change scale/size from small-scale to a medium-scale.*

- **#1b: Medium-to Large-scale development (20+ units) affordable + incentive options:**

- All incentives and affordable options (more or deeper affordability) could be considered in a voluntary incentive program.
- Consider offering a menu of incentives based on housing and economic goals.

**Recommendation #2:** Consider offering zoning standard relief incentives by base zoning district as part of the City's comprehensive zoning update, so that market-rate projects are encouraged to provide more or deeper affordability.

Because some incentives can directly change the proposed development, it is important to tailor these incentives to local zoning and neighborhood context. Incentives that could be tailored by neighborhood/zoning district context and goals:

- **Density bonuses** are not only feasible but an attractive incentive across the board.
- **Rightsize parking ratios** based on zoning and neighborhood context.
- **Consider waiving commercial requirements** for medium- to large-scale projects in areas where mixed-use development is less important and/or financially challenging.

**Recommendation #3:** Adopt a buy-down tool to achieve more or deeper affordability within market-rate projects subject to the City's inclusionary zoning policy.

**Consider adopting a buy-down tool to create additional affordable units:**

- Buy-down a market-rate unit to an 80% AMI unit (estimated fee of \$215,000 to \$290,000 per unit)

**OR**

- Buy-down a market-rate unit to an 60% AMI unit (estimated fee of \$373,000 to \$448,000 per unit)

**OR**

- **(To achieve deeper affordability)** Buy-down an 80% AMI unit to a 60% AMI unit (estimated fee of \$158,000 per unit).
  - *This approach is more cost-effective and could be most promising for the City to explore.*

**Recommendation #4:** Maintain a strong commitment to other ongoing actions that the City is already pursuing, including tracking inclusionary units and incentives over time, and regularly reassessing the City’s inclusionary zoning program.

- **#4a: Regularly revisit the City’s inclusionary zoning policy and incentives.** The City’s latest Housing Plan identifies such an assessment as a “near-term” strategy.
- **#4b: Continue to track inclusionary zoning units, voluntary affordable units, and incentives.** This is essential for evaluating which incentives are effective. Making this data publicly available is also a best practice.
- **#4c: Educate the development community about what incentives are available, especially after they are adopted.** Building relationships with the development community is key to a healthy housing market and ecosystem.
- **#4d: As part of the comprehensive zoning update, include consideration of the City’s permitting/approval process.** This will help the city better areas of improvement/streamlining.



# **Summary of Recommendations**

**Recommendations for affordable projects**

**Recommendation #5:** Adopt an incentive package available to affordable projects citywide, including streamlined permitting, ground-floor commercial requirements waiver, permit fee waivers, and reduced parking minimum to 1 space per unit.

**These incentives all had some positive impact on affordable projects and offering them as a package helps increase their impact.** They can be implemented in different ways, and they also all also have some tradeoffs to consider.

- **Streamlined permitting** could be implemented by allowing affordable projects by-right citywide (e.g., site plan review only with no special permit required).
- **Waiving ground-floor commercial requirements** could be offered as an incentive by-right or on a discretionary basis.
- **The range of permit fees** to be considered for the waiver would need to be determined by City staff with more specificity.
- **The minimum parking ratio** for affordable developments (other than in WSQ district) could be set to 1 space per unit.

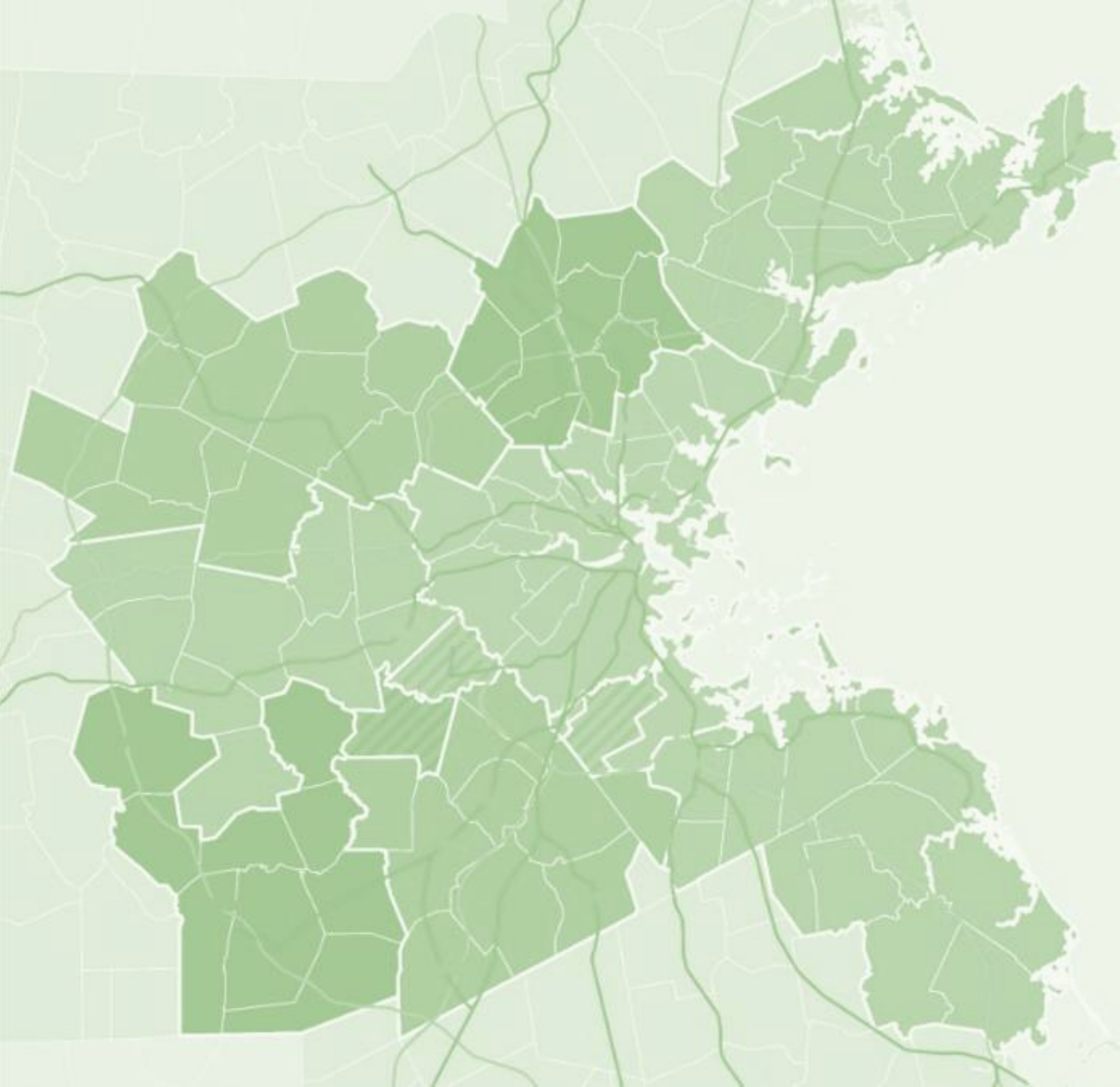
**Recommendation #6:** Consider offering density bonuses and further parking reduction (<1 space per unit) as incentives for affordable projects on a district-specific basis, to be implemented as part of City's comprehensive zoning update.

Consider offering these incentives on a district-specific basis:

- **Density bonuses** provide important flexibility to affordable developers and tend to be most helpful in making affordable projects feasible on smaller lots. *(Note: Density bonus can be applied in different ways, e.g., residential floor area, FAR, height, etc.)*
- **Reduced parking minimums** provide developers with the option to reduce their parking if the site or projected demand warrants it.
- There is already a precedent for these types of incentives in WSQ.

**Recommendation #7:** Maintain a strong commitment to other actions the City is already pursuing to incentivize affordable developments.

- **#7a: Dedicating publicly owned land and offering land for free or at discounted rates** is a very meaningful way to incentivize affordable projects. The City's Housing Plan includes this strategy.
- **#7b: Providing City funds as a local funding match** (from the AHT, CPA, or other local funds) is an essential way for the City to support affordable projects and help them meet EOHLC criteria.
- **#7c: Tracking voluntary incentives offered to affordable projects** will be important for evaluation of the effectiveness of incentives over time. Making this data publicly available is also a best practice.
- **#7d: Growing and educating the network of affordable developers who could be active in Watertown is essential.** The AHT has done outreach to affordable developers about Watertown opportunities and the latest Housing Plan includes this as a strategy.



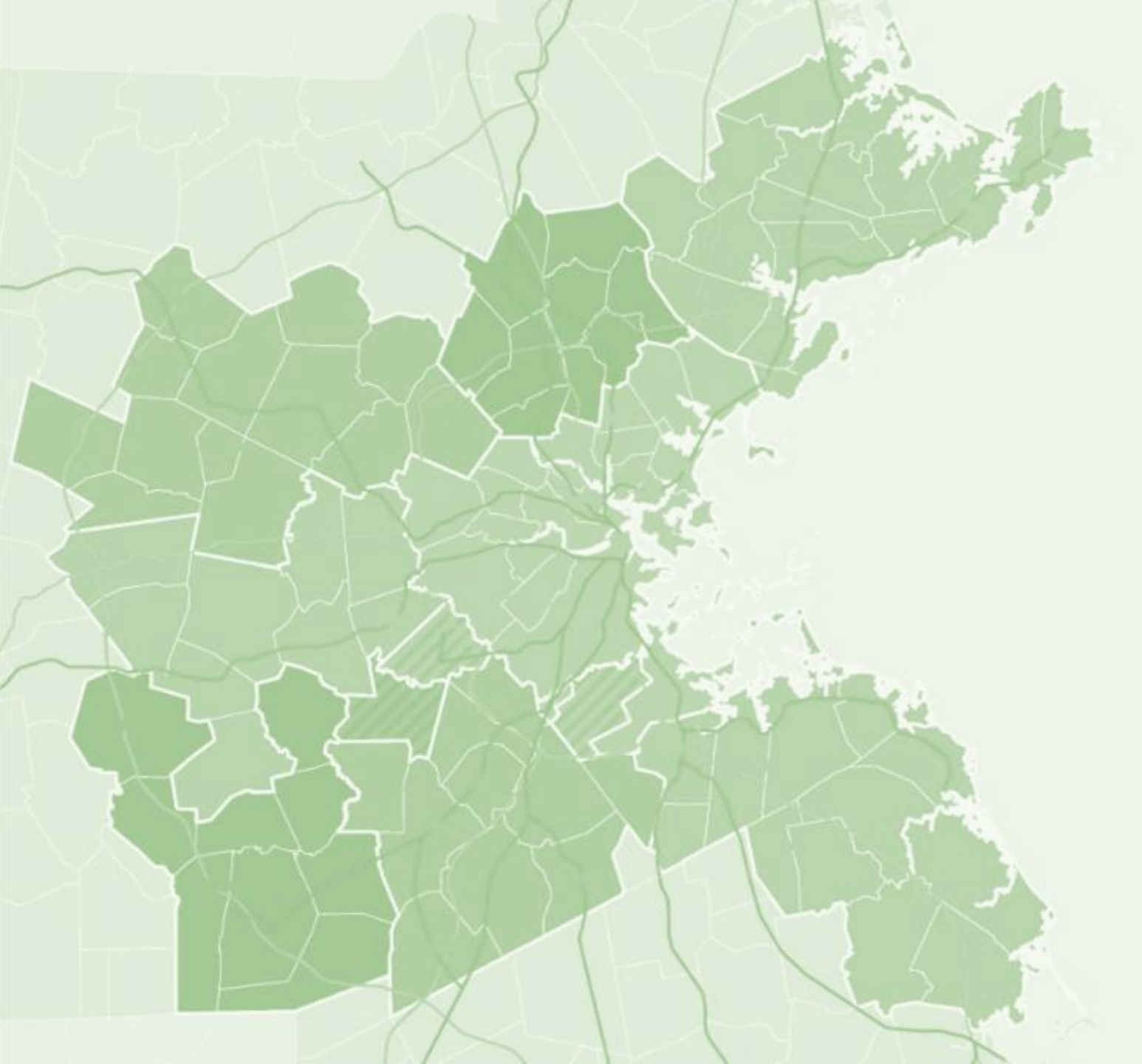
# Thank you!

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# Appendix



# **Market Rate Financial Feasibility Analysis**

# Overview

---

- **Purpose:** Test the impact of incentives on the financial feasibility of market-rate developments providing more or deeper affordability than what is currently required under Watertown's IZ policy.
- **Main focus:** Zoning-based and other 'indirect' incentives as tested in the Pro Forma Model (Method 1)
- Preliminary exploration of direct subsidy incentives as tested in the Buy-Down Model (Method 2)

# Market Rate Financial Feasibility Analysis

## Method 1: Pro Forma Model

# Methodology – Pro Forma Model

---

- **Pro Forma Model:** a tool that a developer typically uses to understand whether a real estate project is likely to be profitable.
- For policy makers, a pro forma model is a useful tool to understand how a particular policy might impact the local housing market.
- **Data sources:** CoStar, Warren Group, Zillow, RS Means, MAPC's rental listings database, and Developer interviews

# Prototypes – Pro Forma Model

---

**Prototype = hypothetical developments** representing what *could be* built in Watertown based on current market conditions.

*Note: Not site-specific, but based on aggregated data.*

**Prototype 1:** 8 units with 800 sq ft of commercial space

- 2 stories – wood frame construction, 100% surface parking

**Prototype 2:** 25 units with 3,500 sq ft of commercial space

- 3 stories – wood frame construction, 100% podium parking

**Prototype 3:** 60 units with 5,000 sq ft of commercial space,

- 5 stories – podium construction, 100% podium parking

# Affordability Scenarios

| Prototype                                      | Current IZ Policy           | More Units                  | Deeper Affordability                                 | Even Deeper Affordability                            |
|------------------------------------------------|-----------------------------|-----------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>Prototype 1:</b><br>8 units w/ 800 sq ft    | 12.5% units @<br>80% AMI    | 15% units @<br>80% AMI      | 10% units @<br>80% AMI<br>+<br>5% units @<br>65% AMI | 10% units @<br>80% AMI<br>+<br>5% units @<br>50% AMI |
| <b>Prototype 2:</b><br>25 units w/ 3,500 sq ft | 10% units @<br>80% AMI<br>+ | 15% units @<br>80% AMI<br>+ | 10% units @<br>80% AMI<br>+                          | 15% units @<br>80% AMI<br>+                          |
| <b>Prototype 3:</b><br>60 units w/ 5,000 sq ft | 5% units @<br>65% AMI       | 5% units @<br>65% AMI       | 5% units @<br>60% AMI                                | 5% units @<br>50% AMI                                |



# Incentives Tested for Market-Rate Analysis

---

## Incentives that reduce construction costs:



Waived Commercial Requirement



Waived Permitting Fees



Reduced Parking Ratio (0.5 space/unit)

# Incentives Tested for Market-Rate Analysis

---

## Incentives that reduce construction costs:



Waived Commercial Requirement



Waived Permitting Fees



Reduced Parking Ratio (0.5 space/unit)

*\*WSQ base is 0.5 space/units*

# Incentives Tested for Market-Rate Analysis

## Incentives that reduce construction costs:



Waived Commercial Requirement



Waived Permitting Fees



Reduced Parking Ratio (0.5 space/unit)



Waived Commercial Requirement  
+ Waived Permitting Fees

*\*WSQ base is 0.5 space/units*

# Incentives Tested for Market-Rate Analysis

---

**Incentives that increase revenue:**



Density Bonus (1x)



Density Bonus (2x)

# Incentives Tested for Market-Rate Analysis

---

## Incentives that increase revenue:



Density Bonus (1x)



Density Bonus (2x)

An extra density bonus above the by-right maximum is by far the **most common development incentive**.

# Incentives Tested for Market-Rate Analysis

---

## Incentives that increase revenue:



Density Bonus (1x)



Density Bonus (2x)

### **This could look like...**

- Additional height\*
- Increased Floor-Area-Ratio (FAR)
- Additional % of floor area or unit count

*\* WSQ offers extra height*



# Incentives Tested for Market-Rate Analysis

---

## Prototype 1: 8 units



Density Bonus (1x)



4 additional affordable units



Density Bonus (2x)



8 additional affordable units

# Incentives Tested for Market-Rate Analysis

---

## Coupled Density Bonus (1x) with other incentives:



Density Bonus (1x)



Density Bonus (2x)

+ Waived Commercial Requirement

+ Waived Permitting Fees

+ Reduced Parking Ratio



# Feasibility of Small-Scale Development

Prototype 1: 8 units w/ 800 sq ft

# Findings

---

- Deeper affordability requirements (50% AMI) are **not feasible** for small-scale housing projects.
- 65% AMI **might be possible** if commercial requirements are waived and density bonuses allowed.
- Adding more units for 80% AMI is **possible** if the commercial requirements are waived.
- Density bonuses can make small-scale development **feasible, but** they also significantly change the project size.

# Preliminary Takeaways

---

- **More affordable units (15% units @ 80% AMI) can be carved out** with a menu of incentives for small-scale developments:

## Possible Menu of Incentives

- ➡ Waived Commercial Requirement and Permitting Fees
  - ➡ Density Bonus (1x) with the option to couple additional incentives
  - ➡ Density Bonus (2x)
- All incentives can also help small-scale development **pencil out under the current IZ policy.**

# Feasibility of Medium- to Large-Scale Development

Prototype 2: 25 units w/ 3,500 sq ft

Prototype 3: 60 units w/ 5,000 sq ft



# Findings

---

- For **medium-scale projects**, **most** affordability options were **feasible**, with some incentives being more attractive than others.
- For **large-scale projects**, **all** affordable options were **feasible**, with some incentives being more attractive than others.

## Most Attractive Incentives

- ➡ Waived Commercial Requirement
- ➡ Waived Commercial and Permitting Fees
- ➡ Density Bonus (1x) with the option to couple additional incentives
- ➡ Density Bonus (2x)

# Preliminary Takeaways

---



**Waiving commercial requirements** for market-rate developments that opt for more or deeper affordability is an **attractive incentive**.

+ **Coupling it with waived permitting fees** provides additional financial offsets to construction costs.



**Offering a density bonus** for market-rate developments that opt for more or deeper affordability is an **attractive incentive**.

+ **Coupling it with other incentives** increases the potential margin of profitability, allowing for more or deeper affordable gains.

# Preliminary Takeaways

---



**Waiving permitting fees alone is not an attractive incentive**, but it can be when coupled with other incentives.

+ **Auditing the permitting/approval process** will help clarify the real time and cost to development.



**Lowering the floor and ceiling set for parking ratios** allows for greater flexibility.

+ **Coupling parking reduction with other incentives** make the incentive more meaningful.



**Revisiting and recalibrating** IZ policy and incentives periodically will be important to ensure policy reflects market conditions change.

# **Detailed Assumptions: Market Rate Feasibly Analysis**

**Additional Appendix Materials**

# Incentives Tested for Market-Rate Analysis

---

## Prototype 2: 25 units



Density Bonus (1x)



8 additional affordable units



Density Bonus (2x)



17 additional affordable units

# Incentives Tested for Market-Rate Analysis

---

## Prototype 3: 60 units



Density Bonus (1x)



12 additional affordable units



Density Bonus (2x)



24 additional affordable units



# Findings – Small-scale Development

| Incentives                                                                                                      | Current IZ Policy            | More Units                   | Deeper Affordability         | Even Deeper Affordability    |
|-----------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  Waived Commercial Requirement | <b>Feasible + Attractive</b> | <b>Possible</b>              | <b>Possible</b>              | <b>Not Feasible</b>          |
|  Waived Permitting Fees        | <b>Feasible</b>              | <b>Not Feasible</b>          | <b>Not Feasible</b>          | <b>Not Feasible</b>          |
|  Reduced Parking Ratio         | <b>Feasible</b>              | <b>Not Feasible</b>          | <b>Not Feasible</b>          | <b>Not Feasible</b>          |
|                               | <b>Feasible + Attractive</b> | <b>Feasible</b>              | <b>Possible</b>              | <b>Not Feasible</b>          |
|                              | <b>Feasible + Attractive</b> | <b>Feasible + Attractive</b> | <b>Feasible + Attractive</b> | <b>Feasible + Attractive</b> |

# Findings – Medium-scale Development

| Incentives                                                                          | Current IZ Policy     | More Units            | Deeper Affordability  | Even Deeper Affordability |
|-------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------|
|    | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive | Feasible                  |
|    | Feasible              | Possible              | Feasible              | Possible                  |
|    | Feasible              | Possible              | Possible              | Possible                  |
|   | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive     |
|  | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive     |

# Findings – Large-scale Development

| Incentives                                                                          | Current IZ Policy     | More Units            | Deeper Affordability  | Even Deeper Affordability |
|-------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------|
|    | Feasible + Attractive | Feasible              | Feasible              | Feasible                  |
|    | Feasible              | Feasible              | Feasible              | Feasible                  |
|    | Feasible              | Feasible              | Feasible              | Feasible                  |
|   | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive     |
|  | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive | Feasible + Attractive     |

# Market Rate Financial Feasibility Analysis

## Method 2: Buy Down Model

# Overview – Buy-down model

---

- Buy-down programs are an alternative way to achieve deeper or more affordability in an existing market rate project subject to IZ.
- Instead of offering indirect incentives, **a buy-down program involves a direct payment by the municipality to the developer.**
- **The buy-down model is a tool to estimate how much subsidy a municipality would need to pay a developer to:**
  - Deepen the affordability of an existing affordable unit (e.g. 80% AMI to 60% AMI)
  - Add a new affordable unit, by buying down a market rate unit to an affordable unit.

# Overview – Buy-down model

---

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- **The buy-down model is a tool to estimate how much subsidy a municipality would need to pay a developer to:**
  - Deepen the affordability of an existing affordable unit (e.g. 80% AMI to 60% AMI)
  - Add a new affordable unit, by buying down a market rate unit to an affordable unit.

**Note:** This is a preliminary analysis. More work would be needed to refine the results and explore program design and implementation in more detail.

# Methodology – Buy-down model

---

- Buy-down costs are expressed as a range based on three different methods to reflect the variability and complexity in how this cost is estimated.
- Some similarities with methods for estimating in-lieu fee payments.
- Calculations are **based on Prototype 3** and use many of the same assumptions.



# Methodology – Buy-down model

---

- Buy-down costs are expressed as a **range** based on three different methods to reflect the variability and complexity in how this cost is estimated.
- Some similarities with methods for estimating in-lieu fee payments.
- Calculations are **based on Prototype 3** and use many of the same assumptions.

## Method 1: Affordability Gap

Fee = Difference between the fair market value and the value of the affordable unit (based on rents).

## Method 2: Revenue Loss

Fee = Difference in rental income over 20 years, plus cost of operating an affordable unit (annual income certification, selection lottery, etc.)

## Method 3: Development Cost

Fee = Difference between the total development cost and the value of the affordable units (based on rents).

# Findings

---

| Fee needed to buy down...    | Approximate fee range           |
|------------------------------|---------------------------------|
| Market rate unit to 60% AMI  | \$373,000 to \$448,000 per unit |
| Market rate unit to 80% AMI  | \$215,000 to \$290,000 per unit |
| 80% AMI unit to 60% AMI unit | \$158,000 per unit*             |

*\*The results are the same across the three methodologies for the 80% AMI to 60% AMI scenario because the difference in value between a 60% AMI unit and an 80% AMI unit is a constant value.*

# Preliminary Takeaways

---

- Buy-down payments are a **potentially viable incentive, especially for buying down deeper affordability from existing IZ units (e.g., 80% to 60% AMI)**, but would require greater subsidy from the municipality.
- **Further work is needed** to assess developer interest and the specifics of program design and implementation.
- Watertown may want to **continue exploring a buy-down program as complementary to other proposed incentives.**

# **Affordable Housing Sources & Uses Model**

# Methodology – Sources & Uses Model

---

- We use a **simplified ‘source & uses model’** to represent project costs (uses) and revenues (sources) for a typical 100% affordable housing project that might be expected in Watertown.
- Whereas a pro forma model compares the impact of incentives on the profitability of different prototypes, the sources & uses model compares the impact of incentives by looking at the **relative change in the funding gap**.

# Methodology – Sources & Uses Model

---

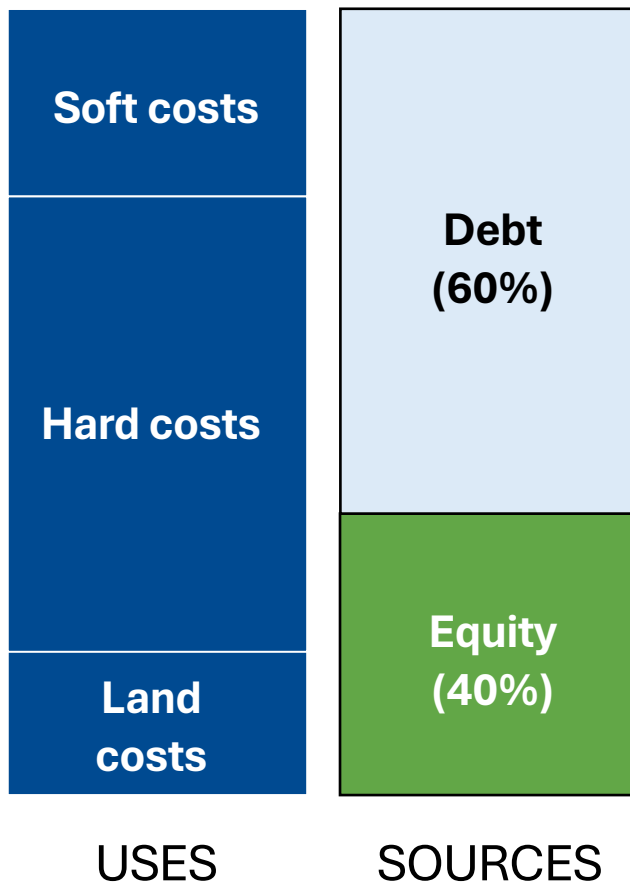
- We use a **simplified ‘source & uses model’** to represent project costs (uses) and revenues (sources) for a typical 100% affordable housing project that might be expected in Watertown.
- Whereas a pro forma model compares the impact of incentives on the profitability of different prototypes, the sources & uses model compares the impact of incentives by looking at the **relative change in the funding gap**.

**Note:** The sources & uses model is supplemented with interviews with affordable housing developers, which provide additional context that cannot be as easily quantified.

# Methodology: What is a funding gap?

---

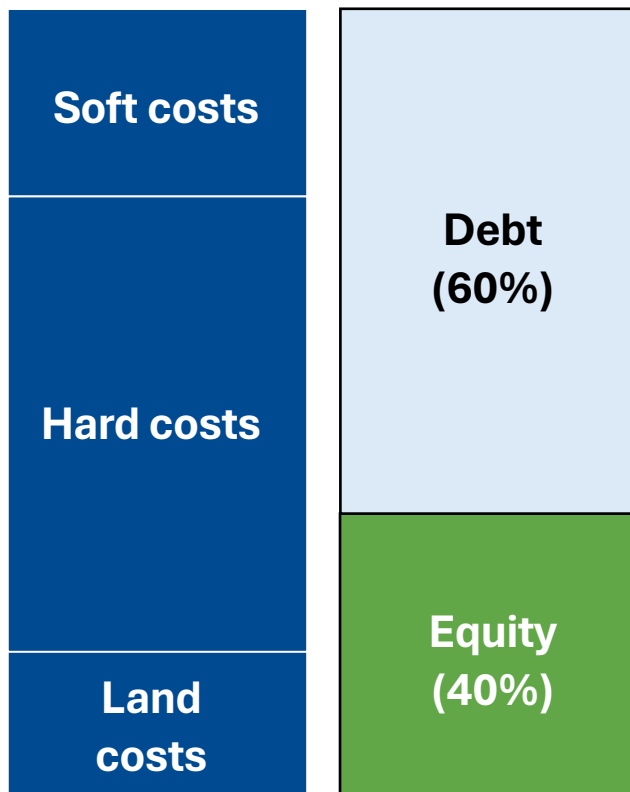
## Typical Market Rate Capital Stack





# Methodology: What is a funding gap?

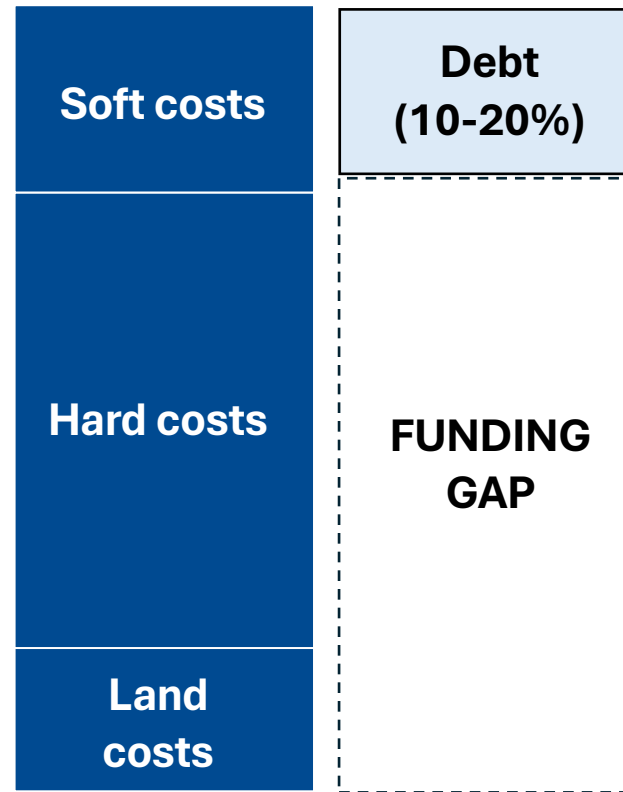
Typical Market Rate Capital Stack



USES

SOURCES

Typical 100% Affordable Capital Stack

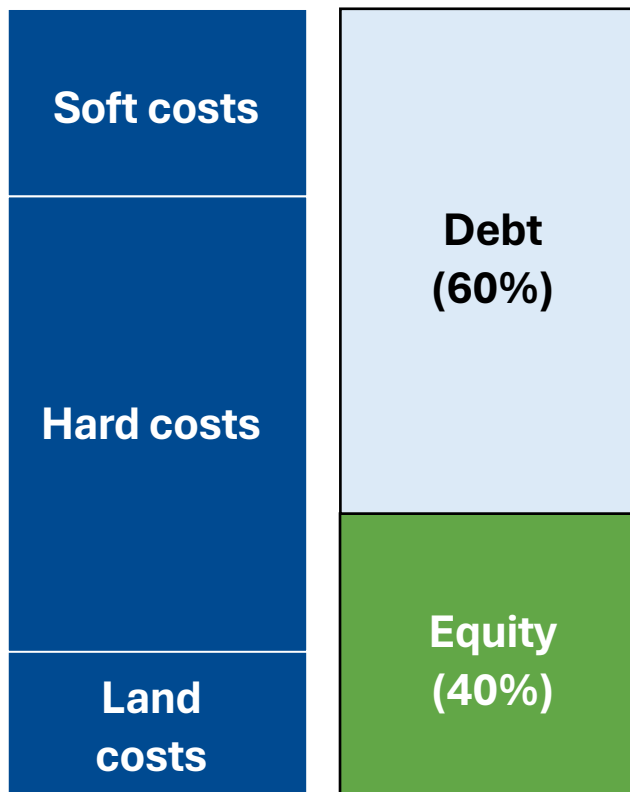


USES

SOURCES

# Methodology: What is a funding gap?

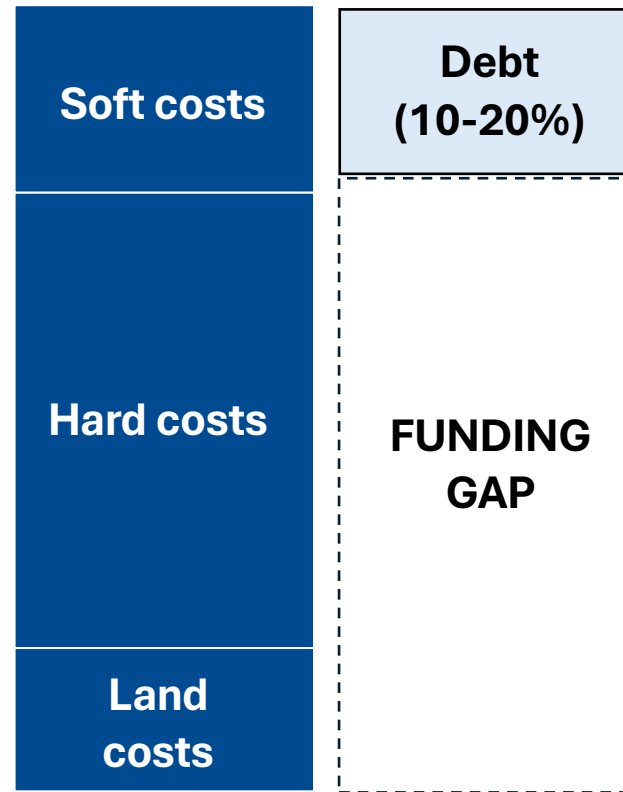
Typical Market Rate Capital Stack



USES

SOURCES

Typical 100% Affordable Capital Stack



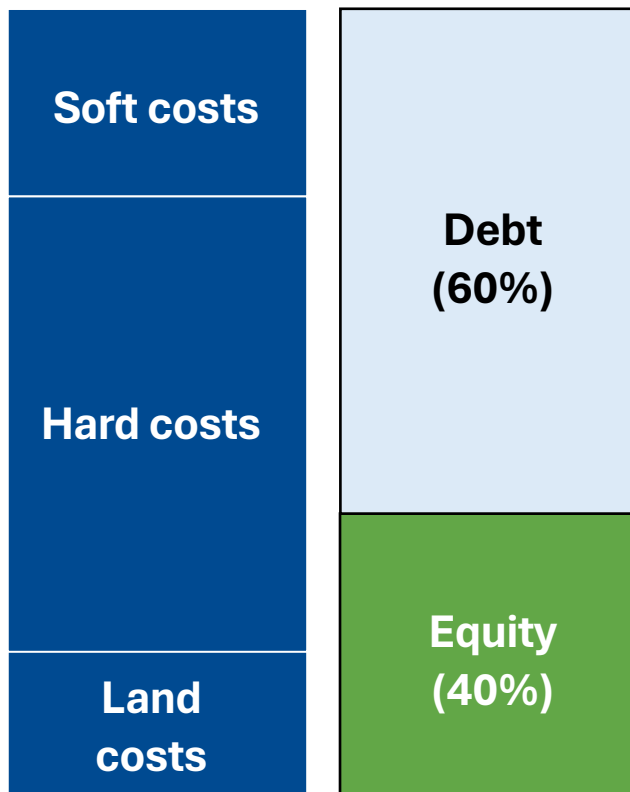
USES

SOURCES

**Funding gap** = difference between total development costs and permanent debt (leveraged from affordable rents).

# Methodology: What is a funding gap?

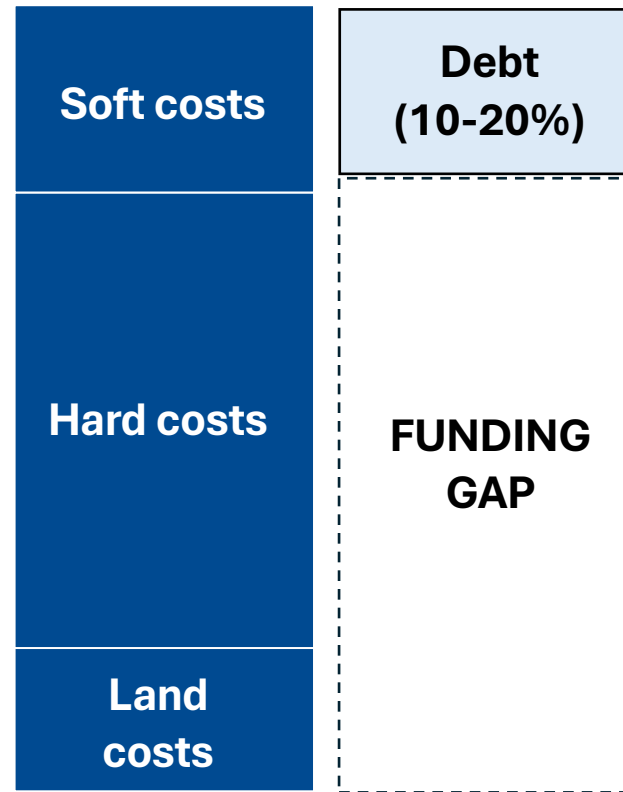
Typical Market Rate Capital Stack



USES

SOURCES

Typical 100% Affordable Capital Stack



USES

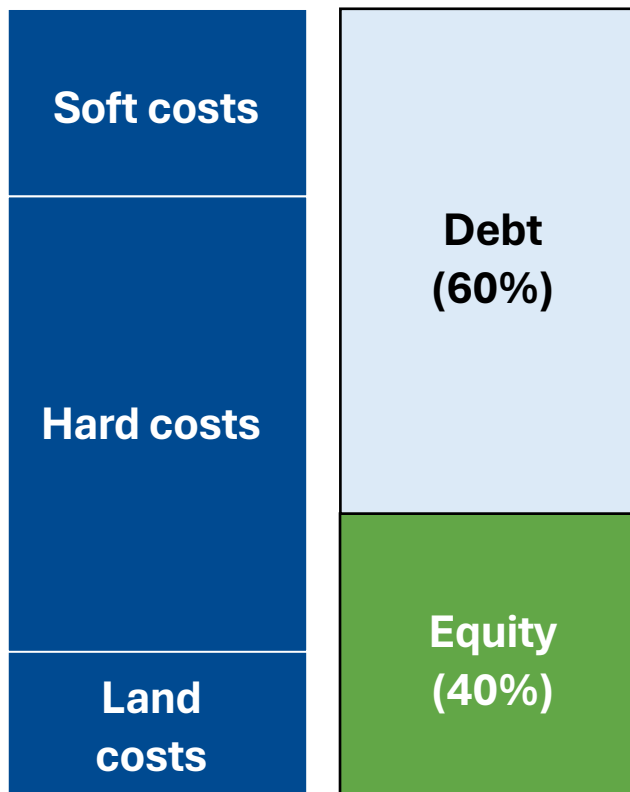
SOURCES

**Funding gap** = difference between total development costs and permanent debt (leveraged from affordable rents).

Developers must seek out **multiple funding sources** to fill this funding gap (federal/state tax credits, local or state grants, project-based vouchers, etc.)

# Methodology: What is a funding gap?

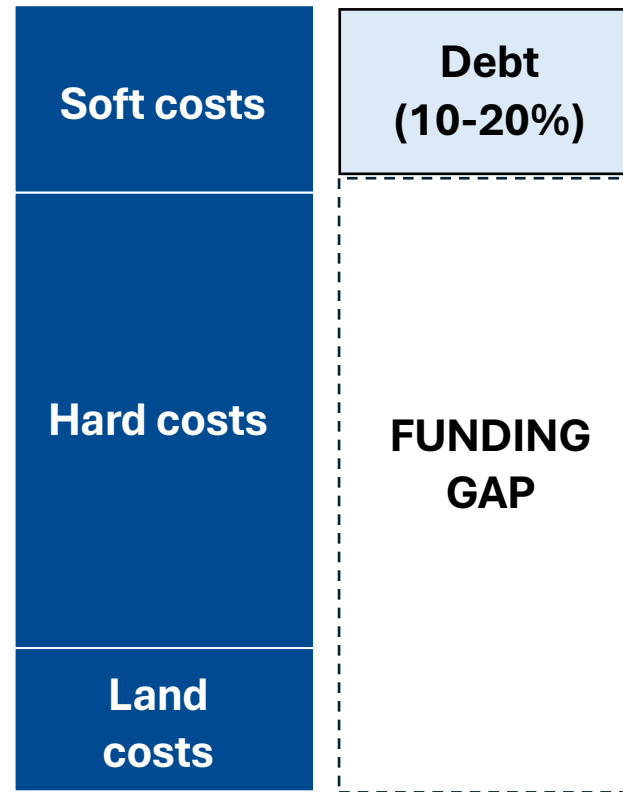
Typical Market Rate Capital Stack



USES

SOURCES

Typical 100% Affordable Capital Stack



USES

SOURCES

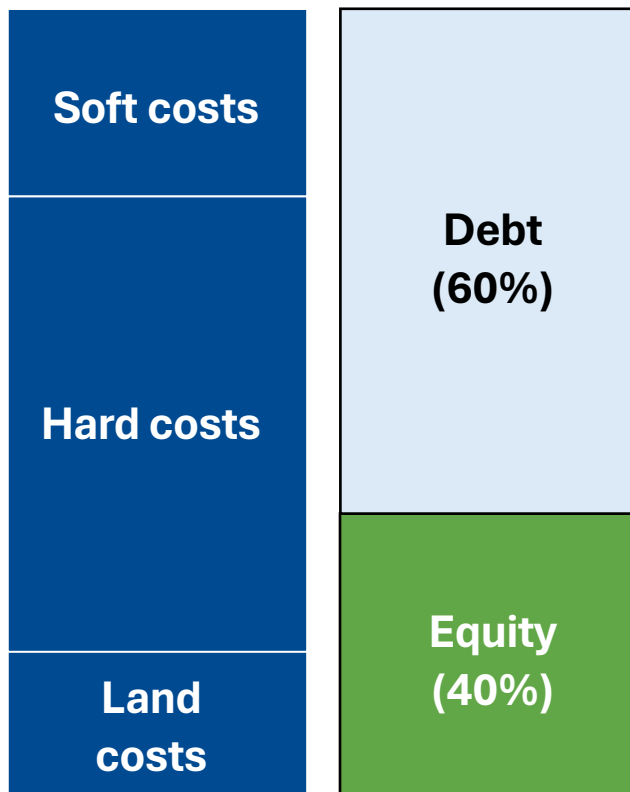
**Funding gap** = difference between total development costs and permanent debt (leveraged from affordable rents).

Developers must seek out **multiple funding sources** to fill this funding gap (federal/state tax credits, local or state grants, project-based vouchers, etc.)

**Note:** Equity sources vary, but most often are federal and/or state tax credits, and/or the developer's own equity.

# Methodology: What is a funding gap?

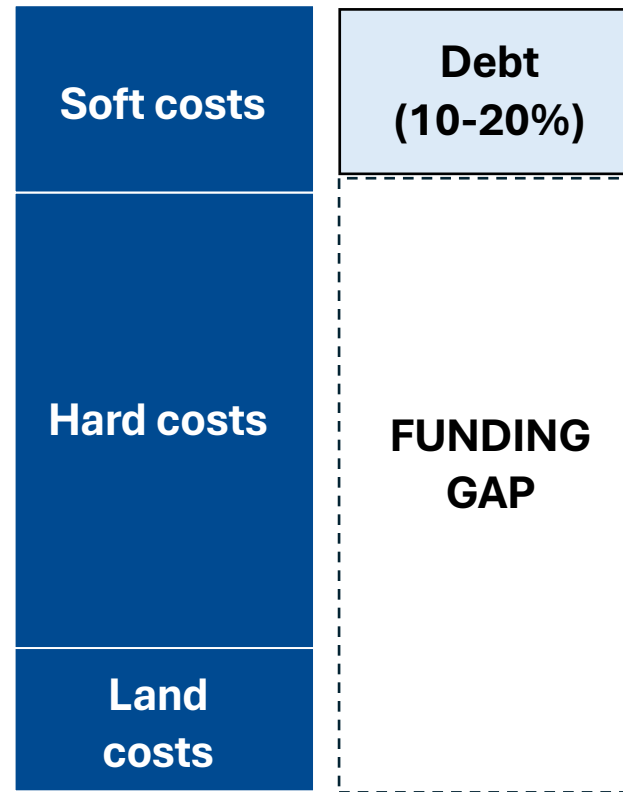
Typical Market Rate Capital Stack



USES

SOURCES

Typical 100% Affordable Capital Stack



USES

SOURCES

**Funding gap** = difference between total development costs and permanent debt (leveraged from affordable rents).

Developers must seek out **multiple funding sources** to fill this funding gap (federal/state tax credits, local or state grants, project-based vouchers, etc.)

**Anything that helps close the funding gap is beneficial.** For example, the funding gap can also be closed by reducing total development costs.

# Prototypes – Sources & Uses Model

---

**Prototype** = **hypothetical developments** representing what *could* be built in Watertown based on typical 100% affordable housing development trends.

*Note: Not site-specific, but based on aggregated data.*

**Prototype A:** 30 units @ 55% AMI with 2,000 sq ft of commercial space

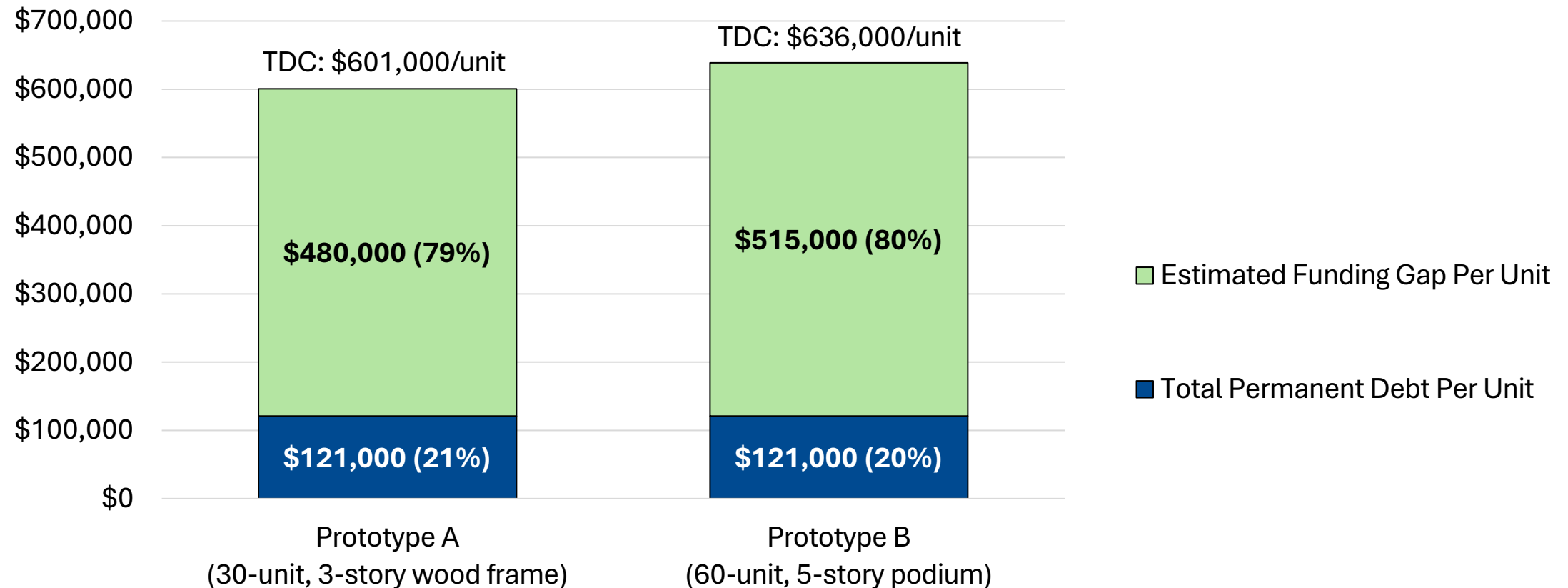
- 3 stories – wood frame construction
- 100% surface parking

**Prototype B:** 60 units @ 55% AMI with 3,500 sq ft of commercial space

- 5 stories – 4 wood frame over 1 podium
- 50% surface parking, 50% podium parking

# Baseline Development Costs & Funding Gap

Baseline Per Unit Capital Stack





# Incentives Tested for Affordable Analysis

---

## Incentives that reduce construction costs:



Waived Commercial Requirement



Waived Permitting Fees



Reduced Parking Ratio (0.5 spaces/unit)  
Reduced Parking Ratio (0.25 spaces/unit)



Free publicly-owned land

*\*WSQ base is 0.5 space/unit  
and 0.25 space/unit is the  
current incentive.*

# Incentives Tested for Affordable Analysis

---

## Incentives that increase revenue:

 Density Bonus (1x) → Prototype A: 30 to 45 units  
Prototype B: 60 to 75 units

 Density Bonus (2x) → Prototype A: N/A  
Prototype B: 60 to 90 units

 +  Density Bonus (1x) + Reduced Parking Ratio (0.25 spaces/unit)

*\*WSQ offers extra height*

# Findings

## Percent Change in the Per Unit Funding Gap Relative to the Baseline

| Incentives                                                                                                                                                                                             | Prototype A | Prototype B |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
|  Waived commercial requirement                                                                                        | -6%         | -5%         |
|  Waived permitting fees                                                                                               | -1%         | -1%         |
|  Reduced parking ratio (0.5)                                                                                          | -2%         | -3%         |
|  Reduced parking ratio (0.25)                                                                                         | -3%         | -5%         |
|  Free publicly-owned land                                                                                            | -19%        | -17%        |
|  Density bonus (1x)                                                                                                 | -6% **      | -4% **      |
|  Density bonus (2x)                                                                                                 | n/a         | -7% **      |
|  +  Density bonus (1x) + Parking | -9% **      | -9% **      |

# Findings

## Percent Change in the Per Unit Funding Gap Relative to the Baseline

| Incentives                                                                                                                                                                                             | Prototype A | Prototype B |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
|  Waived commercial requirement                                                                                        | -6%         | -5%         |
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# Findings

## Percent Change in the Per Unit Funding Gap Relative to the Baseline

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# Findings

## Percent Change in the Per Unit Funding Gap Relative to the Baseline

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# Findings

## Percent Change in the Per Unit Funding Gap Relative to the Baseline

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|  Density bonus (2x)                                                                                                 | n/a         | -7% **      |
|  +  Density bonus (1x) + Parking | -9% **      | -9% **      |

Although there is a reduction in the per unit funding gap, the **total funding gap** increases as the number of affordable unit increases.



# Findings

## Percent Change in the Per Unit Funding Gap Relative to the Baseline

| Incentives                                                                                                                                                                                             | Prototype A | Prototype B |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
|  Waived commercial requirement                                                                                        | -6%         | -6%         |
|  Waived permitting fees                                                                                               | -1%         | -1%         |
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|  Density bonus (1x)                                                                                                 | -6% **      | -4% **      |
|  Density bonus (2x)                                                                                                 | n/a         | -7% **      |
|  +  Density bonus (1x) + Parking | -9% **      | -9% **      |

While there are benefits to more efficient projects, **an increase in the total funding gap means more funding sources are needed.**

# Preliminary Takeaways

---

## Most impactful



### **Free publicly-owned land**

*Also supports affordable developers in other ways, e.g., having a patient land seller; reduced competition with market rate developers.*

## Somewhat impactful



### **Waived commercial requirements**

*Affordable developers also noted this as an appealing incentive.*

# Preliminary Takeaways

---

## Somewhat impactful, but varies



### **Reduced parking minimums**

*Provide greater flexibility, but impact varies based on the site and developer.*



### **Density bonuses**

*Provide greater flexibility and help with economies of scale, but impact varies based on the site and developer.*

## Less impactful



### **Waived permitting fees**

*Minimal impact if offered alone; couple with other incentives for more impact.*

# Other Considerations

Informed by interviews with affordable housing developers

## Most impactful



**Mechanisms that allow 100% multifamily affordable housing by-right**  
*Discretionary review creates significant risk and uncertainty.*



**Local funding match**  
*Key for most capital stacks and often impacts ability to secure tax credits.*

## Impactful



**Staff capacity**  
*Can help champion and shepherd projects through local review processes.*



**Network of locally active affordable developers**

# Submarket Analysis

High-level Takeaways

# Initial Findings

---

- **City's Median Rent: \$2,357**
- **Small differences** in median rent and median unit size by neighborhood
- There is little variation in market conditions by neighborhood, **so no evidence of strong submarkets in Watertown.**
- However, **incentives tailored to neighborhood context** may still make sense based on zoning allowances.

# Market Level Synthesis - Residential

---

| Unit Type | % of Housing Stock | Average Sq Ft | Median Rent |
|-----------|--------------------|---------------|-------------|
| Studio    | 16%                | 626 sq ft     | \$2,300     |
| 1-bedroom | 46%                | 782 sq ft     | \$2,800     |
| 2-bedroom | 32%                | 1,089 sq ft   | \$3,400     |
| 3-bedroom | 6%                 | 1,501 sq ft   | \$3,900     |

*Source: Costar, Zillow, MAPC Rental Listing Database*



# Market Level Synthesis – Commercial

---

| Type   | Market Rents per Sq Ft | Average Sq Ft |
|--------|------------------------|---------------|
| Office | \$43.50                | 3080 sq ft    |
| Retail | \$33.00                | 2960 sq ft    |

**Vacancy Rate Range:** 10%-15%

*\*Pending Data Update – Numbers may change.*

Source: Costar

# Submarket Analysis - Residential

---

## Pleasant Street

**Average Unit SF:**

960 sq ft

**Average Rental Price:**

\$3,300

## Watertown Square

**Average Unit SF:**

800 sq ft

**Average Rental Price:**

\$3,000

## Arsenal Street

**Average Unit SF:**

940 sq ft

**Average Rental Price:**

\$3,500

*Source: Costar, Zillow*

# Map of Recent Developments by Submarket

## Submarket Name

- Downtown Watertown
- East Watertown
- Watertown West End

- Open Space
- Water Bodies
- MAPC Municipalities
- MBTA Routes

## Next Steps:

- Add Zoning Layer to Submarket Map

Source: Costar



0 0.1 0.2 0.4 0.6 0.8 Miles



Dec 16, 2025

# Zoning Assessment

## High-level Takeaways

# Purpose

---

- Understand use and dimensional regulations for residential development
- Identify potential constraints to housing production and potential areas where zoning relief may be considered as an incentive for providing affordability

# Zoning Assessment Framework

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## Geographic Areas

- Pleasant Street Corridor
- Arsenal Street Corridor
- Watertown Square
- Mt. Auburn Street Corridor/  
Coolidge Square

## We looked at

- Future uses and allowable uses
- Dimensional regulations
- Requested zoning relief from past development
- Opportunities + Considerations

# Spoiler alert!

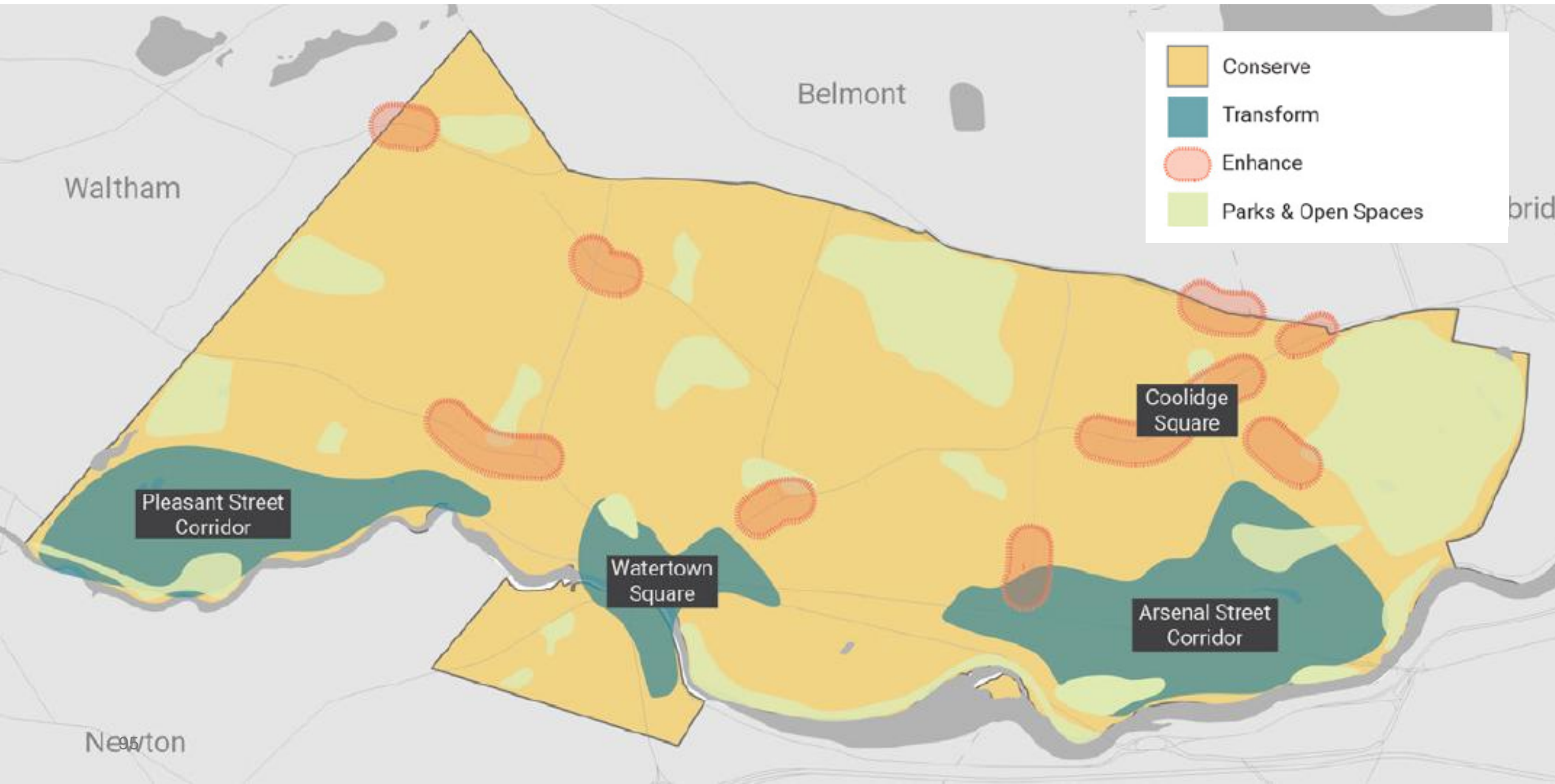
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**Good news:** Watertown's existing zoning is quite good

**Bad news:** Fewer obvious or easy places to use zoning incentives to incentivize affordability

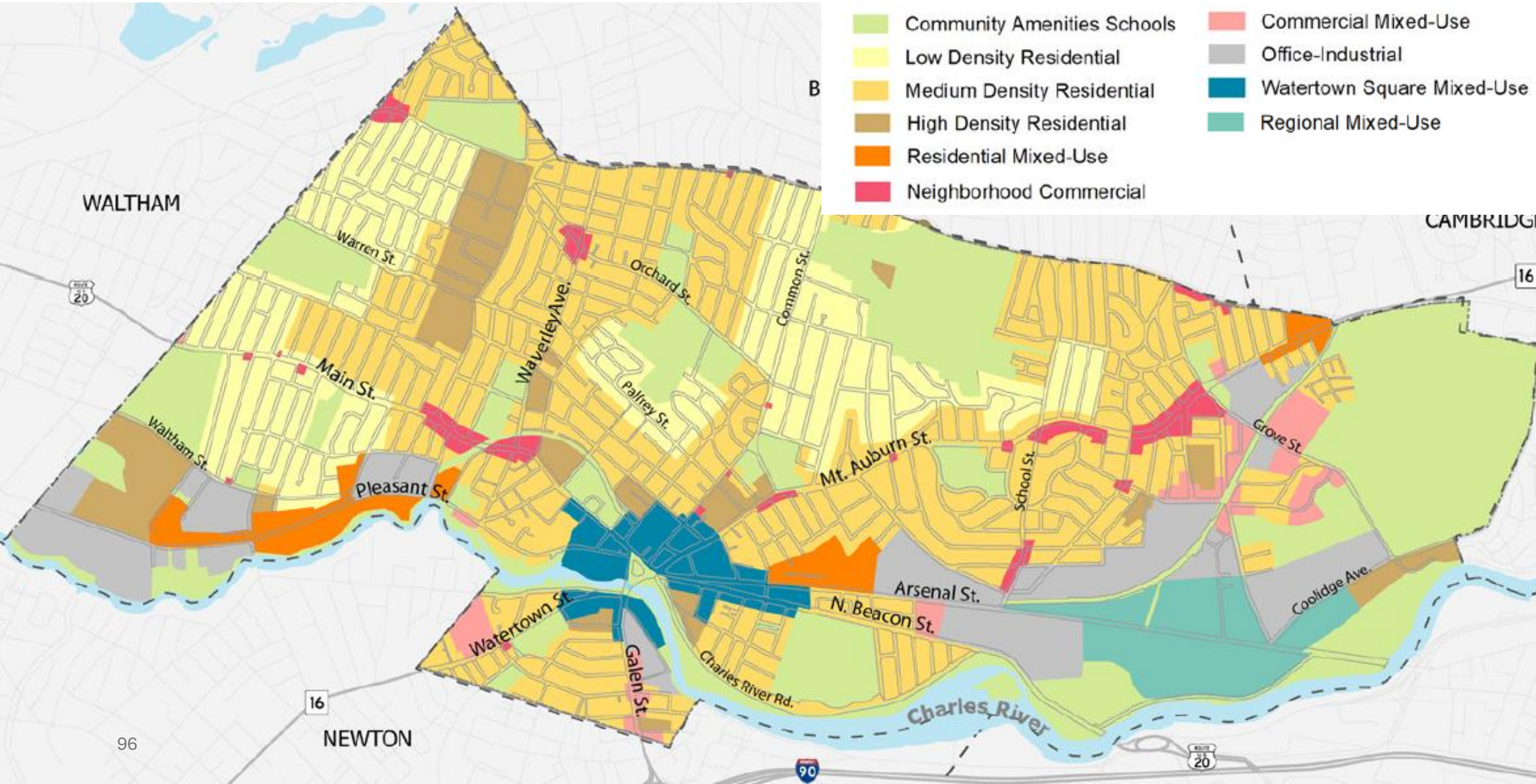


# Future Land Use (2023 Comp Plan)





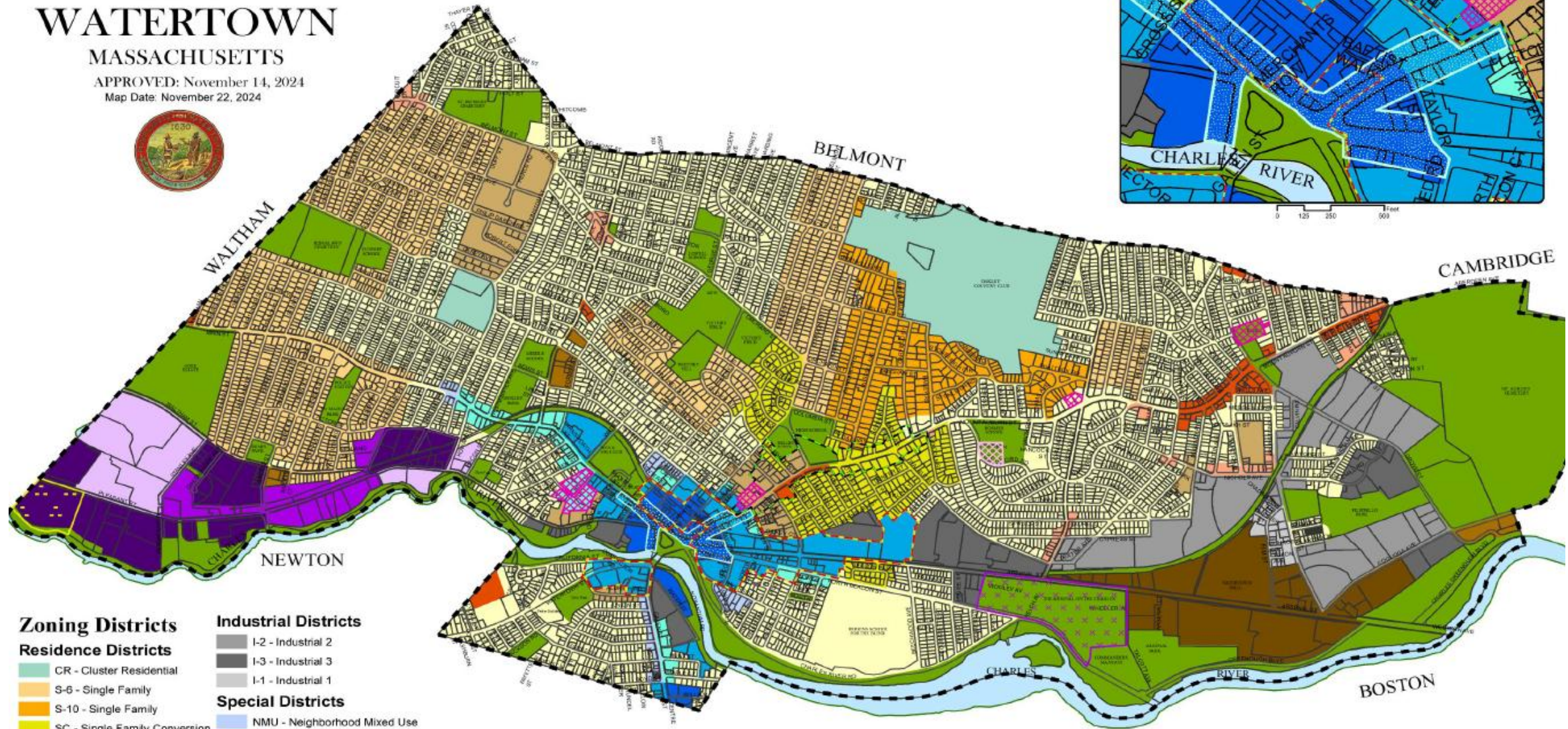
# Future Land Use (2023 Comp Plan)



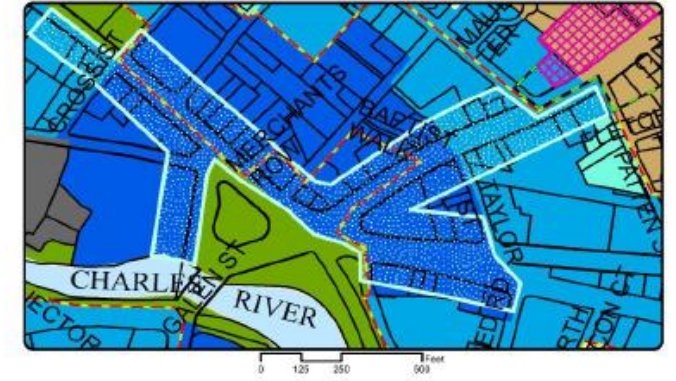


# ZONING MAP OF WATERTOWN MASSACHUSETTS

APPROVED: November 14, 2024  
Map Date: November 22, 2024



WSQ Active Street Frontage



## Zoning Districts

### Residence Districts

- CR - Cluster Residential
- S-6 - Single Family
- S-10 - Single Family
- SC - Single Family Conversion
- T - Two Family
- R.75 - Residential Multi-Family
- R1.2 - Residential Multi-Family

### Business Districts

- NB - Neighborhood Business
- LB - Limited Business

## Industrial Districts

- I-2 - Industrial 2
- I-3 - Industrial 3
- I-1 - Industrial 1

## Special Districts

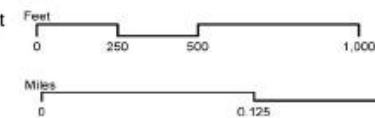
- NMU - Neighborhood Mixed Use
- WSQ3 - Watertown Square 3
- WSQ2 - Watertown Square 2
- WSQ1 - Watertown Square 1
- RMUD - Regional Mixed Use
- PSCD-3 - Pleasant Street Corridor
- PSCD-2 - Pleasant Street Corridor
- PSCD-1 - Pleasant Street Corridor
- OSC - Open Space/Conservancy

## Overlay Districts

- ALOD - Assisted Living Overlay
- AODD - Arsenal Overlay Development
- R/SOD - Religious/School Building Overlay
- RD - Limited Redevelopment District
- TODO - Transit Oriented Development Overlay

## Map Key

- Active Street Frontage
- Mt. Auburn St. Historic District
- City Boundary
- Water
- Parcels



Draft Oct 2025





# Pleasant Street Corridor

# Pleasant Street Corridor

## Future land use



- High density residential
- Residential mixed use
- Office-industrial

## Existing zoning



- PSCD-1:** Multifamily by SP  
Res. mixed-use by SP
- PSCD-2:** Multifamily not permitted  
Res mixed-use by SP
- PSCD-3:** Multifamily not permitted  
Res. mixed-use not permitted
- R1.2:** Multifamily by SP  
Res. mixed-use not permitted

# Pleasant Street Corridor

## Dimensional Requirements

|                            |                                        |
|----------------------------|----------------------------------------|
| Min. lot size              | 10,000 sq.ft.                          |
| Min. frontage              | n/a                                    |
| Front build-to line        | 10-30'                                 |
| Side setback               | 0' or 18'*                             |
| Rear setback               | 18'*                                   |
| Open space                 | 20%                                    |
| Max. bldg. coverage        | 50% or 60% with SP                     |
| Max. height                | 55'/5 stories or 66'/6 stories with SP |
| Max. density               | 1,000sqft/unit (44 units/acre)         |
| Max. FAR                   | 1.0 / 2.0 with SP / 2.0 for mixed use  |
| Res. parking minimums      | 0.75-2.0 spaces/unit                   |
| Retail/office parking min. | 1 space per 350 sq.ft. (ground floor)  |

### Requested Zoning Relief

- PSCD: Two projects
- Height (one)
  - Parking (one)
  - FAR (one)

\*Setbacks or reduced heights within 40' of S-6 or T districts



# Arsenal Street Corridor



# Arsenal Street Corridor

## Future land use



2023 Comp Plan

- Office-industrial
- Regional mixed use
- High-density residential
- Commercial mixed use
- Neighborhood commercial

## Existing zoning



Zoning Map

- I-3:** Multifamily by SP  
Res. Mixed-use by SP
- I-2:** Multifamily not permitted  
Res. Mixed-use not permitted
- I-1:** Multifamily not permitted  
Res. Mixed-use not permitted
- RMUD:** Multifamily not permitted  
Res. mixed-use by Master Plan SP

# Arsenal Street Corridor

## Dimensional Requirements

|                     | Industrial-3      | RMUD              | Requested Zoning Relief                                                                                                                                                                                                                                    |
|---------------------|-------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Min. lot size       | n/a               | 2 Acre Min.       | <div>Industrial-3: Two projects</div> <ul style="list-style-type: none"><li>• FAR (one)</li><li>• Façade length (one)</li></ul> <div>RMUD: Two projects</div> <ul style="list-style-type: none"><li>• Height (two)</li><li>• Façade length (one)</li></ul> |
| Min. frontage       | 50'               | 50'               |                                                                                                                                                                                                                                                            |
| Front build-to line | 10-30'            | 10-30'            |                                                                                                                                                                                                                                                            |
| Side setback        | 25'               | 15'               |                                                                                                                                                                                                                                                            |
| Rear setback        | 30'               | 20'               |                                                                                                                                                                                                                                                            |
| Max. bldg. coverage | 50%               | 75%               |                                                                                                                                                                                                                                                            |
| Max. height         | 55'/5 stories*    | 55'/5 stories*    |                                                                                                                                                                                                                                                            |
| Max. density        | 800 sqft/unit     | n/a               |                                                                                                                                                                                                                                                            |
| Max. FAR            | 1.0 / 2.0 with SP | 1.0 / 2.0 with SP |                                                                                                                                                                                                                                                            |
| Open space          | 20%               | 20%               |                                                                                                                                                                                                                                                            |
| Res. parking min.   | 0.75-2.0/unit     | 0.75-2.0 /unit    |                                                                                                                                                                                                                                                            |

103  
\*Additional setbacks or reduced heights abutting residential districts

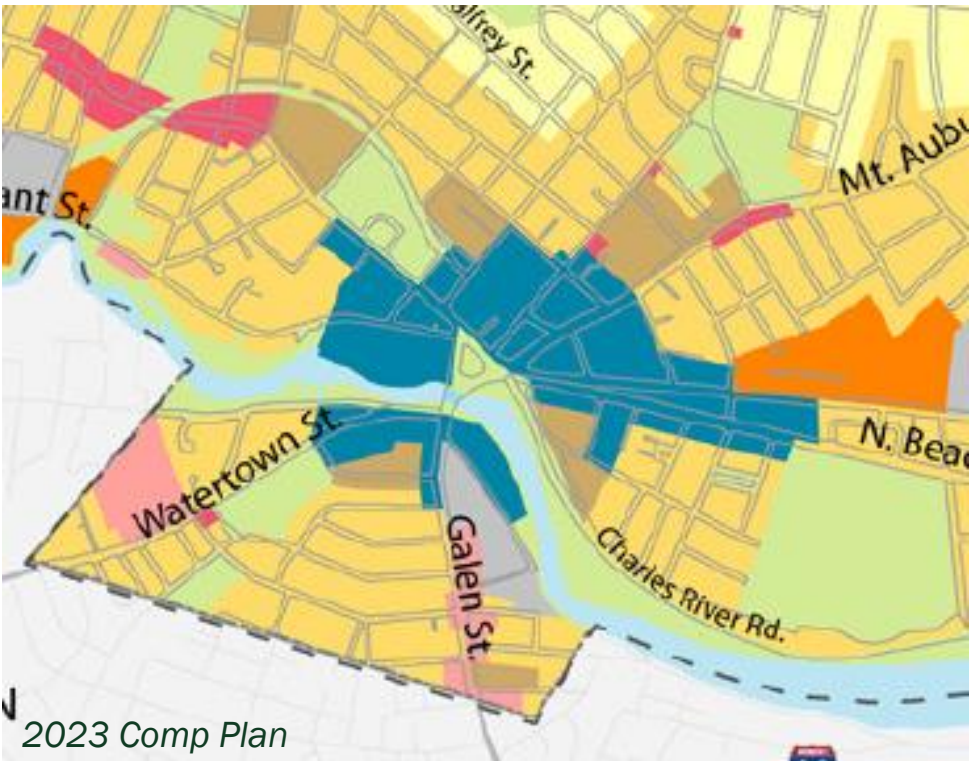


# Watertown Square



# Watertown Square

## Future land use



## Existing zoning



- |                                                                                                       |                                                                                                       |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|  WSQ mixed-use     |  Com. mixed-use    |
|  Res. mixed-use    |  Office/Ind.       |
|  High density res. |  Neighborhood com. |

# Watertown Square

## Existing zoning



Zoning Map

- TODO:** Multifamily by right  
Res. mixed-use by right
- WSQ-3:** Multifamily by SP  
Res. mixed-use by SP
- WSQ-2:** Multifamily by SP  
Res mixed-use by SP
- WSQ-3:** Multifamily by SP  
Res. mixed-use by SP
- NMU:** Multifamily by SP  
Res mixed-use by SP
- R .75:** Multifamily by SP  
Res mixed-use not permitted
- I-3:** Multifamily by SP  
Res. mixed-use by SP
- LB:** Multifamily by SP  
Res. mixed-use by SP



# Watertown Square

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## Dimensional Requirements

|                         | WSQ-3          | WSQ-2          | WSQ-1          | NMU           |
|-------------------------|----------------|----------------|----------------|---------------|
| Min. lot size           | n/a            | n/a            | n/a            | n/a           |
| Min. frontage           | n/a            | n/a            | n/a            | n/a           |
| Front setback           | 0'             | 0'             | 0'             | 5'            |
| Side setback            | 0' or 10'      | 0' or 10'      | 0' or 10'      | 0' or 10'     |
| Rear setback            | 10-20'         | 10-20'         | 10-15'         | 10-15'        |
| Max. bldg. coverage     | n/a            | n/a            | n/a            | n/a           |
| Max. height (flat roof) | 82'/5+ stories | 66'/4+ stories | 53'/3+ stories | 38'/3 stories |
| Max. density            | n/a            | n/a            | n/a            | n/a           |
| Max. FAR                | n/a            | n/a            | n/a            | n/a           |
| Open space              | 5%             | 10-15%         | 15-20%         | 15-20%        |
| Min. parking spaces     | 0.5/unit       | 0.5/unit       | 0.5/unit       | 0.5/unit      |



# Mt. Auburn Street Corridor / Coolidge Square



# Mt. Auburn Street Corridor/Coolidge Square

## Future land use



2023 Comp Plan

- Neighborhood commercial
- Residential mixed-use
- Commercial mixed-use
- High density residential
- Office/industrial

## Existing zoning



Zoning Map

- LB:** Multifamily by SP  
Res. mixed-use by SP
- NB:** Multifamily by SP  
Res mixed-use not permitted
- I-2:** Multifamily not permitted  
Res mixed-use not permitted
- R.75:** Multifamily by SP  
Res. mixed-use not permitted

# Mt. Auburn Street Corridor/Coolidge Square

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## Dimensional Requirements

|                     | LB             | NB               | R.75           | R1.2           |
|---------------------|----------------|------------------|----------------|----------------|
| Min. lot size       | n/a            | n/a              | 5,000 sq.ft    | 5,000 sq.ft    |
| Min. frontage       | 40'            | 50'              | 50'            | 50'            |
| Front setback       | n/a            | n/a              | 15'            | 15'            |
| Side setback        | 0' or 15'      | 0' or 10'        | 20'            | 25'            |
| Rear setback        | 20'            | 15'              | 25'            | 30'            |
| Max. bldg. coverage | 80%            | 50%              | 35%            | 50%            |
| Max. height         | 40'/4 stories* | 35'/2.5 stories* | 35'            | 45'            |
| Max. density        | n/a            | n/a              | 1,500 sf./unit | 1,000 sf./unit |
| Max. FAR            | 1.0            | 0.5              | 0.75           | 1.2            |
| Open space          | 10%            | 10%              | 20%            | 20%            |
| Min. parking spaces | 0.75-2.0/unit  | 0.75-2.0/unit    | 0.75-2.0/unit  | 0.75-2.0/unit  |

110  
\*Additional setbacks or reduced heights abutting residential districts

Dec 16, 2025

# Potential Zoning Opportunities

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Changes that could provide value in exchange for affordability/promote affordable development:

- By-right multifamily development in targeted zoning districts
- Waive ground-floor commercial requirements
- Increase in height and/or offer height bonus
- Increase FAR maximums and/or offer density bonus
- Reduce parking minimums
- Façade and set-back relief

This list **will inform the incentives that will be tested** in the next phase of research.

# Market-Rate Developer Interviews

High-level Takeaways

# Initial Findings

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- Generally, developers are going to include parking, but **parking ratios vary by developer preference and project.**
- Height and density bonuses are **dependent on the proposed development and the type of developer.**
- **Land acquisition costs are high**, with landowners holding out for the best price on density. Free or discounted land was seen as a valuable incentive. Property tax relief would provide a real financial offset.
- Every developer noted that the **permitting and approval process (informal + formal) took several years**, which adds costs to the project, in addition to the cost of the permits.
- **Zoning in WSQ districts** was mentioned as positive changes.

# Affordable Developer Interviews

High-level Takeaways

# Initial Findings

---

- Discretionary review process creates risk and uncertainty
  - For affordable housing developers, having certainty about what is permitted is important. It is especially impactful when trying to attract ‘new players’ to your community
  - Cambridge AHO mentioned as an excellent model
- Land acquisition is often a major impediment
  - Nonprofit developers struggle to compete with market rate developers. Having a patient seller (such as a municipality) is a big advantage while the developer goes through pre-development and financing.
  - Donated or discounted land can significantly reduce the funding gap, and is often considered a form of local funding match by EOHLC.
- Having a local funding match is essential, such as CPA or AHT funding



# Initial Findings

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- Other types of incentives help –
  - Waived ground-floor commercial requirement– seen as very impactful
  - Reduced parking requirement – seen as impactful, although developers noted that parking ratios would depend on site dimensions and location within Watertown.
  - Density/height bonus – flexibility is good, but not necessarily impactful for 100% affordable housing
  - Waived permitting fees – somewhat impactful, but tend to represent a low amount and can be counted towards LIHTC eligible basis
  - Property tax relief – seen as impactful
- But in general, by-right approvals, land acquisition, and local funding were seen as more impactful issues relative to the incentives noted above.
- Lack of affordable housing developers/CDCs in Watertown was also mentioned

# Zoning + Planning Board Focus Group

High-level Takeaways

# Initial Findings

---

## When asked about the development approval process:

- Board members noted a quick (formal) approval process, in part due to the developer conference completed beforehand.
  - Developers noted the opposite, which means there may be a disconnect between what developers' view as the formal approval process/timeline.
- Special Permits as a tool that gives boards more ability to balance development and community, allowing for more flexibility in granting development reliefs.
- Believed more can be done with funding the Affordable Housing Trust to help with affordable housing development, such as better coordination between AHT and CPC.

# Initial Findings

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## When asked about the voluntary incentives:

- There was some hesitancy among participants with offering more voluntary incentives to developers without getting more units at deeper affordability.
- Parking minimums were seen as a favorable offering, but noted the dilemma of having more cars on the street.
- Property tax relief was a non-starter given the current political and economic climate, but offering other financial offsets, such as waiving building permit fees, was seen as more favorable.

# Comparison Communities Research

High-level Takeaways

# Purpose and approach

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- Purpose: Analyze affordable housing incentive programs from relevant comparison communities to help inform Watertown's policy decisions.
- Case study approach used to assess successes and challenges of different program designs
  - Step 1. Conducted a broad scan of existing voluntary incentive programs targeting deeper affordability in and outside of MA.
  - Step 2. Agreed to a list of seven comparison communities with Watertown staff.
  - Step 3. Reviewed each program's enabling ordinance in detail.
  - Step 4. Conducted 1:1 interviews with municipal staff\* and collected data when possible.

*\*Interview with Cambridge city staff is still pending*

# Context on voluntary incentive programs

---

- Voluntary incentive programs differ based on a number of criteria:
  - Fully voluntary vs. blended program type (mandatory IZ + additional voluntary incentives)
  - Type/menu of incentives offered
  - Affordability requirements
  - Project eligibility
  - Alternative forms of compliance
- Program effectiveness depends on:
  - Market conditions
  - How long the program has been active
  - Balance between the value of the incentives vs. affordability required in return



# Selected Comparison Communities

---

| Jurisdiction       | Program Name                                 | Program Type                                                        | Year Effective |
|--------------------|----------------------------------------------|---------------------------------------------------------------------|----------------|
| Taunton, MA        | Inclusionary Housing                         | Fully voluntary (Note: Taunton does not have a mandatory IZ policy) | 1989           |
| Cambridge, MA      | 100 Percent Affordable Housing Overlay (AHO) | Fully voluntary (Note: Cambridge has a separate IZ policy)          | 2020           |
| Denver, CO         | Expanding Housing Affordability (EHA)        | Blended mandatory / voluntary                                       | 2022           |
| Minneapolis, MN    | Inclusionary Zoning                          | Blended mandatory / voluntary                                       | 2019           |
| Kirkland, WA       | Affordable Housing Incentives Program        | Blended mandatory / voluntary                                       | 2010           |
| Salt Lake City, UT | Affordable Housing Incentives (AHI)          | Fully voluntary                                                     | 2024           |
| Iowa City, IA      | Tax Exemption for Affordable Rental Housing  | Fully voluntary                                                     | 2019           |

# Initial Findings from Interviews

---

## Overall findings:

- Voluntary incentives may not be effective at spurring additional affordable units if they do not offer benefits that are significantly more desirable for a developer than the no-incentive scenario.
- Market rate developers showed limited interest in pursuing deep affordability (<50% AMI) even when paired with voluntary incentives.
- Denver, and to some degree Minneapolis and Kirkland, offer examples of blended programs that have had some success in generating additional affordability beyond their mandatory IZ program.

# Initial Findings from Interviews

---

## More about incentives:

- Offering a menu of incentives and tiered affordability requirements was generally seen as an effective strategy, as it provides flexibility across different sites and developers.
- Expediting the permitting process was often seen very positively by developers.
- Providing zoning-based incentives on a by-right basis (rather than discretionary basis) was seen very favorably because of the predictability it offers.
- Height and density bonuses are a common zoning-based incentive, and are often tied to underlying zoning allowances.

# Initial Findings from Interviews

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## Other considerations for program implementation:

- Educating and building relationships with developers impacts program success, especially in the initial adjustment period after program implementation.
- Tracking program outcomes is key for ongoing program evaluation and recalibration.

# Taunton, MA

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## Program Characteristics

- Fully voluntary program. Through special permit, a density bonus may be offered to residential projects that agree to provide one of the following affordability options:
  - Option 1: 10% of units donated to Taunton Housing Authority (THA) or other nonprofit
  - Option 2: 15% of units purchased by THA and 15% sold or rented at < 50% AMI
  - Option 3: 100% of units sold or rented at <120% AMI, with at least 25% of units at < 80% AMI
  - In-lieu fee payment (negotiated through the SP process, equal to construction costs)
- Maximum allowable density with bonus = base density x 1.75 to 2.75

## Outcomes

- Program has been used by 5-6 projects in the last decade, but all projects opted for the in-lieu fee payment. Generated \$2.8 million (about \$510,000 per project).
- Average density bonus offered was 2.0
- Lack of data and tracking; generally seen as a helpful tool but not very impactful

# Cambridge, MA

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## Program Characteristics

- Fully voluntary program for projects with 100% units <100% of AMI, and at least 50% of units <80% of AMI.
- Applies in all zoning districts except for Open Space districts.
- Incentives offered:
  - No special permit approval required. There is still a requirement to conduct at least 2 community meetings and participate in a non-binding design consultation with the Planning Board.
  - Height, density, and parking zoning relief offered by-right. Most notably, up to 12 stories in AHO corridors and up to 15 stories in AHO squares.

## Outcomes

- Based on data available online, the program has been frequently used : 9 projects have completed the AHO process (750 units) and 7 projects are underway.
- Average affordable housing production has increased from 40-60 units/year prior to 2020, and closer to 150 units/year in the 2020-2025 period.
- Still pending an interview with Cambridge staff.

# Denver, CO

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## Program Characteristics

- Blended program: Mandatory IZ policy with baseline incentives and affordability requirements, and enhanced incentives for enhanced affordability requirements.
- Baseline affordability vs. enhanced affordability: Varies between Typical vs. High Market areas; generally, between 8-15% of units at 60-70% AMI for rental, with enhanced requirements increasing the set-aside requirements by 2-3 percentage points.
- Baseline incentives: Building permit fee reduction; waiver of commercial linkage fee for ground-floor commercial space; parking reduction between 0.25 to 0.75 parking spaces per unit
- Enhanced incentives: By-right height increases (varies by zoning); by-right FAR increase in Downtown; no minimum parking. Expedited review was supposed to be offered, but it has been oversubscribed.

## Outcomes

- Successful at generating more affordability – 16 out of 58 market-rate projects subject to IZ opted for enhanced affordability.
- Setting the in-lieu fee rather successfully encouraged on-site provision of units.



# Minneapolis, MN

---

## Program Characteristics

- Blended program: Mandatory IZ policy with baseline incentives and affordability requirements; enhanced incentives for enhanced affordability requirements.
- Baseline affordability: 8% of units at <60% AMI OR 4% of units at <30% AMI for min 20 years
- Enhanced affordability: 20% of units at <50% AMI for min 30 years
- Baseline incentives: Modest height and FAR bonus.
- Enhanced incentives: City Revenue Loss Offset Program, a form of Tax Increment financing; greater height and FAR bonuses

## Outcomes

- 21 out of 26 projects opted for building units on-site. Of these 21 projects, 19 opted for 8% of units at 60% AMI. Although only one project opted for 20% of units at <50% AMI, staff believe that education about the specifics of the TIF program will help generate more interest in this option.
- Great example of ongoing tracking and recalibration of program requirements over time.

# Kirkland, WA

---

## Program Characteristics

- Blended program: Mandatory IZ policy with baseline incentives and affordability requirements; enhanced incentives for enhanced affordability requirements.
- Baseline affordability: 10% of units at <50% AMI ; Enhanced affordability: Not clearly defined.
- Baseline incentives: 8-year multifamily tax exemption (MFTE); exemption from certain permitting fees and school impact fees; modest height/density bonus options and other zoning relief.
- Enhanced incentives: 12-year (instead of 8-year) multifamily tax exemption (MFTE); exemption from traffic impact fees and park impact fees; additional relief on zoning standards on a discretionary basis.
- “Pioneer provision” – requirements increase over time in TOD districts to encourage new development.

## Outcomes

- Estimated 4 out of 40 projects opted for the enhanced affordability option (generating about 150 affordable units, including one 100% affordable project). The remaining 36 projects generated about 310 affordable units.

# Salt Lake City, UT

---

## Program Characteristics

- Fully voluntary program, as mandatory IZ is illegal in UT.
- Complex program, with affordability requirements and incentives varying by zoning district (Type A, B, C)
- Menu of incentives, primarily height bonus, reduced parking, and expedited review
- Menu of affordability requirements, ranging across AMI levels, set-asides, and unit sizes
- Note: The program also applies in SF/two-family density residential areas, with incentives primarily in the form of allowable housing types, and relief from certain parking, yard, and density requirements.

## Outcomes

- Newer program; market conditions also made the program start-up slow.
- 6 out of the 7 MF projects that have utilized the program so far have been 100% affordable. They might have moved forward anyway, but this still represents a benefit for them. Most popular requests were for additional height (5) and for expedited administrative review process (2).
- A few projects in Salt Lake City's SF zones have also utilized the incentives (2 for-sale, 5 rental)

# Iowa City, IA

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## Program Characteristics

- Three different programs – all of which are fully voluntary since mandatory IZ is illegal in IA
  - Tax Exemption for Rental Housing: 15% of units at <40% AMI, in exchange for a 10-year, 40% property tax exemption
  - Riverfront Crossing Upzoning: In the Riverfront Crossing area only, projects must provide 10% of units at <60% AMI rental, or <110% AMI for-sale, in exchange for upzoning request, with most rezoning requests allowed up to max height of 6-8 stories. In-lieu fee option allowed.
  - TIF: In urban renewal areas only, projects can get TIF benefits (financial incentives) if they provide 15% of units at <60% AMI

## Outcomes

- The Tax Exemption for Rental Housing has not had use since its implementation in 2019. Staff suspect this is due to the lower AMI targeted by this program, and the fact that the property tax exemption did not sufficiently offset this level of affordability.
- Riverfront Crossings and TIF programs have both been used, which staff suspect may be due to the higher AMI level. Approximately 13 projects have used the Riverfront Upzoning, and 5 have used TIF, although about one thirds of projects have opted for in-lieu payments.



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council

From: George J. Proakis, City Manager 

Date: June 12, 2026

RE: Request for Confirmation –Reappointments to the Watertown Affordable Housing Trust

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In accordance with the Watertown Home Rule Charter and Town Council Ordinance 2007-46, I am submitting a request for appointments to the Watertown Affordable Housing Trust, which require Council confirmation.

- Cliff Cook - Reappointment as a member of the Watertown Affordable Housing Trust to a term expiring June 30, 2029
- Helen Oliver - Reappointment as a member of the Watertown Affordable Housing Trust to a term expiring June 30, 2029
- Zoe Weinrobe - Reappointment as a member of the Watertown Affordable Housing Trust to a term expiring June 30, 2029

Thank you for your anticipated cooperation in this matter.



**WATERTOWN**  
**MASSACHUSETTS**  
**OFFICE OF THE CITY MANAGER**

To: Honorable City Council

From: George J. Proakis, City Manager 

Date: June 12, 2026

RE: Request for Confirmation –Appointments to the Conservation  
Commission

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In accordance with the Watertown Home Rule Charter and Town Council Ordinance 2007-46, I am submitting a request for appointments to the Conservation Commission, which require Council confirmation. The appointments of Ian Edwards-Clancy and Rachel Slater fill the unexpired terms of Patrick Towler and Josh Coefer, respectively.

- Ian Edwards-Clancy - Appointment as a member of the Conservation Commission to a term expiring February 15, 2027
- Rachel Slater - Appointment as a member of the Conservation Commission to a term expiring February 15, 2028

Thank you for your anticipated cooperation in this matter.

**CITY COUNCIL ROLL CALL VOTE**  
**MEETING DATE: JUNE 23, 2026**

|                                       | YES     | NO    | PRESENT |
|---------------------------------------|---------|-------|---------|
| CAROLINE BAYS                         | ___X___ | _____ | _____   |
| LISA J. FELTNER                       | ___X___ | _____ | _____   |
| JOHN G. GANNON                        | ___X___ | _____ | _____   |
| NICOLE GARDNER                        | ___X___ | _____ | _____   |
| EMILY IZZO                            | ___X___ | _____ | _____   |
| THEOPHILUS OFFEI                      | ___X___ | _____ | _____   |
| ANTHONY PALOMBA                       | ___X___ | _____ | _____   |
| VINCENT J. PICCIRILLI JR.             | ___X___ | _____ | _____   |
| MARK S. SIDERIS,<br>COUNCIL PRESIDENT | ___X___ | _____ | _____   |

Motion to adjourn