City Council Meeting

Tuesday, October 10, 2023 at 6:00 PM
Richard E. Mastrangelo Council Chamber

Agenda

ACCESS INFORMATION:

A. This meeting will be held on October 10, 2023 at 6::00 PM. Location: Richard E. Mastrangelo Council Chamber

B. The meeting will be televised through WCATV (Watertown Cable Access Television): http://vodwcatv.org/CablecastPublicSite/?channel=3

C. The Public may join the virtual meeting online: https://watertown-ma.zoom.us/j/92991331344

D. Public may join the virtual meeting audio only by phone: (877) 853-5257 or (888) 475-4499 (Toll Free) and enter Webinar ID: 929 9133 1344

E. Public may comment through email: vpiccirilli@watertown-ma.gov

F. Please Visit the City Council Website here: https://www.watertown-ma.gov/350/City-Council

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1. ROLL CALL
2. EXECUTIVE SESSION - 6:00 P.M.

   A. Pursuant to G.L. c. 30A, §21(a)(3) to Discuss Strategy with Respect to Collective Bargaining as an Open Meeting May Have a Detrimental Effect on the City's Bargaining Position and the Chair so Declares - DPW Union, Watertown Municipal Employee Association, Library Union, Fire Union, Police Patrol Union, Police Supervisors Union

   B. Pursuant to G.L. c. 30A, §21(a)(2) to discuss strategy sessions in preparation for negotiations with non-union personnel as an open meeting may have a detrimental effect on the City's negotiating position and the Chair so Declares - Salary adjustment for City Manager
3. RETURN TO SESSION – 7:00 P.M.
4. PLEDGE OF ALLEGIANCE
5. PUBLIC FORUM
6. PRESIDENT'S REPORT
7. PUBLIC HEARINGS

A. Public Hearing and Vote on a proposed loan order that the sum of $315,000 is appropriated to pay costs of design and engineering services for the development of plans and specifications for upgrades to the HVAC system to install air conditioning in portions of Watertown Middle School, including 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(7) or pursuantto any other enabling authority, and to issue bonds or notes of the City therefor.

8. MOTIONS, ORDINANCES, ORDER, AND RESOLUTIONS

A. Resolution authorizing a Transfer of Funds in the amount of $27,000 from the Fiscal Year 2024 City Clerk Full Time Salaries to the Fiscal Year 2024 Transfer to Elections Printing & Forms in order to purchase an AS-650 High Speed Monochrome Inkjet Address Printer and an Omation 306 Envelopener with High Speed Inkjet Printer and pay for associated expenses.

B. First Reading on a proposed loan order that Order No. 2022-O-18 of the City Council passed March 22, 2022 authorizing a borrowing in the amount of $198,844,252 for the High School Project is hereby amended to increase the authorized borrowing amount for such project to $216,118,750, which amended order shall read as follows in its entirety: “ORDERED: That City hereby appropriates the amount of Two Hundred Sixteen Million One Hundred Eighteen Thousand Seven Hundred Fifty Dollars ($216,118,750) for the purpose of constructing a new Watertown High School located at 50 Columbia Street in Watertown, Massachusetts, including the payment of all costs related to designing the project, demolishing the existing building, equipping and furnishing the school, site improvements, and all other costs incidental and related thereto (the “Project”), which appropriation shall be in addition to all amounts previously appropriated to pay costs of the Project, including the feasibility study and schematic design phase of the Project, and which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, and for which the City may be eligible for a grant from the Massachusetts School Building Authority (the “MSBA”), said amount to be expended under the direction of the Watertown School Building Committee; that to meet this appropriation the Treasurer, with the approval of the City Manager, is authorized to borrow said amount pursuant to G.L. c.44, §7(1) or G.L. c.70B, or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor; that the City acknowledges that the MSBA’s grant program is a nonentitlement, discretionary program based on need, as determined by the MSBA, and any project costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City; that any grant that the City may receive from the MSBA for the Project shall not exceed the lesser of (1) forty-nine and thirty-three one hundredths percent (49.33%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; that the amount of the borrowing authorized by this order shall be reduced by any grant amount set forth in and received pursuant to the Project Funding Agreement that may be executed between the City and the MSBA; and that the design/bid/build delivery method is hereby authorized to carry out the Project pursuant to the provisions of G.L. c.149.

C. First Reading on a Proposed Amendment to the Fiscal Year 2024 Budget -Amendment 1 – Tax Rate

D. First Reading on a Proposed Amendment to the Fiscal Year 2024 Budget -Amendment 2 - Watertown Firefighters’ Association, Local 1347 Union Contract

E. Consideration and action on an order authorizing an amendment to pending special legislation (H2910) relative to property tax classification allowing for new minimum residential factors for Fiscal Years 2024, 2025 and 2026

9. REPORTS OF COMMITTEES

   A. Committee on Economic Development and Planning regarding a report from its meeting on September 27, 2023 - Feltner, Chair.

      ACTION ITEM:
      To recommend that the City Council confirm Barbara Epstein for appointment to the Public Arts and Culture Committee for a term to expire November 15, 2024.

10. NEW BUSINESS

11. COMMUNICATIONS FROM THE CITY MANAGER

    A. Preliminary Budget Overview for Fiscal Year 2025

    B. Health Director Search

    C. City Clerk Search

12. REQUESTS FOR INFORMATION/REVIEW OF LIST OF PENDING MATTERS

13. ANNOUNCEMENTS

14. PUBLIC FORUM

15. RECESS OR ADJOURNMENT

ELECTED OFFICIALS

Mark S. Sideris, Council President	Vincent J. Piccirilli, Jr., Vice President & District C Councilor	John M. Airasian, Councilor At Large
Caroline Bays, Councilor At Large	John G. Gannon, Councilor At Large	Anthony Palomba, Councilor At Large
Nicole Gardner, District A Councilor	Lisa J. Feltner, District B Councilor	Emily Izzo, District D Councilor

George J. Proakis
City Manager

CITY OF WATERTOWN

Office of the City Manager

Administration Building
149 Main Street
Watertown, MA 02472
Phone: 617-972-6465
www.watertown-ma.gov
citymgr@watertown-ma.gov

To: Honorable City Council

From: George J. Proakis, City Manager

Date: September 20, 2023

RE: Agenda Item – Proposed Loan Order

As you are aware, Conceptual Recommendation #8 in the City Council's Conceptual Recommendations for Fiscal Year 2024-2028 Capital Improvement Program (CIP) confirms the prior recommendation to proceed with the Fiscal Year 2022 proposed loan order or transfer of funds for various school improvements in the Middle School for $3,080,000 consisting of various items including $820,000 in funding for the Middle School air conditioning.

Additionally, the Fiscal Year 2024-2028 CIP for the Middle School includes $72,000 in Fiscal Year 2024 funding for the HVAC (VRF) Basement – Line 221 of the Fiscal Year 2024-2028 CIP (BR).

The Middle School's HVAC system has been incrementally updated by floor to add air conditioning. All floors have been completed except for the portions of the basement and first floor. The Public Buildings Department is respectfully requesting the necessary actions to obtain authorization from the Honorable City Council for $315,000 in requested funding.

If approved, we intend to move forward with the design of the basement and first floor HVAC upgrade to install AC with the intention of having the design work completed by spring Fiscal Year 2024.

Once design is completed, we will be returning to City Council for a request for funding for the construction of the upgrades of the basement and first floor.

Therefore, given all of the above, I respectfully recommend and request your favorable consideration on this matter at the September 26, 2023 City Council Meeting.

Thank you for your consideration in this matter.

cc: Megan Langan, City Auditor
Melissa A. Morrissey, City Treasurer/Collector
Denise Moroney, Director of Public Building

HINCKLEY ALLEN

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Kris A. Moussette
(617) 378-4194
kmoussette@hinckleyallen.com

September 22, 2023

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

RE: Draft Loan Order – Middle School HVAC Bonds

Dear George:

As requested, I suggest the following form of loan order to approve the borrowing of funds to pay costs of design services for the development of plans and specifications for upgrades to the HVAC system at Watertown Middle School:

> ORDERED: That the sum of $315,000 is appropriated to pay costs of design and engineering services for the development of plans and specifications for upgrades to the HVAC system to install air conditioning in portions of Watertown Middle School, including 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(7) 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,

Kris A. Moussette

Kris A. Moussette

Boston Globe Media

Order Confirmation

Town of Watertown
149 Main Street
Watertown, MA 02472

Thank you for placing your advertisement in The Boston Globe.

Your order information and a preview of your advertisement are displayed below for your review. If there are any changes or questions, please contact the Classified Department at 617-929-1500 or email classified@globe.com.

Any and all proposed edits, revisions, and/or other changes to the advertisement 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

617-929-1500
Monday – Friday 9:30 am - 4:30 pm
classified@globe.com

Order Number	**722562**	Order Price	**$562.55**
Sales Rep.	**Lindy Rodriguez**	PO No.	
Account	**2105782**	Payment Type	
Publication	**Boston Globe**	Number of dates	**1**
First Run Date	**10/05/2023**	Last Run Date	**10/05/2023**
Payment Type			

AD PREVIEW:

LEGAL NOTICE

The City Council of Watertown hereby gives notice of a public hearing and vote on Tuesday, October 10, 2023, at 7:00 PM, in the Richard E. Mastrangelo Chamber, Administration Building, 149 Main Street, Watertown, MA and on a proposed Loan Order as follows:

ORDERED: : That the sum of $315,000 is appropriated to pay costs of design and engineering services for the development of plans and specifications for upgrades to the HVAC system to install air conditioning in portions of Watertown Middle School, including 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(7) or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor

A copy of the proposed Loan Order is available for inspection at the Administration Building, 149 Main Street, Watertown, MA 02472 in the City Council Office, Monday through Friday, 10:00 am to 2:00 pm, and at the City Clerk's Office, Monday through Thursday 8:30 am through 5 pm, on Tuesday evening up to 7 pm, and Friday, 8:30am through 2pm; and on the City's website page: www.watertown-ma.gov

CITY OF
WATERTOWN
Office of the City Manager

George J. Proakis
City Manager

Administration Building
149 Main Street
Watertown, MA 02472
Phone: 617-972-6465
www.watertown-ma.gov
Citymgr@watertown-ma.gov

To: Honorable City Council

From: Emily Monea, Acting City Manager

Date: October 4, 2023

RE: Agenda Item – Transfer of Funds Request

On behalf of the City Clerk's Office, I am requesting to transfer $27,000 from the City Clerk full-time salaries account (0116151-510111) to the Elections Printing and Forms account (0116251-540422) to purchase a system to streamline and improve the current vote-by-mail process.

If approved, this funding would be used to purchase an AS-650 High Speed Monochrome Inkjet Address Printer and an Omation 306 Envelopener with High Speed Inkjet Printer and pay for associated expenses. The City Clerk's Office submitted a request for ARPA funds in the amount of $26,335.67 in April for the same project, so, if approved, this funding request would obviate the need to fund that ARPA proposal. This new system will dramatically improve the efficiency of the vote-by-mail system, which is currently reliant on manual processes.

The City Clerk's Office full-time salaries account has a significant surplus that is available to transfer to the Elections Printing and Forms account for this project due to the following:

- The Principal Account Clerk for Licensing position has been vacant since the start of the fiscal year;
- The Assistant City Clerk position was vacant until Noelle Gilligan's appointment on September 11, 2023; and
- The City Clerk position will be vacant effective close of business on October 6, 2023.

Thank you for your consideration in this matter, and please let me know if you need any additional information.

cc: Megan Langan, City Auditor
Janet Murphy, City Clerk
Noelle Gilligan, Assistant City Clerk

TRANSFER AMOUNT: $ 27,000

FROM:	FY 2024 CITY CLERK FULL TIME SALARIES 0116151-510111	$	27,000
TO:	FY 2024 ELECTIONS PRINTING & FOMS 0116251-540422	$	27,000

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

10/4/2023
DATE

CITY AUDITOR

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citymgr@watertown-ma.gov

George J. Proakis
City Manager

To: Honorable City Council

From: Emily Monea, Acting City Manager EM

Date: October 5, 2023

RE: Agenda Item - Proposed Loan Order

On September 20, 2023, the owner's project manager for the Watertown High School (WHS) project, The Vertex Companies, presented to the Watertown School Building Committee the final budget for the WHS Project, a total of $218,736,171. This amount represents an increase of $17,274,498 over the initial all-inclusive budget for the project of $201,461,673.

Before you tonight is a request to amend the original borrowing authorization for the project to increase it by the same $17,274,498, from the $198,844,252 approved by the Honorable City Council on March 22, 2022, to $216,118,750.[1]

The Massachusetts School Building Authority (MSBA) requires that the City demonstrate its financial commitment to the project by authorizing borrowing for the full cost of the project, including reimbursable costs. The City will not ultimately borrow the full $216,188,750.

I respectfully request the attached Loan Order be placed on the October 10, 2023, City Council Agenda as a First Reading.

Thank you for your consideration in this matter.

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[1] The difference between borrowing authorization amount and the project budget – both at the initial and final phase – is the cost of the feasibility study for the project.

HINCKLEY
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Kris Moussette
(617) 378-4194
kmoussette@hinckleyallen.com

October 5, 2023

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

RE: Draft Loan Order – High School Bonds

Dear George:

As requested, I suggest the following form of loan order to approve the borrowing of additional funds to pay costs of the new High School project:

> ORDERED: That Order No. 2022-O-18 of the City Council passed March 22, 2022 authorizing a borrowing in the amount of $198,844,252 for the High School Project is hereby amended to increase the authorized borrowing amount for such project to $216,118,750, which amended order shall read as follows in its entirety: "ORDERED: That City hereby appropriates the amount of Two Hundred Sixteen Million One Hundred Eighteen Thousand Seven Hundred Fifty Dollars ($216,118,750) for the purpose of constructing a new Watertown High School located at 50 Columbia Street in Watertown, Massachusetts, including the payment of all costs related to designing the project, demolishing the existing building, equipping and furnishing the school, site improvements, and all other costs incidental and related thereto (the "Project"), which appropriation shall be in addition to all amounts previously appropriated to pay costs of the Project, including the feasibility study and schematic design phase of the Project, and which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, and for which the City may be eligible for a grant from the Massachusetts School Building Authority (the "MSBA"), said amount to be expended under the direction of the Watertown School Building Committee; that to meet this appropriation the Treasurer, with the approval of the City Manager, is authorized to borrow said amount pursuant to G.L. c.44, §7(1) or G.L. c.70B, or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor; that the City acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City; that any grant that the City may receive from the MSBA for the Project shall not exceed the lesser of (1) forty-nine and thirty-three one hundredths percent (49.33%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; that the amount of the borrowing authorized by this order shall be reduced by any grant amount set forth in and received pursuant to the Project Funding Agreement that may be executed between the City and the MSBA; and that the design/bid/build delivery method is hereby authorized to carry out the Project pursuant to the provisions of G.L. c.149."

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,

Kris A. Moussette

Kris A. Moussette

WATERTOWN HIGH SCHOOL PROJECT
Presentation of Budget Summary to SBC on 9/20/23

TOTAL PROJECT BUDGET	Approved PFA Agreement	Budget Presented 5/17/23	Current Budget w/GC Bid	Delta (From PFA)	Delta (From May)
Feasibility Study	$2,617,421	$2,617,421	$2,617,421	$0	$0
Administration	$4,733,845	$4,733,845	$4,733,845	$0	$0
(Legal, OPM, Permitting, Insurance, Advertising, Other Misc)					
Architecture & Engineering	$13,834,050	$13,834,050	$13,834,050	$0	$0
(DD thru CA, plus all Consultants)					
Construction - (Base Estimate + PV Alt) + Current COs	$138,651,235	$147,961,000	**$146,309,122**	$7,657,887	($1,651,878)
Construction Contingency	$6,932,561	$6,932,561	$6,932,561	$0	$0
Swing Spaces	$27,547,164	$37,451,779	$37,765,955	$10,218,791	$314,176
Misc. Project Costs	$925,000	$825,000	$825,000	($100,000)	$0
(Utility Fees, 3rd Party Testing,)					
Moving	$270,000	$420,000	$420,000	$150,000	$0
FF&E	$1,728,000	$1,728,000	$1,728,000	$0	$0
Technology	$1,728,000	$1,728,000	$1,728,000	$0	$0
Owner's Contingency	$2,494,393	$2,156,393	$1,842,217	($652,176)	($314,176)
TOTAL PROJECT BUDGET WITH MSBA	**$201,461,673**	**$220,388,049**	**$218,736,171**	**$17,274,498**	**($1,651,878)**
Additional Funding from City (HS Stabilization, Borrowing, ARPA/IRA, etc.)	$0	($18,926,376)	**($17,274,498)**	($17,274,498)	$1,651,878
TOTAL PROJECT BUDGET WITH ADDITIONAL CITY FUNDING	**$201,461,673**	**$201,461,673**	**$201,461,673**	**$0**	**$0**
Maximum Reimbursement from MSBA	($45,309,315)	($45,309,315)	($45,309,315)	$0	$0
Estimated Reimbursement from WCATV	($800,000)	($800,000)	$0	$800,000	$800,000
Maximum Eversource Mass Save Rebate	($463,072)	($463,072)	($463,072)	$0	$0
TOTAL MSBA PROJECT BUDGET W/ REIMB., CITY FUNDING & REBATES	**$154,889,286**	**$154,889,286**	**$155,689,286**	**$800,000**	**$800,000**

Total Project Budget without Feasibility Study	**$216,118,750**
Value formerly voted by Council on 3/22/22	**$198,844,252**
Value of additional funding requiring Council vote	**$17,274,498**

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George J. Proakis
City Manager

To: Honorable City Council

From: Emily Monea, Acting City Manager

Date: October 5, 2023

RE: Proposed Amendment to the Fiscal Year 2024 Budget

Below please find, for your review and consideration, a Proposed Amendment to the Fiscal Year 2024 Budget. The Proposed Amendment is related to the following:

- New Growth number updated from the adoption of the Fiscal Year 2024 Budget.
- Receipt of actual Fiscal Year 2024 Cherry Sheet Estimated Receipts and Charges (Attachment I).

REVENUE	**INCREASE (DECREASE)**	**TO READ**
Real Estate And Property Taxes	$4,600,026	$157,286,627
State Aid	$118,137	$16,064,530
Hotel Excise	$150,000	$1,125,000
Investment Income	$525,000	$1,500,000
Opioid Settlement	$60,000	$60,000
OFS – Transfer from Opioid Settlement	$(60,000)	$7,192,414
TOTAL REVENUE ADJUSTMENT	**$5,393,163**	

EXPENDITURES	INCREASE (DECREASE)	TO READ
School Choice Assessment 0182056-560629	$(11,609)	$273,751
Charter School Assessment 0182056-560630	$1,500	$459,137
Transfer to Watertown Square Stabilization Fund 0194000-596810	$1,800,000	$1,800,000
Transfer to Capital Projects Stabilization Fund 0194000-596802	$1,800,000	$1,800,000
City Council Reserve 0111152-570780	$1,803,272	$5,483,835
TOTAL EXPENDITURE ADJUSTMENT	**$5,393,163**	

I respectfully request this Amendment be placed on the October 10, 2023 City Council Agenda as a First Reading amending the Fiscal Year 2024 Budget.

Thank you for your favorable consideration in this matter.

FISCAL YEAR 2024
BUDGET AMENDMENT #1

REVENUE	INCREASE (DECREASE)	TO READ
REAL ESTATE AND PROPERTY TAXES	$ 4,600,026	$ 157,286,627
STATE AID	$ 118,137	$ 16,064,530
HOTEL EXCISE	$ 150,000	$ 1,125,000
INVESTMENT INCOME	$ 525,000	$ 1,500,000
OPIOID SETTLEMENT	$ 60,000	$ 60,000
OTHER FINANCING SOURCES- TRANSFR FROM OPIOID SETTLEMENT	$ (60,000)	$ 7,192,414
TOTAL REVENUE ADJUSTMENT	$ 5,393,163	

EXPENDITURES	INCREASE (DECREASE)	TO READ
SCHOOL CHOICE ASSESSMENT 0182056-560629	$ (11,609)	$ 273,751
CHARTER SCHOOL ASSESSMENT 0182056-560630	$ 1,500	$ 459,137
TRANSFER TO WATERTOWN SQUARE STABILIZATION FUND 0194000-596810	$ 1,800,000	$ 1,800,000
TRANSFR TO CAPITAL PROJECTS STABILIZATION FUND 0194000-596802	$ 1,800,000	$ 1,800,000
CITY COUNCIL RESERVE 0111152-570780	$ 1,803,272	$ 5,483,835
TOTAL EXPENDITURE ADJUSTMENT	$ 5,393,163	

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George J. Proakis
City Manager

To: Honorable City Council

From: Emily Monea, Acting City Manager

Date: October 5, 2023

RE: Proposed Amendment to the Fiscal Year 2024 Budget

I respectfully request your favorable consideration of the attached Proposed Amendment to the Fiscal Year 2024 Budget.

The Proposed Amendment is related to the Memorandum of Agreement Between City of Watertown and Watertown Firefighters' Association, Local 1347 for Successor Collective Bargaining Agreement that was signed on September 29, 2023.

I respectfully request this Amendment be placed on the October 10, 2023, City Council Agenda as a First Reading amending the Fiscal Year 2024 Budget.

Thank you for your favorable consideration in this matter.

FISCAL YEAR 2024
BUDGET AMENDMENT #2

REVENUE	INCREASE (DECREASE)	TO READ
OTHER FINANCING SOURCES- TRANSFER FROM COLLECTIVE BARGAINING STAB	$ 436,000	$ 436,000
TOTAL REVENUE ADJUSTMENT	$ 436,000	

EXPENDITURES	INCREASE (DECREASE)	TO READ
CITY COUNCIL RESERVE 0111152-570780	$ 436,000	$ 5,919,835
TOTAL EXPENDITURE ADJUSTMENT	$ 436,000	

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citymgr@watertown-ma.gov

To: Honorable City Council

From: Emily Monea, Acting City Manager EM

Date: October 5, 2023

RE: Agenda Item – Resolution Authorizing An Amendment To Pending Special Legislation (H2910) Relative To Property Tax Classification Allowing For New Minimum Residential Factors For Fiscal Years 2024, 2025 And 2026

At the August 9, 2022 City Council Meeting, a Resolution Authorizing a Petition for Special Legislation Regarding Adoption of an Act Relative to Property Tax Classification was unanimously passed. The Act called for allowing Watertown to shift 175% for Fiscal Years 2023, 2024, and 2025.

Attached is an amendment substituting language for Fiscal Years 2023, 2024 and 2025 with Fiscal Years 2024, 2025, and 2026.

Therefore, given all of the above, I respectfully request the attached Resolution be placed on the October 10, 2023 City Council Agenda.

Thank you for your consideration in this matter.

RESOLUTION AUTHORIZING AN AMENDMENT TO PENDING SPECIAL LEGISLATION (H2910) RELATIVE TO PROPERTY TAX CLASSIFICATION ALLOWING FOR NEW MINIMUM RESIDENTIAL FACTORS FOR FISCAL YEARS 2024, 2025 AND 2026

RESOLUTION # R-

WHEREAS, the City Council of the City of Watertown, in response to undergoing substantial growth in large-scale commercial and industrial development, authorized the filing of a petition with the General Court for special legislation to allow for adoption of new minimum residential factor for fiscal year 2023, fiscal year 2024, fiscal year 2025; and

WHEREAS, such legislation is currently pending before the General Court; and

Whereas, the pending legislation addresses a new minimum residential factor for Fiscal Year 2023, which Fiscal Year has passed; and

WHEREAS, the intent of the pending legislation is to provide for a new minimum residential factor for the City for three fiscal years.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby authorizes an amendment to the pending special legislation eliminating reference to fiscal year 2023 and to allow for adoption of a new minimum residential factor for fiscal year 2024, fiscal year 2025, and fiscal year 2026 as follows:

An Act Relative to Property Tax Classifications in the City of Watertown

SECTION 1. Notwithstanding section 1A of chapter 58 of the General Laws or any other general or special law, rule or regulation to the contrary, the commissioner of revenue shall further adjust the minimum residential factor of the city of Watertown determined under said section 1A of said chapter 58 for fiscal years 2024, 2025 and 2026 if adoption of such factor for any such year would otherwise have been determined through application of the percentage limitation under clause (b) of the third sentence of the second paragraph of said section 1A of said chapter 58. The new minimum residential factor for such year shall be: (i) for fiscal year 2024, 50 per cent, subject to such adjustment upward as may be required to provide that the percentage of the total tax levy imposed on any class of real or personal property shall not exceed 175 per cent of the full and fair cash valuation of the taxable real and personal property in the city of Watertown; (ii) for fiscal year 2025, 50 per cent, subject to such adjustment upward as may be required to provide that the percentage of the total tax levy imposed on any class of real or personal property shall not exceed 175 per cent of the full and fair cash valuation of the taxable real and personal property in the city of Watertown; and (iii) for fiscal year 2026, 50 per cent, subject to such adjustment upward as may be required to provide that the percentage of the total tax levy imposed on any class of real or personal property shall not exceed 175 per cent of the full and fair cash valuation of the taxable real and personal property in the city of Watertown.

SECTION 2. This act shall take effect upon its passage.

AND BE IT FURTHER RESOLVED that the General Court may make clerical or editorial changes of form only to the proposed special act, unless the City Council approves such changes as are consistent with the public purposes of this petition prior to enactment by the General Court.

____

Council Member

I hereby certify that at a regular meeting of the City Council for which a quorum was present, the above Resolution was adopted by a vote of __ for and __ against on ________ __, 2023.

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

Watertown City Council

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

Report of the Committee on Economic Development and Planning
Meeting Date: September 27, 2023

The Committee convened on Wednesday September 27, 2023 at 5:30 pm in the City Council Office. Present were Lisa Feltner, chair; John Gannon, vice chair; and Vincent Piccirilli, secretary. The purpose of the meeting was to conduct a Public Arts & Culture Committee interview.

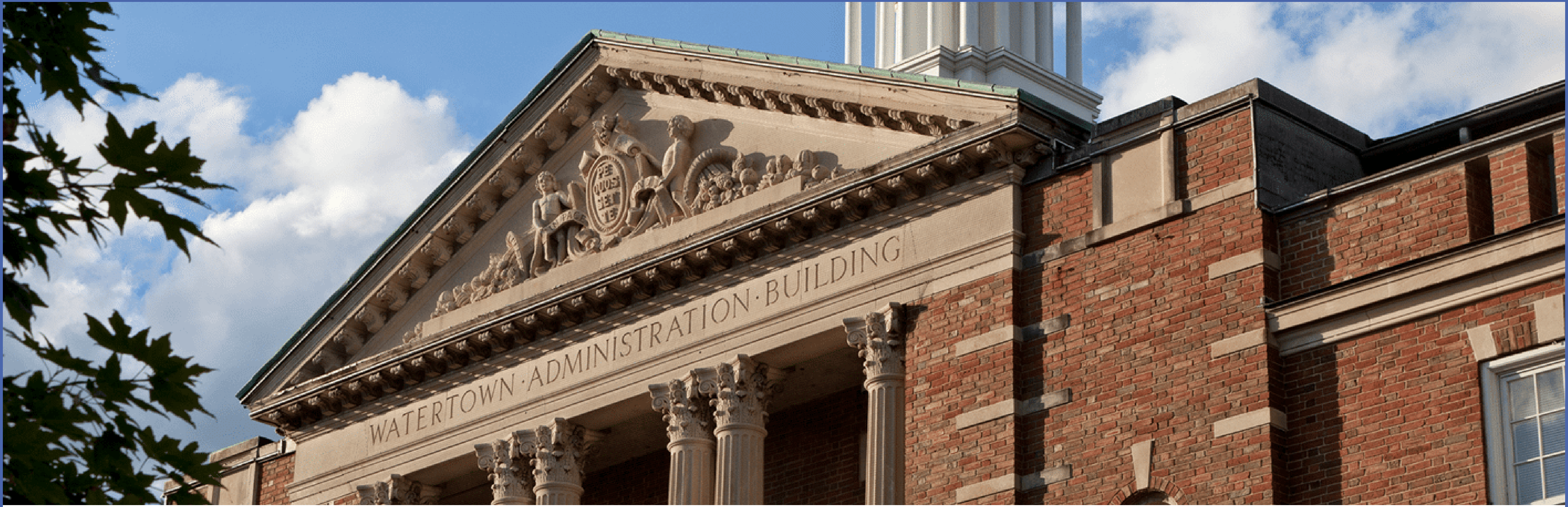
Barbara Epstein has been involved in arts and culture in Watertown for over 30 years, in the Watertown Schools as a Cultural Enrichment Coordinator, as the founding Board President of the Arsenal Center for the Arts, as a founding member of the original ad hoc Public Arts committee, and as a member of the Cultural Council. As an arts organizer, she is interested in building an arts infrastructure in Watertown to ensure long term success and train the next generation of arts leaders.

➔ **Action Item**: Councilor Piccirilli made a motion, seconded by Councilor Gannon, to recommend that the City Council confirm Barbara Epstein for appointment to the Public Arts and Culture Committee for a term to expire November 15, 2024. Voted 3-0.

(Note: This appointment fills one of the new positions added to the PACC on May 23, 2023.)

The meeting adjourned at 5:55 pm.

Report prepared by Vincent Piccirilli



CITY OF WATERTOWN
FISCAL YEAR 2025
PRELIMINARY BUDGET OVERVIEW

Submitted by George J. Proakis, City Manager

October 10, 2023

Today's Presentation

Manager's Introduction

Closeout of FY '23 (through 6/30/23)

Update on FY '24 (7/1/23 – 6/30/24)

An early look at FY '25 (starting 7/1/24)

DETAILED TABLE OF CONTENTS

Leadership Formula and Strategic Priorities

City Manager’s Leadership Formula

Maintaining the Highest Ethical Standards

Ensuring Collaborative Departments

ACE Customer Service
(Accurate, Courteous, Easy)

Transparency in Process and Outcomes

"Be Abnormal"

Watertown Home Rule Charter Preamble

The guiding principles for civic and environmental stewardship in the Home Rule Charter highlight the need to prioritize safety & tranquility; health & well-being; education & excellence; creativity & innovation; equity & diversity; and accountability & transparency.

The preamble notes that taken together, these principles yield:
“vibrant and welcoming neighborhoods, high-quality and inclusive schools, transparent and accountable municipal operations – including performance excellence, responsiveness, and collaboration – and thriving local businesses.”

Watertown Home Rule Charter Preamble

- safety & tranquility
- health & well-being
- education & excellence
- creativity & innovation
- equity & diversity
- accountability & transparency
- vibrant and welcoming neighborhoods
- high-quality and inclusive schools
- transparent and accountable municipal operations
- thriving local businesses

City Manager's Strategic Priorities

A commitment to planning

Climate mitigation and resiliency

Building for the future

Building an effective organizational structure

Enhancing the leadership team

Continued fiscal stability

FY 2023:
A Look Back

FY 2023 General Fund Revenue

Real and Personal Property Tax

State Aid

Local Receipts

"Other Sources"

Revenue and Other Sources	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget
Real & Personal Property Tax	$ 133,418,141	$ 134,133,351	$ 143,083,269	$ 143,636,801	$ 152,686,601
State Aid	$ 13,482,722	$ 13,710,411	$ 14,435,775	$ 14,405,841	$ 15,946,393
Total	**$ 146,900,863**	**$ 147,843,762**	**$ 157,519,044**	**$ 158,042,642**	**$ 168,632,994**

REVENUE

PROPERTY TAX AND STATE AID

Source	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget
Motor Vehicle	$ 4,100,000	$ 4,423,920	$ 4,390,000	$ 4,483,524	$ 4,500,000
Meals Excise	$ 550,000	$ 760,164	$ 650,000	$ 935,518	$ 800,000
Hotel and Other Excise	$ 525,000	$ 836,024	$ 825,000	$ 1,304,708	$ 975,000
Cannabis Excise		$ 333,389	$ 460,000	$ 548,341	$ 475,000
Penalties & Interest	$ 250,000	$ 388,047	$ 250,000	$ 345,287	$ 250,000
PILOT	$ 81,948	$ 71,912	$ 87,088	$ 90,940	$ 87,628
COMM. Trash	$ 15,000	$ 31,676	$ 20,000	$ 30,008	$ 20,000
Fees	$ 8,850,000	$ 15,089,863	$ 4,500,000	$ 6,642,268	$ 4,477,000
Rentals	$ 178,312	$ 192,176	$ 227,769	$ 560,861	$ 752,215
Cemetery	$ 95,000	$ 135,475	$ 100,000	$ 104,725	$ 100,000
Recreation	$ 420,000	$ 452,845	$ 420,000	$ 461,263	$ 420,000
License & Permits	$ 192,000	$ 224,744	$ 200,000	$ 268,189	$ 225,000
Fines & Forfeits	$ 510,000	$ 328,904	$ 450,000	$ 417,440	$ 350,000
Investment Income	$ 250,000	$ 407,453	$ 650,000	$ 4,655,719	$ 975,000
Sale of City Prop.	$ 5,000	$ 42,155	$ 5,000	$ 11,206	$ 5,000
Belmont Reimb.	$ 76,127	$ 104,571	$ -	$ -	$ -
Grant/Employee Reimb.	$ 25,000	$ 80,272	$ 25,857	$ 45,565	$ 27,749
Medicaid	$ -	$ 579,153	$ -	$ 305,962	
Miscellaneous*	$ -	$ 571,044	$ -	$ 267,951	
Total	**$ 16,123,387**	**$ 25,053,786**	**$ 13,260,714**	**$ 21,479,473**	**$ 14,439,592**

REVENUE

LOCAL RECEIPTS

Source Transfer from:	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget
Sale of Lots	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 20,000
Parking Meter	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 250,000
Opioid Settlement			$ 60,000	$ 60,000	$ 60,000
Cemetery Perpetual Care	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Capital Proj. Stab. Fund	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
O'Neill Properties Fund			$ 1,227,579	$ 1,227,579	
ESCO Capital Project Stab. Fund	$ 505,938	$ 505,938	$ 500,938	$ 500,938	$ 494,438
New High School Stab. Fund	$ 5,798,555	$ 5,798,555	$ 201,000	$ 201,000	
Utilization Of Overlay Surplus	$ 1,500,000		$ 750,000		$ 1,000,000
Free Cash	$ 2,000,000		$ 14,000,000		$ 5,688,029
Acquisition of Land Stab. Fund			$ 11,150,000	$ 11,150,000	
Water Fund	$ 1,553,006	$ 1,553,006	$ 1,511,731	$ 1,511,731	$ 1,423,464
Sewer Fund	$ 1,507,448	$ 1,507,448	$ 1,397,994	$ 1,397,994	$ 1,494,512
Total	**$ 13,549,947**	**$ 10,049,947**	**$ 31,384,242**	**$ 16,734,242**	**$ 10,940,443**

REVENUE

OTHER SOURCES

REVENUE SUMMARY

(PAGE 1 OF 2)

Source	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget
Property Tax	$ 133,418,141	$ 134,133,351	$ 143,083,269	$ 143,636,801	$ 152,686,601
State Aid	$ 13,482,722	$ 13,710,411	$ 14,435,775	$ 14,405,841	$ 15,946,393
Local Receipts	$ 16,123,387	$ 25,053,786	$ 13,260,714	$ 21,479,473	$ 14,439,592
Other Sources	$ 13,549,947	$ 13,549,947	$ 31,484,242	$ 31,484,242	$ 10,940,443
Total Revenue	**$ 176,574,197**	**$ 186,447,495**	**$ 202,264,000**	**$ 211,006,357**	**$ 194,013,029**

REVENUE SUMMARY

(PAGE 2 OF 2)

Source	FY 2023 Budget	FY 2023 Actual	Variance	FY 2024 Budget
Property Tax	$ 143,083,269	$ 143,636,801	$ 553,532	$ 152,686,601
State Aid	$ 14,435,775	$ 14,405,841	$ (29,934)	$ 15,946,393
Local Receipts	$ 13,260,714	$ 21,479,473	$ 8,218,759	$ 14,439,592
Other Sources	$ 31,484,242	$ 31,484,242	$ 0	$ 10,940,443
Total Revenue	**$ 202,264,000**	**$ 211,006,357**	**$ 8,742,357**	**$ 194,013,029**

FY 2023 General Fund Expenditures

Departmental Expenses

Debt Service and Capital Projects

State & County Charges

Pension and OPEB

Insurance and Employee Benefits

Other Financing Uses

	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget
General Government	$ 7,283,624	$ 7,004,138	$ 9,191,380	$ 8,843,053	$ 14,312,356
Public Safety	$ 22,464,429	$ 22,017,864	$ 23,044,358	$ 22,840,931	$ 23,586,454
Public Works	$ 6,282,037	$ 6,103,940	$ 7,821,475	$ 7,709,702	$ 7,687,879
Snow & Ice	$ 1,375,000	$ 1,340,112	$ 1,443,715	$ 1,420,185	$ 1,500,000
Waste Disposal	$ 3,692,300	$ 3,691,504	$ 4,803,123	$ 4,800,907	$ 5,476,705
Health & Human Services	$ 1,415,627	$ 1,338,172	$ 1,565,939	$ 1,462,600	$ 1,670,874
Library	$ 3,387,679	$ 3,302,816	$ 3,629,610	$ 3,548,250	$ 3,677,841
Recreation Department	$ 402,886	$ 388,433	$ 460,675	$ 452,485	$ 494,539
Skating Arena	$ 486,361	$ 476,158	$ 539,220	$ 528,877	$ 512,217
Education	$ 53,755,121	$ 53,755,121	$ 55,636,550	$ 55,636,550	$ 57,583,829
Total Departmental	**$ 100,545,064**	**$ 99,418,258**	**$ 108,136,044**	**$ 107,243,541**	**$ 116,502,694**

General Government FY 2023 budget amount includes City Council Reserve of $2,081,611

DEPARTMENTAL EXPENDITURES

DEBT SERVICE AND CAPITAL PROJECTS

EXPENDITURES

	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget
Debt Retirement	$ 15,715,354	$ 15,512,687	$ 20,136,041	$ 18,439,439	$ 32,209,728
School Capital Projects	$ 6,490,330	$ 6,490,330	$ 310,000	$ 310,000	$ 390,000
City Capital Projects	$ 3,984,478	$ 3,984,478	$ 5,593,232	$ 5,593,232	$ 1,985,400
Total Debt Svc. & Cap. Proj.	**$ 26,190,162**	**$ 25,987,495**	**$ 26,039,273**	**$ 24,342,671**	**$ 34,585,128**

EXPENDITURES SUMMARY

(PAGE 1 OF 2)

	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget
Total Departmental	$ 100,545,064	$ 99,418,258	$ 108,136,044	$ 107,243,541	$ 116,502,694
Total Debt Svc. & Cap. Proj.	$ 26,190,162	$ 25,987,495	$ 26,039,273	$ 24,342,671	$ 34,585,128
State & County Charges	$ 3,028,130	$ 3,061,398	$ 3,209,834	$ 3,203,519	$ 3,385,224
Pension & OPEB	$ 14,207,208	$ 14,207,114	$ 14,837,059	$ 14,836,763	$ 10,230,432
Insurance & Employee Benefits	$ 17,541,330	$ 17,398,727	$ 19,463,057	$ 18,869,147	$ 28,806,149
Other Financing Uses	$ 15,062,303	$ 15,062,133	$ 35,283,226	$ 35,269,984	$ 5,503,402
Grand Total	**$ 176,574,197**	**$ 175,135,125**	**$ 206,968,493**	**$ 203,765,625**	**$ 194,013,029**

	FY 2023 Budget	FY 2023 Actual	Variance	FY 2024 Budget
General Government	$ 9,191,380	$ 8,843,053	$ 348,326	$ 14,312,356
Public Safety	$ 23,044,358	$ 22,840,931	$ 203,427	$ 23,586,454
Public Works	$ 7,821,475	$ 7,709,702	$ 111,773	$ 7,687,879
Snow & Ice	$ 1,443,715	$ 1,420,185	$ 23,530	$ 1,500,000
Waste Disposal	$ 4,803,123	$ 4,800,907	$ 2,216	$ 5,476,705
Health & Human Services	$ 1,565,939	$ 1,462,600	$ 103,338	$ 1,670,874
Library	$ 3,629,610	$ 3,548,250	$ 81,360	$ 3,677,841
Recreation Department	$ 460,675	$ 452,485	$ 8,190	$ 494,539
Skating Arena	$ 539,220	$ 528,877	$ 10,343	$ 512,217
Education	$ 55,636,550	$ 55,636,550	$ -	$ 57,583,829
Total Departmental	**$ 108,136,044**	**$ 107,243,541**	**$ 892,503**	**$ 116,502,694**
Total Debt Svc. & Cap. Proj.	$ 26,039,273	$ 24,342,671	$ 1,696,602	$ 34,585,128
State & County Charges	$ 3,209,834	$ 3,203,519	$ 6,315	$ 3,385,224
Pension & OPEB	$ 14,837,059	$ 14,836,763	$ 296	$ 10,230,432
Insurance & Employee Benefits	$ 19,463,057	$ 18,869,147	$ 593,910	$ 28,806,149
Other Financing Uses	$ 35,283,226	$ 35,269,984	$ 13,242	$ 5,503,402
Grand Total	**$ 206,968,493**	**$ 203,765,625**	**$ 3,202,868**	**$ 194,013,029**

General Government FY 2023 budget amount includes City Council Reserve of $2,081,611

EXPENDITURES SUMMARY

(PAGE 2 OF 2)

Unreserved Fund Balance at end of FY 2023

UNRESERVED FUND BALANCE

CERTIFIED FREE CASH ANALYSIS

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Unreserved Fund Balance - Beginning of Fiscal Year	$ 16,374,245	$ 20,183,763	$ 22,212,609	$ 24,822,306	$ 33,810,897
Revenues Over/(Under) Budget	$ 2,808,326	$ 1,420,636	$ 12,337,314	$ 9,873,298	$ 8,742,357
Expenditures (Over)/Under Budget	$ 2,497,923	$ 3,598,973	$ 2,125,255	$ 1,439,072	$ 3,202,868
Use of Free Cash	$ (2,000,000)	$ (3,250,000)	$ (11,000,000)	$ (2,000,000)	$ (17,688,029)
GAAP Adjustments	$ 503,269	$ 259,237	$ (852,872)	$ (313,645)	$ (610,610)
Unreserved Fund Balance - End of Fiscal Year	$ 20,183,763	$ 22,212,609	$ 24,822,306	$ 33,821,031	$ 27,457,483
Certified Free Cash	$ 17,019,246	$ 18,365,067	$ 22,663,363	$ 30,557,663	$ 25,000,000*

*FY 2023 Certified Free Cash is an estimated figure.

Debt
as of June 30, 2023

Capital Improvement Program

The five-year Capital Improvement Program (CIP) is included within the FY 2024 Budget.

The Fiscal Year 2024-2028 General Fund CIP totals $245,741,100. This includes the remaining $75,000,000 of borrowing and $25,000,000 of MSBA support for the high school.

The Fiscal Year 2024-2028 Water and Sewer Enterprise Funds CIP totals $74,545,000.

The CIP includes all known capital needs, regardless of the sources of funding.

PERMANENT GENERAL FUND DEBT SUMMARY

	Permanent Debt Balances 6/30/23	Budgeted FY 2024 Bond Payments	Permanent Debt Balances 6/30/24
FY 2008 Bond Issue	$ 3,000,000	$ 500,000	$ 2,500,000
FY 2010 Bond Issue	$ 1,565,000	$ 270,000	$ 1,295,000
FY 2012 Bond Issue	$ 500,000	$ 125,000	$ 375,000
FY 2013 Bond Issue	$ 3,295,000	$ 285,000	$ 3,010,000
FY 2014 Bond Issue	$ 1,065,000	$ 210,000	$ 855,000
FY 2014 Refunding Bond Issue	$ 1,350,000	$ 680,000	$ 670,000
FY 2016 Bond Issue	$ 280,000	$ 140,000	$ 140,000
FY 2018 Bond Issue	$ 1,730,000	$ 295,000	$ 1,435,000
FY 2019 Bond Issue	$ 1,805,000	$ 640,000	$ 1,165,000
FY 2020 Bond Issue	$ 11,585,000	$ 1,340,000	$ 10,245,000
FY 2021 Bond Issue	$ 46,925,000	$ 2,610,000	$ 44,315,000
FY 2021 Bond Issue	$ 34,300,000	$ 2,385,000	$ 31,915,000
FY 2022 Bond Issue	$ 6,090,000	$ 765,000	$ 5,325,000
FY 2022 Bond Issue	$ 25,430,000	$ 1,350,000	$ 24,080,000
FY 2023 Bond Issue	$ 80,310,000	$ 3,765,000	$ 76,545,000
TOTAL	**$ 219,230,000**	**$ 15,360,000**	**$ 203,870,000**

Reflects existing bonds issued for general fund purposes as of June 30, 2023. 0% interest MWRA Loans and bonds issued for water and sewer projects are not included.

GENERAL FUND DEBT SUMMARY

Date of Loan Order Vote	Description	Amount
	Total Permanent General Fund Debt	$ 203,870,000
	Authorized General Fund Debt (not yet issued):	
03/22/2022	New High School Construction (remaining unissued amount)	$ 145,694,319
05/24/2022	Sewer System Improvements	$ 750,000
8/9/2022	Sewer System Improvements	$ 750,000
	Subtotal Authorized Unissued Debt:	$ 147,194,319
	Total Permanent & Short Term And Authorized Un-issued Debt	**$ 351,064,319**

Previously authorized projects, which have been permanently financed, are not included in the above list as any remaining portions are expected to be rescinded.

Enterprise Funds in FY 2023

SEWER ENTERPRISE FUND

	FY 2023 BUDGET	FY 2023 ACTUAL	FY 2024 BUDGET
REVENUE & OTHER SOURCES:			
USAGE CHARGES	$ 11,215,263	$ 11,560,325	$ 11,641,871
MUNICIPAL CHARGES	$ 77,190	$ 77,190	$ 110,217
INTEREST AND PENALTY CHARGES	$ 60,000	$ 88,187	$ 60,000
SEWER LIENS	$ -	$ 470,998	$ -
OTHER UTILITY CHARGES	$ -	$ 1,705	$ -
INTEREST INCOME	$ 5,000	$ 1,641	$ 5,000
TOTAL REVENUE	**$ 11,357,453**	**$ 12,200,047**	**$ 11,817,088**
EXPENDITURE & OTHER USES:			
PERSONNEL SERVICES	$ 693,999	$ 624,811	$ 778,548
SUPPLIES AND SERVICES	$ 481,000	$ 458,763	$ 506,000
MWRA ASSESSMENT	$ 6,870,077	$ 6,800,255	$ 7,130,880
CAPITAL OUTLAY	$ 1,355,000	$ 1,354,600	$ 1,355,000
TRANSFER TO GENERAL FUND	$ 1,397,994	$ 1,397,994	$ 1,494,512
DEBT SERVICE	$ 559,383	$ 300,253	$ 552,148
TOTAL EXPENDITURES	**$ 11,357,453**	**$ 10,936,675**	**$ 11,817,088**

	FY 2023 BUDGET	FY 2023 ACTUAL	FY 2024 BUDGET
REVENUE & OTHER SOURCES:			
USAGE CHARGES	$ 8,491,308	$ 8,412,612	$ 8,510,585
MUNICIPAL CHARGES	$ 171,810	$ 171,810	$ 210,248
INTEREST AND PENALTY CHARGES	$ 50,000	$ 57,217	$ 50,000
WATER LIENS	$ -	$ 245,323	
OTHER UTILITY CHARGES	$ 100,000	$ 119,824	$ 100,000
TEST CHARGES	$ 80,000	$ 85,537	$ 80,000
USE OF RETAINED EARNINGS	$ -	$ -	$ -
SALE OF PROPERTY	$ -	$ -	$ -
INTEREST INCOME	$ 5,000	$ 1,314	$ 5,000
TOTAL REVENUE	**$ 8,898,118**	**$ 9,093,637**	**$ 8,955,833**
EXPENDITURE & OTHER USES:			
PERSONNEL SERVICES	$ 1,125,825	$ 1,056,380	$ 1,090,421
SUPPLIES AND SERVICES	$ 415,100	$ 382,187	$ 415,600
MWRA ASSESSMENT	$ 4,147,401	$ 4,174,401	$ 4,200,455
CAPITAL OUTLAY	$ 236,000	$ 231,645	$ 236,000
TRANSFER TO GENERAL FUND	$ 1,511,731	$ 1,511,731	$ 1,423,464
TRANSFER TO CAP. PROJECT/WATER	$ -	$ -	$ -
DEBT SERVICE	$ 1,462,061	$ 1,271,610	$ 1,549,893
TOTAL EXPENDITURES	**$ 8,898,118**	**$ 8,600,955**	**$ 8,955,833**

WATER ENTERPRISE FUND

WATER & SEWER PRIOR YEAR FUNDS

BALANCES AS OF JULY 1, 2023

Account Description	Current Year Fund Carryover
Water:	
Improvements	$ 221,517
Street Repair Services	$ 65,364
Water Materials & Supplies	$ 35,313
Sidewalk Repair Services	$ 20,799
Replacement Of Equipment	$ 13,263
Tools & Other	$ 11,438
Total Water Prior Year	**$ 367,694**
Sewer:	
Improvements	$ 909,870
Additional Equipment	$ 707,938
Replacement Of Equipment	$ 176,861
Street Repair Services	$ 106,437
Contracted Services	$ 84,067
Rental of Equipment	$ 60,207
Sewer Materials & Supplies	$ 51,814
Sidewalk Repair Services	$ 45,270
Total Sewer Prior Year	**$ 2,148,883**

Fund Balances
as of June 30, 2023

Fund Balances as of June 30, 2023

Overlay Accounts

Special Revenue Accounts

CPA Fund Balances

Capital Projects Accounts

Stabilization, Trust and Agency Accounts

OVERLAY ACCOUNTS

BALANCES AS OF JUNE 30, 2023

Fiscal Year	Amounts
2021	$ 297,741
2022	$ 620,653
2023	$ 582,821
	$ 1,501,215

SPECIAL REVENUE ACCOUNTS

BALANCES AS OF JUNE 30, 2023

Fund Description	Fund Balance
ARPA Fund	$ 10,741,578
FY 23 Circuit Breaker	$ 2,588,223
School Extended Day Program	$ 2,093,799
Parking Meter Fund*	$ 910,346
School Lunch Program	$ 904,026
Cannabis Host Agreement	$ 821,652
Pre-school	$ 521,299
Multi Drug Task Force	$ 454,547
Food Pantry	$ 370,745
Library Lig/Meg Fund	$ 346,910
Non-resident Tuition	$ 338,342
Athletics Revolving Fund	$ 334,900
Sale Of Cemetery Lots*	$ 314,805
Pre-kindergarten	$ 292,303
Supplemental Liquor Licenses	$ 283,705
School Foundation Reserve	$ 250,000
Top Sixteen Total	**$ 21,567,180**
All Others (124)	$ 1,583,223
Total Special Revenue (140)	**$ 23,150,403**

* Includes amounts to be transferred for FY 2024 Budget.

COMMUNITY PRESERVATION ACT (CPA)

BALANCES AS OF JUNE 30, 2023

(PAGE 1 OF 2)

Account Description	Account Balance
FY 2018 Reserve for Open Space/Recreation	$ -
FY 2019 Reserve for Open Space/Recreation	$ 92,544
FY 2020 Reserve for Open Space/Recreation	$ 248,140
FY 2021 Reserve for Open Space/Recreation	$ 260,000
FY 2022 Reserve for Open Space/Recreation	$ 305,121
FY 2023 Reserve for Open Space/Recreation	$ 250,195
Total Reserve Open Space/Recreation	**$ 1,156,000**
FY 2018 Reserve for Historic Preservation	$ 117,000
FY 2019 Reserve for Historic Preservation	$ 236,739
FY 2020 Reserve for Historic Preservation	$ 248,140
FY 2021 Reserve for Historic Preservation	$ 260,000
FY 2022 Reserve for Historic Preservation	$ 305,121
FY 2023 Reserve for Historic Preservation	$ 125,640
Total Reserve for Historic Preservation	**$ 1,292,640**

Account Description	Account Balance
FY 2018 Reserve for Community Housing	$ 150,000
FY 2019 Reserve for Community Housing	$ 236,739
FY 2020 Reserve for Community Housing	$ 248,140
FY 2021 Reserve for Community Housing	$ 260,000
FY 2022 Reserve for Community Housing	$ 305,121
FY 2023 Reserve for Community Housing	$ 195,000
Total Reserve for Community Housing	**$ 1,395,000**
Reserve for Administrative Budget	$ 185,000
Reserve for Expenditures	
Open Space/Recreation Projects	$ 414,000
Historic Preservation Projects	$ 277,360
Community Housing Projects	$ 175,000
Total Reserve for Expenditures	**$ 866,360**
Reserve for Encumbrances	**$ -**
Undesignated Fund Balance	**$ 12,302,889**
Total:	**$ 17,197,889**

NOTE: During Fiscal Year 2024, it is estimated that the CPA fund will grow another $4,000,000.

COMMUNITY PRESERVATION ACT (CPA)

BALANCES AS OF JUNE 30, 2023

(PAGE 2 OF 2)

CAPITAL PROJECT ACCOUNTS

BALANCES AS OF JUNE 30, 2023

Fund Description	Fund Balance
Watertown Highschool Project	$ 22,091,831
Three Elementary School Project	$ 6,324,067
Arsenal Corridor	$ 3,443,888
Mt. Auburn Corridor	$ 2,487,815
MWRA I&I	$ 1,768,236
MWRA Main Replacement	$ 1,401,422
Greystar Capital Mitigation	$ 1,250,000
Arsenal Mitigation	$ 748,129
Water Meters	$ 647,232
Street & Sidewalks	$ 644,458
Town Capital Recreation	$ 589,097
Arsenal Park	$ 550,800
DPW Equipment	$ 498,158
Top Thirteen Total	**$ 42,445,134**
All Others (66)	$ 2,710,258
Total Capital Projects (79)	**$ 45,155,393**

STABILIZATIONS, TRUSTS AND AGENCY ACCOUNTS

BALANCES AS OF JUNE 30, 2023

Fund Description	Balance
OPEB Trust Fund	$ 36,986,238
New High School Stabilization	$ 8,267,537
Unfunded Pension Stabilization	$ 5,067,550
Collective Bargaining Stabilization	$ 2,800,697
Capital Proj. Stabilization*	$ 2,243,906
Stabilization Fund	$ 1,302,300
ESCO Stabilization*	$ 1,160,048
Cemetery Perpetual Care (Non-expendable)	$ 1,034,626
Sped Stabilization	$ 1,033,235
Federal Law Enforcement Trust	$ 845,996
Acquisition of Land/Open Space Stabilization	$ 780,640
Affordable Housing Trust Stabilization	$ 637,048
Albert Fleming Scholarship (Non-expendable)	$ 300,000
Cemetery Perpetual Care (Expendable)	$ 267,617
UPIT Scholarship Fund (Non-expendable)	$ 228,630
Top Fifteen Total	$ 62,956,067
All Others (59)	$ 869,945
Total Trusts & Agency (74)	$ 63,826,012

* Includes amounts to be transferred for FY 2024 Budget

Financial Reserve Goal

To fund and maintain Financial Reserves of 8 – 15% of the City's annual budget, we must:

1. Preserve the City's AAA bond rating
2. Promote financial flexibility and stability
3. Meet extraordinary and unforeseen events
4. Have sufficient liquidity and cash flow to pay bills on time without the necessity of short-term borrowing

FY 2023 estimated free cash plus general stabilization is equal to 13% of the final FY 2023 budget.

FY 2024:
Where are we now?

Fiscal Year 2024 Budget Development

(Included for background informational purposes)

To preserve the City's financial condition we are committed to:

1. Provide the highest level of services possible to meet community needs with the most efficient utilization of resources.
2. Ensure annual costs of all operations to be funded on an annual basis out of current revenues.
3. Not defer maintenance and/or recognition of costs of capital equipment, facilities and infrastructure to future years.
4. Remain focused on achieving our long-term goal of sound financial management and fiscal stability.
5. Present budget based on sound business practices.

City Council FY 2024 Budget Policy Guidelines

(Page 1 of 4)
(adopted November 22, 2022)

The following are the top two priorities of the ranked Cost-Savings/Revenues Guidelines:

1. Continue to proceed with the guidelines of the Strategic Framework for Economic Development, with the long- term goal to promote a diversified and growing tax base.
2. Continue pursuing mitigation monies, linkage fees, and/or other measures from larger scale projects.

City Council FY 2024 Budget Policy Guidelines

(Page 2 of 4)
(adopted November 22, 2022)

The following are the top six priorities of the ranked Program Enhancements/Expenditures Guidelines:

1. Beginning with FY24, all departments should prepare their budgets to address the strategies and action items in the Climate and Energy Plan adopted August 9, 2022.
2. Continue to work collaboratively with the Watertown Public Schools on the comprehensive multi- year educational budget that assures sustainable funding for our schools and the successful education of our children, and seek to accommodate a 3. 5% annual increase for FY24 for the Education appropriation that will provide level- service funding for our schools.

City Council FY 2024 Budget Policy Guidelines

(Page 3 of 4)
(adopted November 22, 2022)

The following are the top six priorities of the ranked Program Enhancements/Expenditures Guidelines:

3. Continue support for Building for the Future Initiative funding in collaboration with the School Building Committee, for the Three Elementary Schools project, and for the MSBA High School project, without debt exclusion funding.
4. With the ongoing update to the Comprehensive Plan, which will include new goals and strategies for development in Watertown, continue to enhance the capabilities of the Department of Community Development and Planning by adding resources and/or redeploying existing resources.

City Council FY 2024 Budget Policy Guidelines

(Page 4 of 4)
(adopted November 22, 2022)

The following are the top six priorities of the ranked Program Enhancements/Expenditures Guidelines:

5. Improve the operational efficiency, flexibility, and capacity of the Public Works Department to meet the City' s growing needs to manage contractors, respond to work order requests, oversee development projects, plan and implement infrastructure improvements, improve communications to residents about road construction, comply with the MassDEP 2030 Solid Waste Management Plan, and maintain complete streets infrastructure. Review improvements for snow and ice removal. Consider what technology platforms are needed to support the Department.

6. Provide funding for a study of Watertown Square that will incorporate goals of the updated Comprehensive Plan, and include Intersection Design, Development& Zoning changes, Small Business strategies, and better use of City owned land, parking lots, and former police station.

FY 2024 Actions Status Update

Strategic Priorities

A Commitment to Planning

Climate Mitigation and Resiliency

Building for the Future

Building an Effective Organizational Structure

Enhancing the Leadership Team

Continued Fiscal Stability

Strategic Priority: A Commitment to Planning

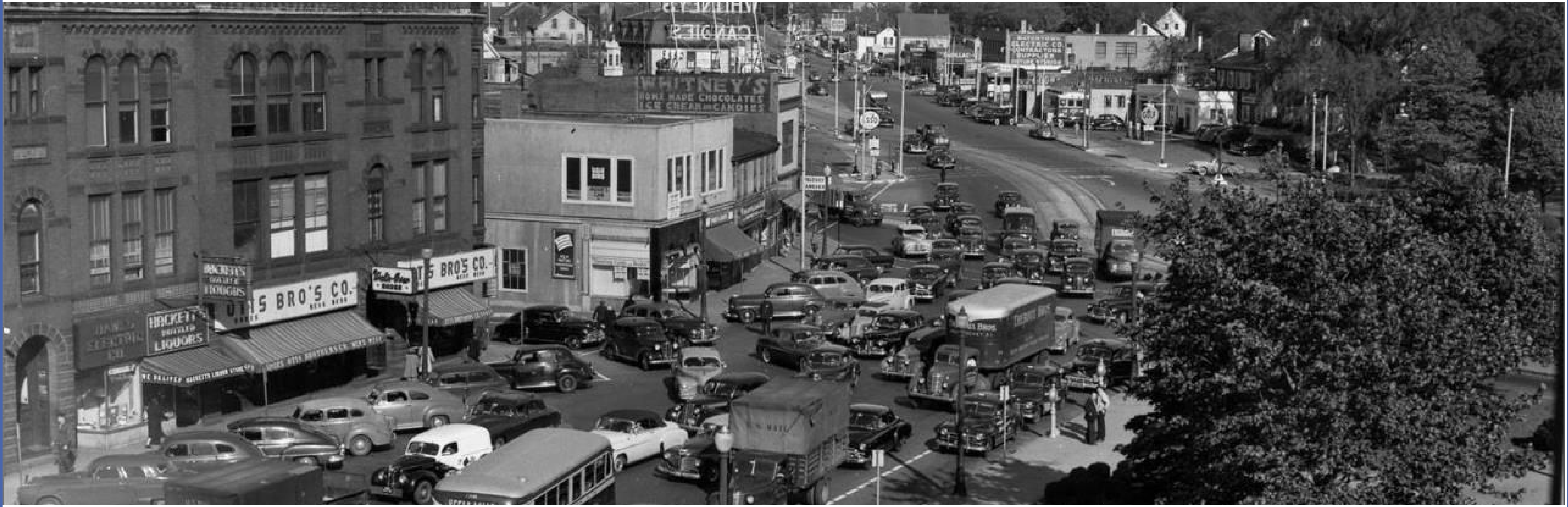
FY ‘24 Actions

- Comprehensive Plan is complete
- Affordable Housing Trust is operating, with current and forthcoming funding
- Ongoing streets projects are continuing
- North Branch Library structural study beginning soon
- Watertown Square kick off next week

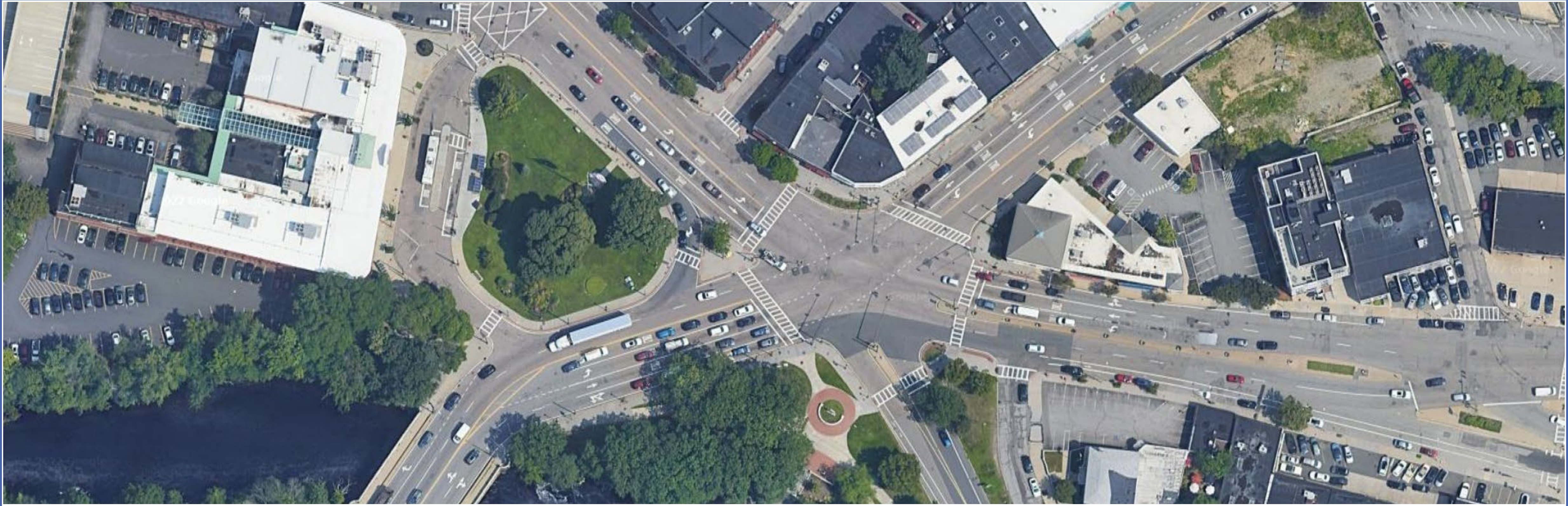
Strategic Priority: A Commitment to Planning

FY '24 Actions

- Comprehensive Plan is complete
- Affordable Housing Trust is operating, with current and forthcoming funding
- Ongoing streets projects are continuing
- North Branch Library structural study beginning soon
- Watertown Square kick off next week



WATERTOWN SQUARE



WATERTOWN SQUARE

A word about:

The Watertown Square Plan

- Watertown Square Plan kick-off meeting on October 17th (one week away)
- Funding will be required for an extensive intersection re-design and subsequent construction, which will likely require borrowing
- The intersection infrastructure is not currently in the CIP, but anticipated for forthcoming CIP.
- Establishment of a stabilization account for Watertown Square in FY 2024 will allow us to put funds aside for this forthcoming construction project

Strategic Priority: Climate Mitigation and Resiliency

FY '24 Actions

- Identifying opportunities to use electric or plug-in hybrid vehicles when replacing city fleet
- Undertaking 2 studies – fleet electrification and charging infrastructure & public building energy upgrades
- Continuing aggressive tree planting program
- Continuing growth of organics recycling program
- Continuing investment in stormwater infrastructure
- Encouraging private homeowners to do solar and heat pumps

Strategic Priority: Building for the Future

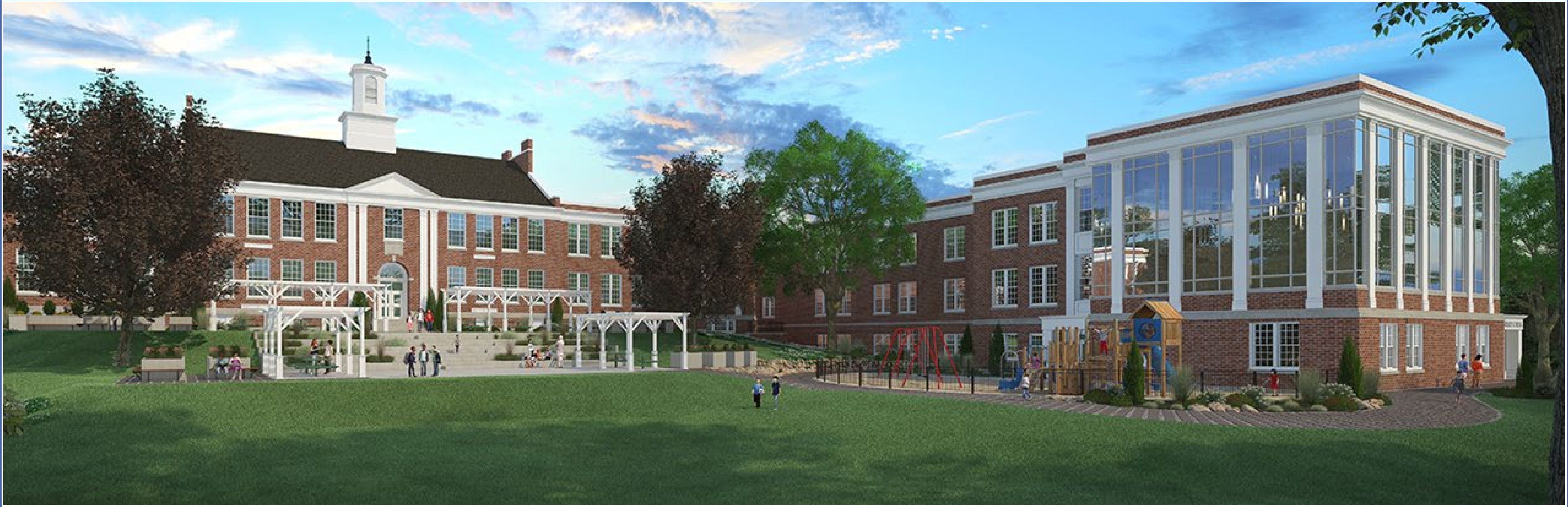
FY ‘24 Actions

- Elementary Schools: almost complete
- High School: under construction
- Parker Annex: already a benefit
- Parks Projects: on track with continued budgetary challenges
- Streets and sidewalks: continued commitment to walkability and “complete streets”

Strategic Priority: Building for the Future

FY '24 Actions

- Elementary Schools: almost complete
- High School: under construction
- Parker Annex: already a benefit
- Parks Projects: on track with continued budgetary challenges
- Streets and sidewalks: continued commitment to walkability and "complete streets"



LOWELL ELEMENTARY SCHOOL

A word about:

The Three Elementary Schools

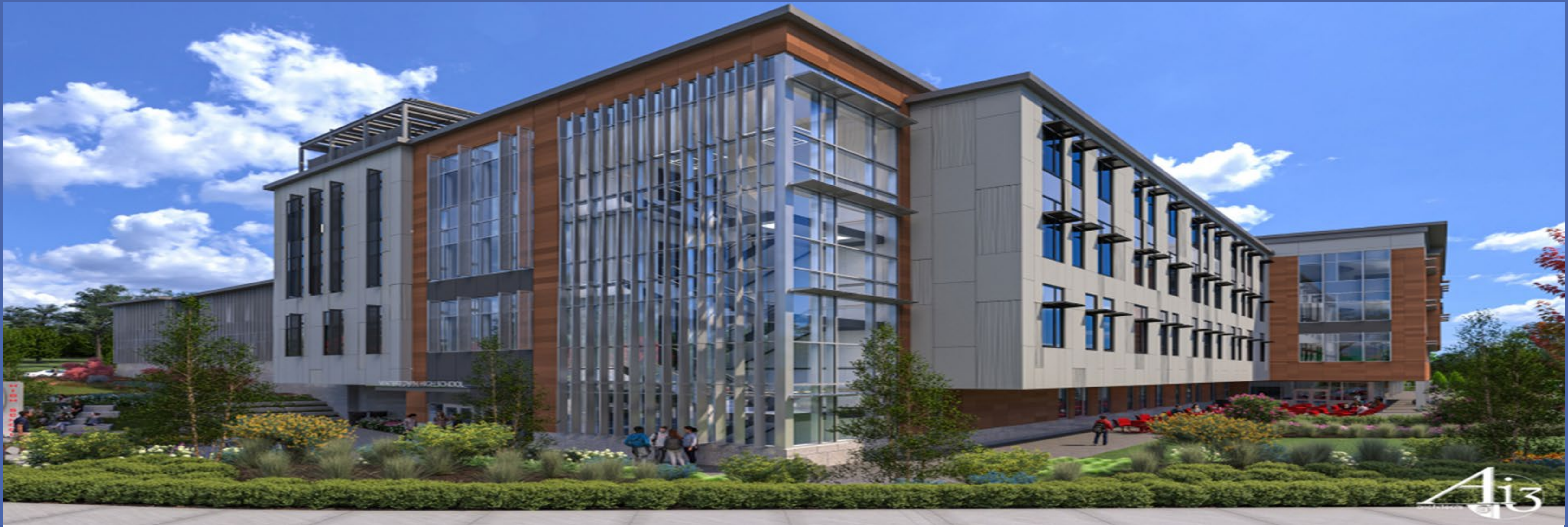
- The three elementary school projects are all wrapping up. Each has some remaining punchlist items.
- We expect to close the budgets out on all three projects soon.
- Total project budget was $170 million.
- Two items have impacted total cost beyond the initial budget:
  - The change in the phasing plan
  - The change in design and finishes at the Lowell School
- The proposed budget amendment moves $1,803,272 to the Council Reserve line, with the intent of using these funds to cover the additional costs to complete and close out the elementary school projects.
- No additional borrowing will be necessary to close out the elementary school projects.

Strategic Priority: Building for the Future

FY ‘24 Actions

- Elementary Schools: almost complete
- High School: under construction
- Parker Annex: already a benefit
- Parks Projects: on track with continued budgetary challenges
- Streets and sidewalks: continued commitment to walkability and “complete streets”

WATERTOWN HIGH SCHOOL



WATERTOWN HIGH SCHOOL

A word about:

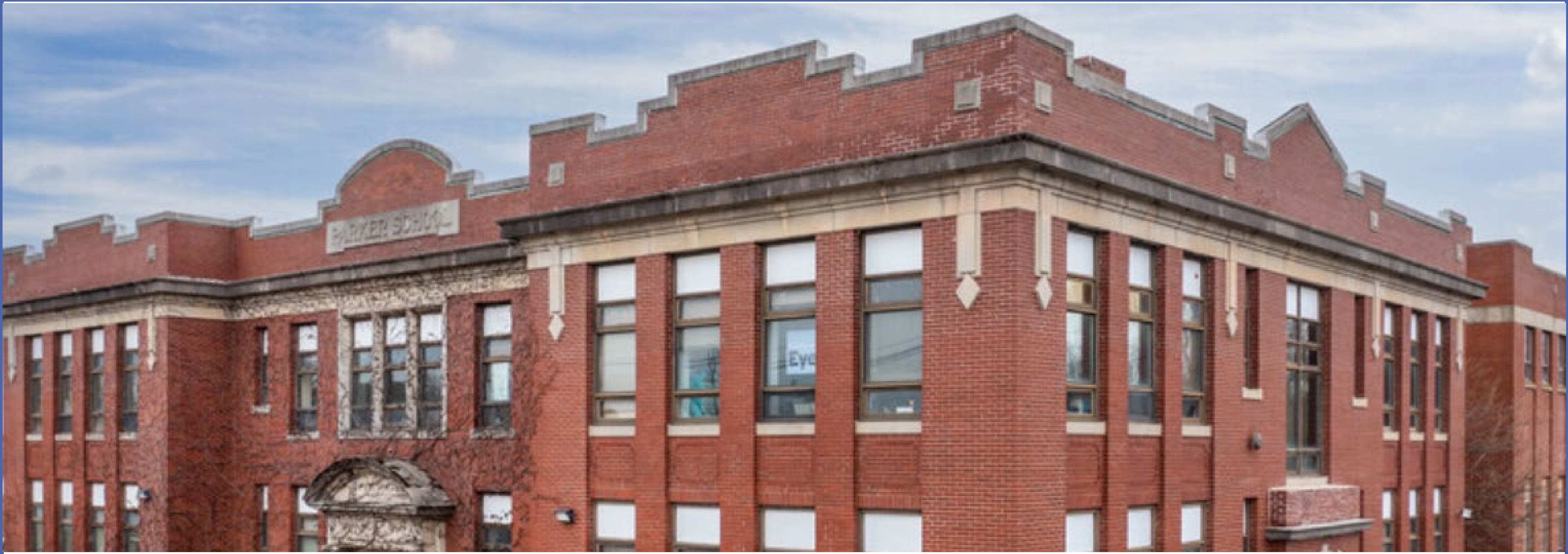
The High School Project

- Total budget is now: $220,388,049
- Since the last update on the high school budget:
  - New funds added to High School Stabilization in FY 2023 bringing total from this account to $16,418.402.
  - Additional MSBA funds approved
  - 30% of solar cost can be covered by federal grant
  - Pending application for solar cost from ARPA (we will reduce request to 70% of full cost, or $3,123,400)
- MSBA requires a vote to borrow full amount, but the current plan does not anticipate borrowing in excess of the $150 million in the CIP
- If ARPA is approved for solar in the amount of $3,123,400, the entire budget is covered within the confines of the CIP borrowing total and within the confines of Prop 2 ½.

Strategic Priority: Building for the Future

FY ‘24 Actions

- Elementary Schools: almost complete
- High School: under construction
- Parker Annex: already a benefit
- Parks Projects: on track with continued budgetary challenges
- Streets and sidewalks: continued commitment to walkability and “complete streets”



PARKER ANNEX

A word about:

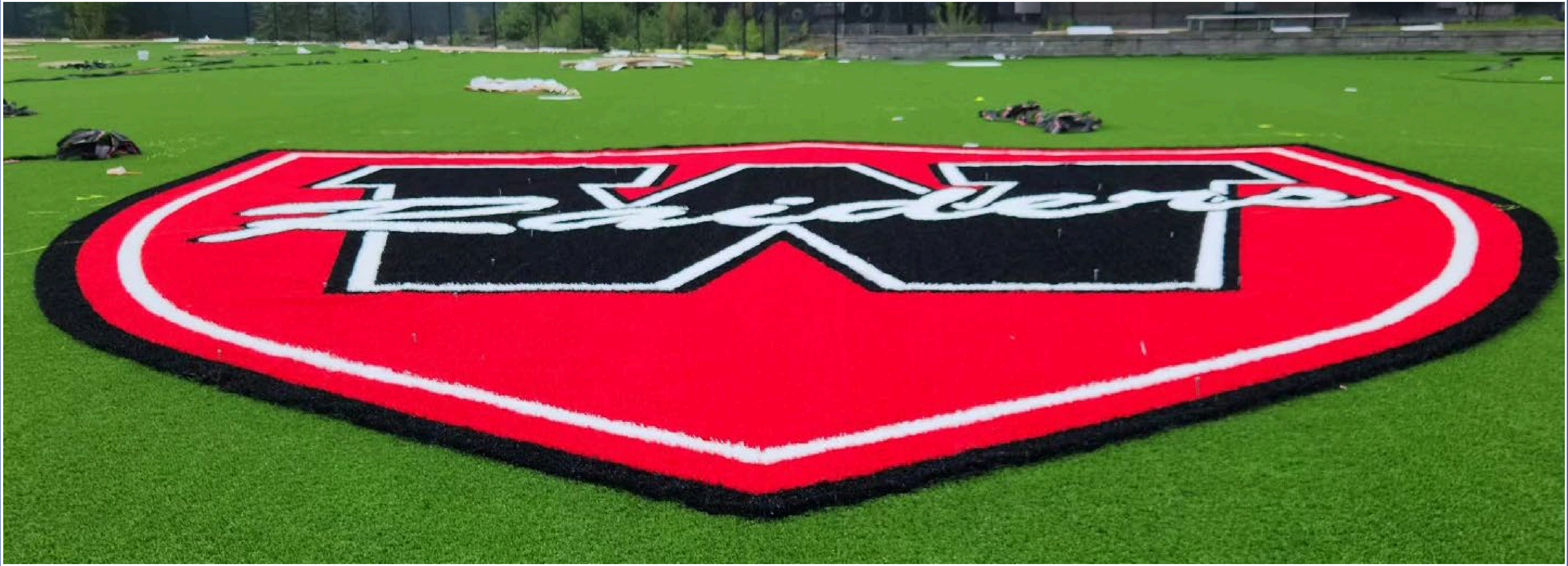
The Parker Annex Building

- Our Public Buildings Department moved into the building in July 2023
- IT department will move into temporary quarters on the 2nd floor in Fall 2023
- Space Needs Study underway with three phases:
  - Phase I: Summer 2024 moves
  - Phase II: Fall 2024 moves
  - Phase III: Future plans for Phillips Site / Senior Center
- Phase I and II plans are almost complete, to be shared with council soon. Phase III forthcoming.

Strategic Priority: Building for the Future

FY ‘24 Actions

- Elementary Schools: almost complete
- High School: under construction
- Parker Annex: already a benefit
- Parks Projects: on track with continued budgetary challenges
- Streets and sidewalks: continued commitment to walkability and “complete streets”



VICTORY FIELD

A word about:

The Status of our Parks Projects

- In the FY 2024-2028 CIP, we collectively re-scheduled parks and playground projects to ensure that we could cover our backlog of projects.
- We have added new consulting landscape architects to work on multiple projects at the same time
- We are hiring a senior planner for open space, to coordinate project design
- Projects are generally on schedule, although project costs continue to exceed budgets due to inflation and supply chain challenges
- Completing these projects will require additional fund. With the recommended budget amendment, funds from stabilization can be used to reduce any need for additional borrowing.

A word about:

The Status of our Parks Projects

- Current Schedule:
  - Upper Saltonstall: awaiting CPA review; bids received; start end of 2023 / early 2024
  - Lower Saltonstall: bid documents completed; start Spring 2024
  - Victory Phase II: additional community meeting forthcoming; no substantive changes; plans being completed; start Spring 2024
  - Arsenal Phase B: bid documents being completed; playground equipment being delivered; mobilizing this winter
  - Lowell Playground and Park: Summer 2024
  - How Park: Spring 2025
  - Walker Pond: Landscape architect selected; design to begin soon

Strategic Priority: Building an Effective Organizational Strategy

FY '24 Actions

- Expanding economic development efforts focused on our small businesses, main streets, corridors and emerging industry clusters – hiring process underway for new Senior Planner
- Launching 311 and constituent services team – hiring underway for Constituent Services Director
- Launching HHS study in October 2023
- Completing & implementing Classification & Compensation Study

Strategic Priority: Enhancing the Leadership Team

FY '24 Actions

- New HR director – and HR Study implementation
- Police Chief to be selected by November 2023
- CFO search underway
- Constituent Services Director search underway
- Staff stepping up at Health Department and City Clerk offices as we begin searches for permanent leadership

Strategic Priority: Continued Fiscal Stability

FY '24 Actions

- Continue to fund OPEB with a 2031 target for full funding
- Additional funds support enhanced and accelerated work on parks projects
- Establishment of fund to implement Watertown Square plan
- Address funding for Watertown High School project while maintaining borrowing not to exceed $150,000,000

Budget Amendments

Fiscal Year 2024 Budget Amendment #1

REVENUE	INCREASE (DECREASE)	TO READ
REAL ESTATE AND PROPERTY TAXES	$ 4,600,026	$ 157,286,627
STATE AID	$ 118,137	$ 16,064,530
HOTEL EXCISE	$ 150,000	$ 1,125,000
INVESTMENT INCOME	$ 525,000	$ 1,500,000
OPIOID SETTLEMENT	$ 60,000	$ 60,000
OTHER FINANCING SOURCES- TRANSFR FROM OPIOID SETTLEMENT	$ (60,000)	$ 7,192,414
TOTAL REVENUE ADJUSTMENT	$ 5,393,163	

EXPENDITURES	INCREASE (DECREASE)	TO READ
SCHOOL CHOICE ASSESSMENT 0182056-560629	$ (11,609)	$ 273,751
CHARTER SCHOOL ASSESSMENT 0182056-560630	$ 1,500	$ 459,137
TRANSFER TO WATERTOWN SQUARE STABILIZATION FUND 0194000-596810	$ 1,800,000	$ 1,800,000
TRANSFR TO CAPITAL PROJECTS STABILIZATION FUND 0194000-590963	$ 1,800,000	$ 1,800,000
TOWN COUNCIL RESERVE 0111152-570780	$ 1,803,272	$ 5,483,835
TOTAL EXPENDITURE ADJUSTMENT	$ 5,393,163	

Fiscal Year 2024 Budget Amendment #1

New Growth

REVENUE	INCREASE (DECREASE)	TO READ
REAL ESTATE AND PROPERTY TAXES	$ 4,600,026	$ 157,286,627
STATE AID	$ 118,137	$ 16,064,530
HOTEL EXCISE	$ 150,000	$ 1,125,000
INVESTMENT INCOME	$ 525,000	$ 1,500,000
OPIOID SETTLEMENT	$ 60,000	$ 60,000
OTHER FINANCING SOURCES- TRANSFR FROM OPIOID SETTLEMENT	$ (60,000)	$ 7,192,414
TOTAL REVENUE ADJUSTMENT	$ 5,393,163	

EXPENDITURES	INCREASE (DECREASE)	TO READ
SCHOOL CHOICE ASSESSMENT 0182056-560629	$ (11,609)	$ 273,751
CHARTER SCHOOL ASSESSMENT 0182056-560630	$ 1,500	$ 459,137
TRANSFER TO WATERTOWN SQUARE STABILIZATION FUND 0194000-596810	$ 1,800,000	$ 1,800,000
TRANSFR TO CAPITAL PROJECTS STABILIZATION FUND 0194000-590963	$ 1,800,000	$ 1,800,000
TOWN COUNCIL RESERVE 0111152-570780	$ 1,803,272	$ 5,483,835
TOTAL EXPENDITURE ADJUSTMENT	$ 5,393,163	

A word about:

New Growth

- New growth was originally projected at:
  - FY 2024: $6 million
  - FY 2025: $4.5 million
  - FY 2026 and 2027: $4 million
- New projection:
  - FY 2024: $10.6 million
  - FY 2025: $4 million
  - FY 2026 and 2027: $3.5 million
- Most of the new growth that was above projections in this year are from projects that have expeditated timeframes earlier than initially projected.
- The “speed” of growth is still slowing, and therefore we need to remain prudent about growth of expenditures in coming years.

Fiscal Year 2024 Budget Amendment #1

REVENUE	INCREASE (DECREASE)	TO READ
REAL ESTATE AND PROPERTY TAXES	$ 4,600,026	$ 157,286,627
STATE AID	$ 118,137	$ 16,064,530
HOTEL EXCISE	$ 150,000	$ 1,125,000
INVESTMENT INCOME	$ 525,000	$ 1,500,000
OPIOID SETTLEMENT	$ 60,000	$ 60,000
OTHER FINANCING SOURCES- TRANSFR FROM OPIOID SETTLEMENT	$ (60,000)	$ 7,192,414
TOTAL REVENUE ADJUSTMENT	$ 5,393,163	

EXPENDITURES	INCREASE (DECREASE)	TO READ
SCHOOL CHOICE ASSESSMENT 0182056-560629	$ (11,609)	$ 273,751
CHARTER SCHOOL ASSESSMENT 0182056-560630	$ 1,500	$ 459,137
TRANSFER TO WATERTOWN SQUARE STABILIZATION FUND 0194000-596810	$ 1,800,000	$ 1,800,000
TRANSFR TO CAPITAL PROJECTS STABILIZATION FUND 0194000-590963	$ 1,800,000	$ 1,800,000
TOWN COUNCIL RESERVE 0111152-570780	$ 1,803,272	$ 5,483,835
TOTAL EXPENDITURE ADJUSTMENT	$ 5,393,163	

Watertown Square

Parks

Elementary Schools

Fiscal Year 2024 Budget Amendment #2

REVENUE	INCREASE (DECREASE)	TO READ
OTHER FINANCING SOURCES- TRANSFER FROM COLLECTIVE BARGAINING STAB	$ 436,000	$ 436,000
TOTAL REVENUE ADJUSTMENT	$ 436,000	

EXPENDITURES	INCREASE (DECREASE)	TO READ
TOWN COUNCIL RESERVE	$ 436,000	$ 5,919,835
0111152-570780		
TOTAL EXPENDITURE ADJUSTMENT	$ 436,000	

FY 2025:
A look ahead

Fiscal Year 2025
Preliminary Budget Overview

Revenues & Expenditures

- Annual revenues and expenditures will be estimated by use of objective analysis. The assumptions and factors through which the estimates are derived will be clearly stated and explained during the budget process.

- The numbers provided are preliminary and subject to change as the budget process evolves.

FY '25 General Fund Revenue Forecast

Real and Personal Property Tax

State Aid

Local Receipts

"Other Sources"

Revenue Forecast:

Assumptions (page 1 of 3)

Real Estate and Personal Property taxes are increased 2.5% per year. New growth is projected to be $4,000,000 in FY 2025; and $3,500,000 for FY 2026 and FY 2027.

Funding for the Optional Tax Exemption for homeowners at 100% over the statutory level is included in the overlay adjustment.

State Aid is level funded at the FY 2024 amount.

Revenue Forecast:

Assumptions (page 2 of 3)

The majority of Local Receipts are projected to remain constant or increase 2.5% annually. Inspection Fees are projected at $2,750,000 and Investment Income is projected at $1,500,000 annually through FY 2027.

Motor Vehicle Excise is projected at $4,500,000 in FY 2024 and is projected to increase to $100,000 for FY 2025. Meals Excise is projected to increase $50,000 annually from FY 2024 through FY 2026. Hotel Excise is projected at $1,125,000 in FY 2024 and is projected to increase to $125,000 for FY 2025.

Revenue Forecast

Assumptions (page 3 of 3)

Other Financing Sources reflect transfers; from the Cemetery Perpetual Care Expendable Trust Fund and the Sale of Lots Fund to partially offset the Department of Public Works Cemetery Budget; from the Water and Sewer Enterprise Funds to cover applicable indirect costs; and from the Parking Meter Fund to partially offset the Parking Lots and Meters Budget.

Utilization of Free Cash is recommended at a level of $2,000,000 annually through FY 2027 which includes $250,000 annually for the Special Education Stabilization Fund for FY 2025 through FY 2027.

Transfer from the Capital Projects Stabilization Fund is projected at $500,000 annually through FY 2027, which represents the current balance of the Fund. Transfer from the ESCO Capital Project Stabilization Fund includes projected funds from departmental energy savings, rebates and grants.

REVENUE FORECAST

TAXES

Taxes	FY 2024	FY 2025	FY 2026	FY 2027
Prior Year Levy Limit	$ 144,133,269	$ 158,336,627	$ 166,295,042	$ 173,952,417
Add 2.5%	$ 3,603,332	$ 3,958,416	$ 4,157,376	$ 4,348,810
New Growth	$ 10,600,026	$ 4,000,000	$ 3,500,000	$ 3,500,000
Adjusted Levy Limit	$ 158,336,627	$ 166,295,042	$ 173,952,417	$ 181,801,227
Overlay	$ (1,050,000)	$ (1,100,000)	$ (1,100,000)	$ (1,100,000)
Net Levy Limit	**$ 157,286,627**	**$ 165,195,042**	**$ 172,852,417**	**$ 180,701,227**

REVENUE FORECAST

STATE AID

State Aid	FY 2024	FY 2025	FY 2026	FY 2027
Cherry Sheet Receipts	$ 16,064,530	$ 16,064,530	$ 16,064,530	$ 16,064,530
Total State Aid	**$ 16,064,530**	**$ 16,064,530**	**$ 16,064,530**	**$ 16,064,530**

REVENUE FORECAST

LOCAL RECEIPTS (1 OF 2)

	FY 2024	FY 2025	FY 2026	FY 2027
Motor Vehicle Excise	$ 4,500,000	$ 4,600,000	$ 4,725,000	$ 4,725,000
Meals Excise	$ 800,000	$ 850,000	$ 900,000	$ 950,000
Hotel Excise	$ 1,125,000	$ 1,250,000	$ 1,250,000	$ 1,250,000
Cannabis Excise	$ 475,000	$ 475,000	$ 475,000	$ 475,000
Opioid Settlement	$ 60,000	$ 60,000	$ 60,000	$ 60,000
Penalties & Interest	$ 250,000	$ 250,000	$ 250,000	$ 250,000
PILOT	$ 87,628	$ 88,168	$ 88,708	$ 89,248
Commercial Trash	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Fees	$ 4,477,000	$ 4,477,000	$ 4,477,000	$ 4,477,000

	FY 2024	FY 2025	FY 2026	FY 2027
Rentals	$ 752,215	$ 752,215	$ 752,215	$ 752,215
Cemetery	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Recreation	$ 420,000	$ 420,000	$ 420,000	$ 420,000
Licenses & Permits	$ 225,000	$ 225,000	$ 225,000	$ 225,000
Fines & Forfeits	$ 350,000	$ 350,000	$ 350,000	$ 350,000
Investment Income	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Sale of City Property	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Grant/Employee Reimbursements	$ 27,749	$ 27,749	$ 27,749	$ 27,749
Total Local Receipts	**$ 15,174,592**	**$ 15,450,132**	**$ 15,625,672**	**$ 15,676,212**

REVENUE FORECAST

LOCAL RECEIPTS (2 OF 2)

REVENUE FORECAST

OTHER FINANCING SOURCES

Transfer from:	FY 2024	FY 2025	FY 2026	FY 2027
Sale of Lots	$ 20,000	$ 20,000	$ 25,000	$ 25,000
Parking Meter	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Cemetery Perpetual Care	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Capital Project Stabilization	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Transfer from Collective Barg. Stabilization	$ 436,000	$ -	$ -	$ -
ESCO Capital Proj. Stabilization	$ 494,438	$ 493,225	$ 492,125	$ 485,950
Water Fund	$ 1,423,464	$ 1,423,464	$ 1,423,464	$ 1,423,464
Sewer Fund	$ 1,494,512	$ 1,494,512	$ 1,494,512	$ 1,494,512
Free Cash	$ 5,688,029	$ 2,000,000	$ 2,000,000	$ 2,000,000
Utilization of Overlay Surplus	$ 1,000,000	$ -	$ -	$ -
Total Other Sources	**$ 11,316,443**	**$ 6,191,201**	**$ 6,190,101**	**$ 6,183,926**

Source	FY 2024	FY 2025	FY 2026	FY 2027
Real Estate & Personal Prop. Tax	$ 157,286,627	$ 165,195,042	$ 172,852,417	$ 180,701,227
State Aid	$ 16,064,530	$ 16,064,530	$ 16,064,530	$ 16,064,530
Local Receipts	$ 15,174,592	$ 15,450,132	$ 15,625,672	$ 15,676,212
Other Financing Sources	$ 11,316,443	$ 6,191,201	$ 6,190,101	$ 6,183,926
Total Revenue	**$ 199,842,192**	**$ 202,900,905**	**$ 210,732,720**	**$ 218,625,895**

REVENUE FORECAST SUMMARY

FY '25 Preliminary General Fund Expenditure Forecast

Considerations

Forecast Assumptions

A Word about Education Funding

Departmental Funding

The OPEB and School Debt Situation

A Preliminary Expenditure Forecast

FY ’24 Preliminary General Fund Expenditure Forecast

Considerations

Forecast Assumptions

A Word about Education Funding

Departmental Funding

The OPEB and School Debt Situation

A Preliminary Expenditure Forecast

Strategic Priorities

A commitment to planning

Climate mitigation and resiliency

Building for the future

Enhancing organizational effectiveness

Continued fiscal stability

Strategic Priority: A Commitment to Planning

FY ‘25 Considerations

- Continue funding for the affordable housing trust
- Implementation of the Watertown Square Area Plan
- A continued focus on implementing the comprehensive plan including:
  - zoning recommendations
  - housing goals
  - wellness programs
  - economic development focused on small businesses / corridors / main streets
  - gateway and wayfinding signage program

Strategic Priority: Climate Mitigation and Resiliency

FY '25 Considerations

- Complete/implement fleet electrification and charging infrastructure & public building energy upgrades studies
- Continue aggressive tree planting program
- Continue growth of organics recycling program
- Continue investment in stormwater infrastructure
- Encourage private uptake of solar and heat pumps
- Address vehicle-reduction strategies in new developments, street designs, policies and transit operations

Strategic Priority: Building for the Future

FY '25 Considerations

- Ongoing high school project
- Additional resources to set up City offices at Parker School
- A plan for the future of Phillips School / Senior Center (space study Phase III)
- Continued aggressive parks construction schedule

Strategic Priority: Enhancing Organizational Effectiveness

FY '25 Considerations

- Implement the HHS study
- Launch 311 Service Center & continue implementation of ACE customer service
- Modernize workflows
- Develop and operate a robust staff training and professional development program
- Work to be an "employer of choice"
- Continue to "be abnormal"

Strategic Priority: Continued Fiscal Stability

FY '24 Considerations

- Continue to fund OPEB
- Continue implementation of capital plan priorities including:
  - Watertown Square
  - Streets/sidewalks
  - Parks
- Maintain strong reserves

FY ’24 Preliminary General Fund Expenditure Forecast

Expenditure Forecast: Assumptions (page 1 of 3)

General Government expenditures are projected to increase 2.5% annually from FY 2025 through FY 2027. The Education appropriation is projected to increase 3.50% annually from FY 2025 through FY 2027. Snow and Ice Removal is projected at $1,500,000 through FY 2027.

The Waste Disposal appropriation is projected to increase 5% annually from FY 2025 through FY 2027. Funding of the Service Agreement with Wheelabrator North Andover beginning in FY 2022 through FY 2026 has been included. The current agreement with Republic Services for solid waste and recycling hauling has recently been extended.

State Assessments, exclusive of the MBTA Assessment, are projected to increase 2.5% annually. The MBTA Assessment is projected to increase 2.75% annually.

Expenditure Forecast: Assumptions (page 2 of 3)

Health Insurance costs, included within Insurance & Employee Benefits, are projected to increase 6% annually.

The Watertown Contributory Retirement Board Funding Schedule approved by the Public Employee Retirement Administration Commission has the Retirement System fully funded on July 1, 2021. Pension costs are projected to be $1,150,000 annually from FY 2024 through FY 2027.

A long-range financial plan for the pay down of the Unfunded Other Post-Employment Benefits (OPEB) Liability has been created beginning in FY 2020 through FY 2031. Funding of the OPEB Liability is projected at $9,288,507 in FY 2025, $5,901,077 in FY 2026 and $6,500,064 in FY 2027.

Expenditure Forecast: Assumptions (page 3 of 3)

Debt figures are from current and projected future debt as listed in the FY 2024-2028 CIP / Debt Projection Table of the Capital Improvement Program.

The level of projected debt may change pending decisions on various projects that are listed within the Proposed FY 2024-2028 Capital Improvement Program.

Street and Sidewalk Improvements are projected to increase 5% annually.

Transfer to the Acquisition of Land/Open Space Stabilization Fund is projected at $1,250,000 annually from FY 2024 through FY 2027.

Transfer to the Special Education Stabilization Fund is projected at $250,000 annually from FY 2025 through FY 2027.

FY ’24 Preliminary General Fund Expenditure Forecast

Considerations

Forecast Assumptions

A Word about Education Funding

Departmental Funding

The OPEB and School Debt Situation

A Preliminary Expenditure Forecast

Education Expenditure Forecast

Source	FY 2024	FY 2025	FY 2026	FY 2027
Education	$ 57,583,829	$ 59,599,263	$ 61,685,237	$ 63,844,221

A word about:

Education Funding

The Expenditure Forecast included within the Submitted Fiscal Year 2024 Budget document has Departmental Expenditures projected to increase 2.5% annually from FY 2025 through FY 2027. The Education appropriation is projected to increase 3.50% annually from FY 2025 through FY 2027.

Additional increases beyond 3.5% may be considered to:

- Reflect new state aid for education from the "Fair Share Amendment"
- Expedite implementation of Universal Pre-K for students for the year immediately prior to entering kindergarten

We look forward to continue working collaboratively with the Watertown Public Schools to develop a comprehensive multi-year Education Budget that assures sustainable funding for our schools and the successful education of our children.

FY '24 Preliminary General Fund Expenditure Forecast

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Departmental Funding

The OPEB and School Debt Situation

A Preliminary Expenditure Forecast

Source	FY 2024	FY 2025	FY 2026	FY 2027
General Government	$ 10,631,793	$ 10,897,588	$ 11,170,028	$ 11,449,278
Public Safety	$ 23,586,454	$ 27,786,454	$ 28,481,115	$ 29,193,143
Public Works	$ 7,687,879	$ 7,880,076	$ 8,077,078	$ 8,279,005
Snow & Ice Removal	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Waste Disposal	$ 5,476,705	$ 5,750,540	$ 6,038,067	$ 6,339,971
Health & Human Services	$ 1,670,874	$ 1,712,646	$ 1,755,462	$ 1,799,349
Library	$ 3,677,847	$ 3,769,787	$ 3,864,032	$ 3,960,632
Recreation	$ 1,006,756	$ 1,031,925	$ 1,057,723	$ 1,084,166
Education	$ 57,583,829	$ 59,599,263	$ 61,685,237	$ 63,844,221
Total Departmental	**$ 112,822,131**	**$ 119,928,279**	**$ 123,628,742**	**$ 127,449,765**
Insurance & Employee Benefits	$ 23,806,149	$ 25,230,408	$ 26,759,812	$ 28,402,198

EXPENDITURE FORECAST

DEPARTMENTAL EXPENDITURES

FY ’24 Preliminary General Fund Expenditure Forecast

Considerations

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Departmental Funding

The OPEB and School Debt Situation

A Preliminary Expenditure Forecast

Expenditure Forecast 5/09/2023 – Submission of the Fiscal Year 2024 Budget

Source	FY 2024	FY 2025	FY 2026	FY 2027
Pension	$ 1,150,000	$ 1,150,000	$ 1,150,000	$ 1,150,000
Other Post Employment Benefits (OPEB)	$ 9,080,432	$ 9,288,507	$ 5,901,077	$ 6,500,064
3 Elementary School Project	$ 11,662,830	$ 12,050,691	$ 11,686,152	$ 11,326,863
Transfer To New High School Stabilization	$ 3,000,000	$ -	$ -	$ -
New High School Debt Service	$ 4,706,738	$ 8,510,802	$ 12,262,771	$ 12,023,073
TOTAL	**$ 29,600,000**	**$ 31,000,000**	**$ 31,000,000**	**$ 31,000,000**

Expenditure Forecast 10/10/2023 – Fiscal Year 2025 Preliminary Budget Overview

Source	FY 2024	FY 2025	FY 2026	FY 2027
Pension	$ 1,150,000	$ 1,150,000	$ 1,150,000	$ 1,150,000
Other Post Employment Benefits (OPEB)	$ 9,080,432	$ 9,288,507	$ 5,901,077	$ 6,500,064
3 Elementary School Project	$ 11,662,830	$ 12,050,691	$ 11,686,152	$ 11,326,863
Transfer To New High School Stabilization	$ 3,000,000	$ -	$ -	$ -
New High School Debt Service	$ 4,706,738	$ 8,510,802	$ 12,262,771	$ 12,023,073
TOTAL	**$ 29,600,000**	**$ 31,000,000**	**$ 31,000,000**	**$ 31,000,000**

Variance Between the Expenditure Forecasts

Source	FY 2024	FY 2025	FY 2026	FY 2027
Pension	$ -	$ -	$ -	$ -
Other Post Employment Benefits (OPEB)	$ -	$ -	$ -	$ -
3 Elementary School Project	$ -	$ -	$ -	$ -
Transfer To New High School Stabilization	$ -	$ -	$ -	$ -
New High School Debt Service	$ -	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -	$ -

- As of July 1, 2021, the Unfunded OPEB Liability is estimated to be $70,824,000 which is projected to be fully funded in FY 2031.

Source	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
3 Elementary Schools Debt Service	$ 10,965,574	$ 11,662,830	**$ 12,050,691**	$ 11,686,152	$ 11,326,863
New High School Debt Service	$ 1,016,945	$ 4,706,738	$ 8,510,802	**$ 12,262,771**	$ 12,023,073
Transfer To New High School Stab.	$ 3,983,055	$ 3,000,000			
Pension & OPEB	$ 14,834,426	$ 10,230,432	$ 10,438,507	$ 7,051,077	$ 7,650,064
Total	**$ 30,800,000**	**$ 29,600,000**	**$ 31,000,000**	**$ 31,000,000**	**$ 31,000,000**

1) Fiscal Year 2025 is the projected high point for the 3 elementary schools debt service.
2) New High School Project estimated at $200,000,000 ($150,000,000 City & $50,000,000 MSBA)
3) New High School debt service will be financed over 30 years.
4) Fiscal Year 2026 is the projected high point for the New High School debt service.

BUILDING FOR THE FUTURE INITIATIVE

PENSION & OPEB

FY ’24 Preliminary General Fund Expenditure Forecast

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Departmental Funding

The OPEB and School Debt Situation

A Preliminary Expenditure Forecast

EXPENDITURE FORECAST

DEBT AND INTEREST

Source	FY 2024	FY 2025	FY 2026	FY 2027
Permanent Debt/Interest	$ 7,150,056	$ 5,693,427	$ 4,032,901	$ 3,507,500
ESCO - Permanent Debt/Interest	$ 494,438	$ 493,225	$ 492,125	$ 485,950
Three Elem. School Project - Permanent Debt/Interest	$ 9,127,850	$ 9,575,750	$ 9,271,250	$ 8,972,000
Three Elem. School Project - Auth/Unissued & Planned	$ 2,534,980	$ 2,474941	$ 2,414,902	$ 2,354,863
New High School Project - Authorized/Unissued	$ 4,706,738	$ 8,510,802	$ 12,262,771	$ 12,023,073
Street & Sidewalk – Auth/Unissued & Planned	$ 4,459,125	$ 6,018,925	$ 7,448,125	$ 8,577,700
Other Debt – Authorized/Unissued & Planned	$ 3,731,541	$ 5,263,012	$ 7,195,323	$ 8,541,923
Cost of Certifying Bonds	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Total Expenditure	**$ 32,209,728**	**$ 38,035,082**	**$ 43,122,397**	**$ 44,468,009**

EXPENDITURE FORECAST

CAPITAL PROJECTS

Source	FY 2024	FY 2025	FY 2026	FY 2027
City Capital	$ 695,000	$ 695,000	$ 695,000	$ 695,000
School Capital Projects	$ 390,000	$ 385,000	$ 305,000	$ 380,000
Street & Sidewalk Improvements	$ 1,290,400	$ 1,354,884	$ 1,422,628	$ 1,493,759
Total Expenditure	**$ 2,375,400**	**$ 2,434,884**	**$ 2,422,628**	**$ 2,568,759**

General Fund Expenditures

Departmental Expenses

Debt Service and Capital Projects

State & County Charges

Pension and OPEB

Insurance and Employee Benefits

Other Financing Uses

Source	FY 2024	FY 2025	FY 2026	FY 2027
Total Departmental	$ 112,822,131	$ 119,928,279	$ 123,628,742	$ 127,449,765
Total Debt Svc. & Cap. Proj.	$ 34,585,128	$ 40,469,966	$ 45,545,025	$ 47,036,768
State & County Charges	$ 3,375,115	$ 3,465,886	$ 3,559,103	$ 3,654,831
Pension & OPEB	$ 10,230,432	$ 10,438,507	$ 7,051,077	$ 7,650,064
Insurance & Employee Benefits	$ 23,806,149	$ 25,230,408	$ 26,759,812	$ 28,402,198
Other Financing Uses & Misc.	$ 15,023,237	$ 5,793,016	$ 5,952,918	$ 6,113,118
Total Expenditure	**$ 199,842,192**	**$ 205,326,063**	**$ 212,496,678**	**$ 220,306,743**

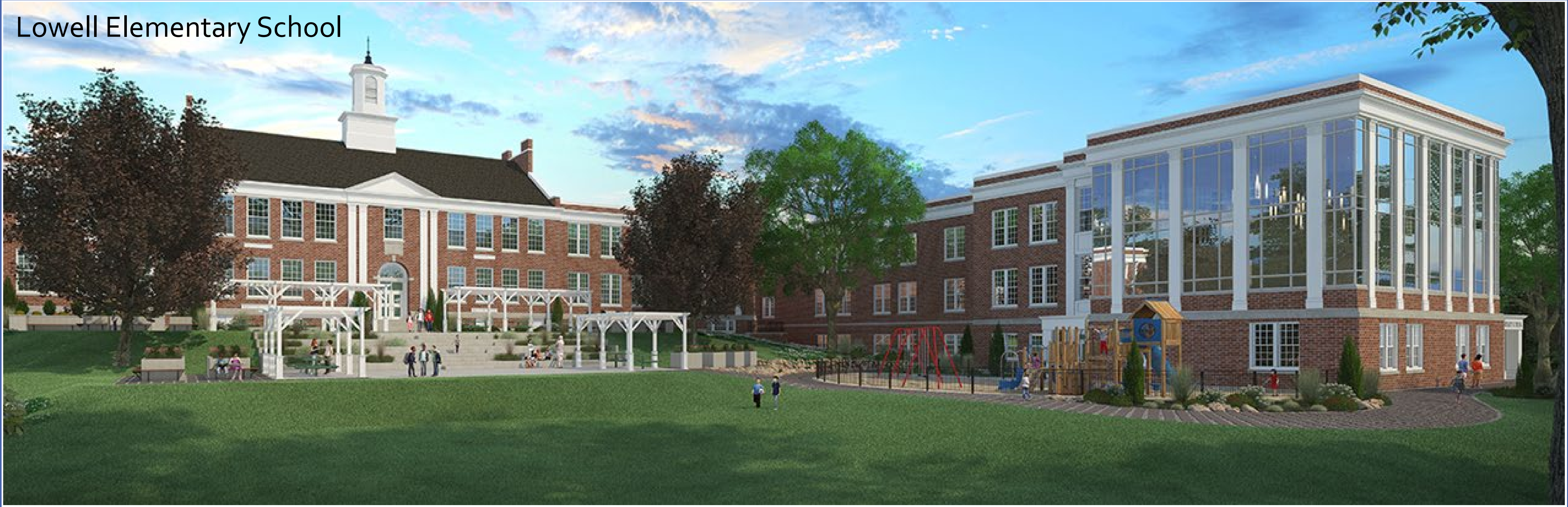
EXPENDITURE FORECAST

FY '25
Forecasted Budget

FORECAST SUMMARY

	FY 2024	FY 2025	FY 2026	FY 2027
Total Revenue	**$ 199,842,192**	**$ 202,900,905**	**$ 210,732,720**	**$ 218,625,895**
Total Expenditures	**$ 199,842,192**	**$ 205,326,063**	**$ 212,496,678**	**$ 220,306,743**
Projected Surplus/(Deficits)	$ -	$ (2,425,158)	$ (1,763,957)	$ (1,680,848)
Prior Year Balance Budget	$ -	$ -	$ 2,425,158	$ 1,763957
Remaining Surplus/(Deficit)	$ -	$ (2,425,158)	$ 661,201	$ 83,109

Lowell Elementary School



THANK YOU