



Fiscal Year 2022 Town of Watertown Preliminary Budget Overview

October 13, 2020

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Revenue and Other Sources General Fund

Revenue and Other Sources	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Actual	FY2021 Budget
Real & Personal Property Tax	\$ 108,548,765	\$108,648,032	\$ 116,106,127	\$ 114,571,108	\$ 122,210,655
State Aid	\$ 12,321,277	\$ 12,335,662	\$ 13,205,612	\$ 13,279,891	\$ 10,565,000
Total	\$ 120,870,042	\$120,983,694	\$ 129,311,739	\$ 127,850,999	\$ 132,775,655

Local Receipts - Detail

Source	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Actual	FY2021 Budget
Motor Vehicle	\$ 4,200,000	\$ 4,715,595	\$ 4,350,000	\$ 4,621,949	\$ 3,915,000
Meals Excise	\$ 535,000	\$ 596,709	\$ 550,000	\$ 549,973	\$ 412,500
Hotel and Other Excise	\$ 600,000	\$ 728,787	\$ 700,000	\$ 701,602	\$ 525,000
Penalties & Interest	\$ 250,000	\$ 242,614	\$ 250,000	\$ 256,765	\$ 250,000
PILOT	\$ 994,240	\$ 982,989	\$ 977,236	\$ 1,001,319	\$ 1,024,699
COMM. Trash	\$ 15,000	\$ 23,631	\$ 15,000	\$ 22,955	\$ 15,000
Fees	\$ 3,808,000	\$ 5,146,266	\$ 4,100,000	\$ 5,551,840	\$ 3,850,000
Rentals	\$ 129,860	\$ 159,169	\$ 129,358	\$ 144,139	\$ 128,841
Cemetery	\$ 95,000	\$ 104,854	\$ 95,000	\$ 141,760	\$ 95,000
Recreation	\$ 420,000	\$ 427,831	\$ 420,000	\$ 378,283	\$ 420,000
License & Permits	\$ 205,000	\$ 221,680	\$ 192,000	\$ 233,382	\$ 192,000
Fines & Forfeits	\$ 705,000	\$ 626,412	\$ 705,000	\$ 503,667	\$ 610,000
Investment Income	\$ 350,000	\$ 1,162,618	\$ 500,000	\$ 1,072,666	\$ 500,000
Sale of Town Prop.	\$ 5,000	\$ 15,813	\$ 5,000	\$ 42,508	\$ 5,000
Belmont Reimb.	\$ 71,543	\$ 62,091	\$ 73,090	\$ 87,363	\$ 74,595
Grant/Employee Reimb.	\$ 25,000	\$ 21,405	\$ 25,000	\$ 34,495	\$ 25,000
Medicaid	\$ 420,000	\$ 148,160	\$ 320,000	\$ 132,688	
Miscellaneous*		\$ 136,693		\$ 810,706	
Total	\$ 12,828,643	\$ 15,523,317	\$ 13,406,684	\$ 16,288,060	\$ 12,042,635

Revenue and Other Sources

Source Transfer from:	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Actual	FY2021 Budget
Sale of Lots	\$ 20,000	\$ 20,000	\$ 25,000	\$ 25,000	\$ 25,000
Parking Meter	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 250,000
Cemetery Perpetual Care	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 10,000
Capital Proj. Stab. Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Unfunded Pension Liab. Stab. Fund	\$ 250,000	\$ 250,000	\$ -		
ESCO Capital Project Stab. Fund	\$ 517,238	\$ 517,238	\$ 515,688	\$ 515,688	\$ 508,388
Utilization Of Overlay Surplus	\$ 500,000	\$ 500,000			
Free Cash	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,250,000
Collective Bargaining Stabilization			\$ 621,500	\$ 621,500	
Sale of Property Fund	\$ 1,200,000	\$ 1,200,000			
Water Fund	\$ 1,648,500	\$ 1,648,500	\$ 1,631,808	\$ 1,631,808	\$ 1,588,520
Sewer Fund	\$ 1,524,642	\$ 1,524,642	\$ 1,534,390	\$ 1,534,390	\$ 1,491,802
Total	\$ 8,525,380	\$ 8,525,380	\$ 7,193,386	\$ 7,193,386	\$ 7,623,710

Revenue Summary

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Source	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Actual	FY2021 Budget
Property Tax	\$ 108,548,765	\$108,648,032	\$ 116,106,127	\$ 114,571,108	\$ 122,210,655
State Aid	\$ 12,321,277	\$ 12,335,662	\$ 13,205,612	\$ 13,279,891	\$ 10,565,000
Local Receipts	\$ 12,828,643	\$ 15,523,317	\$ 13,406,684	\$ 16,288,060	\$ 12,042,635
Other Sources	\$ 8,525,380	\$ 8,525,380	\$ 7,193,386	\$ 7,193,386	\$ 7,623,710
Total Revenue	\$ 142,224,065	\$145,032,391	\$ 149,911,809	\$ 151,332,445	\$ 152,442,000

Revenue Summary

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Source	FY2020 Budget	FY20120 Actual	Variance	FY2021 Budget
Property Tax	\$ 116,106,127	\$ 114,571,108	\$ (1,535,019)	\$ 122,210,655
State Aid	\$ 13,205,612	\$ 13,279,891	\$ 74,279	\$ 10,565,000
Local Receipts	\$ 13,406,684	\$ 16,288,060	\$ 2,881,376	\$ 12,042,635
Other Sources	\$ 7,193,386	\$ 7,193,386	\$ -	\$ 7,623,710
Total Revenue	\$ 149,911,809	\$ 151,332,445	\$ 1,420,636	\$ 152,442,000

Expenditures

	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Actual	FY2021 Budget
General Government	\$ 6,449,638	\$ 5,399,633	\$ 6,948,903	\$ 5,707,923	\$ 8,511,547
Public Safety	\$ 20,523,360	\$ 20,234,770	\$ 21,573,329	\$ 20,892,105	\$ 21,229,625
Public Works	\$ 5,494,265	\$ 5,126,617	\$ 5,683,873	\$ 5,320,739	\$ 5,871,584
Snow & Ice	\$ 1,564,810	\$ 1,561,351	\$ 1,415,000	\$ 1,067,252	\$ 1,500,000
Waste Disposal	\$ 3,099,162	\$ 3,063,162	\$ 3,187,237	\$ 3,183,015	\$ 3,388,265
Health & Human Services	\$ 1,465,182	\$ 1,383,573	\$ 1,489,217	\$ 1,291,614	\$ 1,511,687
Library	\$ 3,015,639	\$ 2,965,566	\$ 3,125,222	\$ 3,009,487	\$ 3,233,367
Recreation Department	\$ 356,746	\$ 355,684	\$ 363,369	\$ 356,147	\$ 372,301
Skating Arena	\$ 407,153	\$ 347,732	\$ 391,967	\$ 348,927	\$ 467,695
Education	\$ 48,039,451	\$ 48,039,451	\$ 50,441,424	\$ 50,441,424	\$ 51,937,315
Total Departmental	\$ 90,415,406	\$ 88,477,539	\$ 94,619,541	\$ 91,618,633	\$ 98,023,386

General Government FY2021 budget amount includes Town Council Reserve of \$1,776,818

Expenditures

	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Actual	FY2021 Budget
Debt Retirement	\$ 6,175,796	\$ 6,172,142	\$ 6,951,511	\$ 6,950,371	\$ 15,497,818
School Capital Projects	\$ 720,000	\$ 720,000	\$ 1,221,500	\$ 1,221,500	\$ 255,000
Town Capital Projects	\$ 5,039,059	\$ 5,039,059	\$ 5,017,969	\$ 5,017,969	\$ 1,554,600
Total Debt Svc. & Cap. Proj.	\$ 11,934,855	\$ 11,931,201	\$ 13,190,980	\$ 13,189,840	\$ 17,307,418

Expenditures

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	FY2019 Budget	FY2019 Actual	FY2020 Budget	FY2020 Actual	FY2021 Budget
Total Departmental	\$ 90,415,406	\$ 88,477,539	\$ 94,619,541	\$ 91,618,633	\$ 98,023,386
Total Debt Svc. & Cap. Proj.	\$ 11,934,855	\$ 11,931,201	\$ 13,190,980	\$ 13,189,840	\$ 17,307,418
State & County Charges	\$ 2,613,656	\$ 2,661,170	\$ 2,717,478	\$ 2,730,589	\$ 2,816,632
Retirement	\$ 18,485,572	\$ 18,479,199	\$ 21,196,816	\$ 21,186,452	\$ 16,967,196
Insurance & Employee Benefits	\$ 15,254,735	\$ 14,672,867	\$ 16,077,026	\$ 15,485,389	\$ 16,996,300
Other Financing Uses	\$ 3,519,841	\$ 3,504,166	\$ 2,109,968	\$ 2,101,933	\$ 331,068
Grand Total	\$142,224,065	\$139,726,142	\$149,911,809	\$146,312,836	\$152,442,000

Expenditures

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	FY2020 Budget	FY2020 Actual	Variance	FY2021 Budget
General Government	\$ 6,948,903	\$ 5,707,923	\$ 1,240,980	\$ 8,511,547
Public Safety	\$ 21,573,329	\$ 20,892,105	\$ 681,224	\$ 21,229,625
Public Works	\$ 5,683,873	\$ 5,320,739	\$ 363,134	\$ 5,871,584
Snow & Ice	\$ 1,415,000	\$ 1,067,252	\$ 347,748	\$ 1,500,000
Waste Disposal	\$ 3,187,237	\$ 3,183,015	\$ 4,222	\$ 3,388,265
Health & Human Services	\$ 1,489,217	\$ 1,291,614	\$ 197,603	\$ 1,511,687
Library	\$ 3,125,222	\$ 3,009,487	\$ 115,735	\$ 3,233,367
Recreation Department	\$ 363,369	\$ 356,147	\$ 7,222	\$ 372,301
Skating Arena	\$ 391,967	\$ 348,927	\$ 43,040	\$ 467,695
Education	\$ 50,441,424	\$ 50,441,424	\$ -	\$ 51,937,315
Total Departmental	\$ 94,619,541	\$ 91,618,633	\$ 3,000,908	\$ 98,023,386
Total Debt Svc. & Cap. Proj.	\$ 13,190,980	\$ 13,189,840	\$ 1,140	\$ 17,307,418
State & County Charges	\$ 2,717,478	\$ 2,730,589	\$ (13,111)	\$ 2,816,632
Retirement	\$ 21,196,816	\$ 21,186,452	\$ 10,364	\$ 16,967,196
Insurance & Employee Benefits	\$ 16,077,026	\$ 15,485,389	\$ 591,637	\$ 16,996,300
Other Financing Uses	\$ 2,109,968	\$ 2,101,933	\$ 8,035	\$ 331,068
Grand Total	\$149,911,809	\$146,312,836	\$ 3,598,973	\$152,442,000

General Government FY2021 budget amount includes Town Council Reserve of \$1,776,818.

Unreserved Fund Balance

Certified Free Cash Analysis

	FY2016	FY2017	FY2018	FY2019	FY2020
Unreserved Fund Balance Beginning of Fiscal Year	\$ 13,026,000	\$ 15,481,000	\$ 15,383,922	\$ 16,374,245	\$ 20,183,763
Revenues Over/(Under) Budget	\$ 2,847,000	\$ 1,447,042	\$ 1,817,753	\$ 2,808,326	\$ 1,420,636
Expenditures (Over)/Under Budget	\$ 1,782,000	\$ 1,452,225	\$ 1,496,600	\$ 2,497,923	\$ 3,598,973
Use of Free Cash	\$ (2,000,000)	\$ (3,438,894)	\$ (2,000,000)	\$ (2,000,000)	\$ (3,250,000)
GAAP Adjustments	\$ (174,000)	\$ 442,549	\$ (324,030)	\$ 503,269	\$ 259,237
Unreserved Fund Balance End of Fiscal Year	\$ 15,481,000	\$ 15,383,922	\$ 16,374,245	\$ 20,183,763	\$ 22,212,609
Certified Free Cash	\$ 12,326,092	\$ 11,451,127	\$ 12,978,697	\$ 17,019,246	\$ 18,350,000

FY2020 amounts are subject to classification changes via audit.
 FY2020 Certified Free Cash is an estimated amount.

Financial Reserve Goal

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

1. Preserve the Town'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

A declining reserve is an indicator that Watertown is living beyond its means.

Capital Improvement Program

Fiscal Year 2021 Budget Message

The five year Capital Improvement Program (CIP) is included within the FY2021 Budget.

The Fiscal Year 2021-2025 General Fund CIP totals \$524,150,500, which represents an increase of \$21,054,000 from the Fiscal Year 2020-2024 CIP. Potential renovation/reconstruction of school facilities totaling \$353,500,000 is included as a subcategory in the Fiscal Year 2021-2025 Capital Improvement Program, which is an increase of \$26,500,000 from the Fiscal Year 2020-2024 CIP. Projects included in the potential renovation/reconstruction of school facilities are further outlined in the “Building for the Future” section of this correspondence and are as follows:

• Three Elementary Schools Project	\$153,500,000
• High School Project	<u>\$200,000,000</u>
TOTAL:	\$353,500,000

The bonding requirement for the Fiscal Year 2021-2025 CIP is \$210,160,600 and the Street and Sidewalk bonds of \$55,735,800 listed in Fiscal Year 2025 are not included in the bonding requirement.

The funding source of \$6,570,000 of the CIP has not been determined. The following are the projects/items with the funding source to be determined (TBD).

• Former Police Facility Renovation/Reuse	\$ 4,800,000
• Former North Branch Renovation/Reuse	\$ 1,100,000
• Multi-Service Center Renovation	\$ 500,000
• Information Technology Improvements	<u>\$ 170,000</u>
TOTAL:	\$ 6,570,000

The Fiscal Year 2021-2025 Water and Sewer Enterprise Funds CIP totals \$24,170,000. Stormwater Infrastructure Improvements of \$36,050,000 with a funding source to be determined (TBD) are included within the 2021-2025 Water/Sewer Enterprise Funds CIP.

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

Permanent General Fund Debt Summary

	Permanent Debt Balances 6/30/20	Budgeted FY 2021 Bond Payments	Permanent Debt Balances 6/30/21
FY 2007 Bond Issue	\$ 100,000	\$ 100,000	\$ -
FY 2008 Bond Issue	\$ 4,500,000	\$ 500,000	\$ 4,000,000
FY 2010 Bond Issue	\$ 2,375,000	\$ 270,000	\$ 2,105,000
FY 2012 Bond Issue	\$ 1,015,000	\$ 195,000	\$ 820,000
FY 2013 Bond Issue	\$ 4,115,000	\$ 265,000	\$ 3,850,000
FY 2014 Bond Issue	\$ 1,710,000	\$ 215,000	\$ 1,495,000
FY 2014 Refunding Bond Issue	\$ 3,390,000	\$ 680,000	\$ 2,710,000
FY 2016 Bond Issue	\$ 740,000	\$ 160,000	\$ 580,000
FY 2018 Bond Issue	\$ 4,370,000	\$ 1,355,000	\$ 3,015,000
FY 2019 Bond Issue	\$ 3,795,000	\$ 685,000	\$ 3,110,000
FY 2020 Bond Issue	\$ 15,625,000	\$ 1,360,000	\$ 14,265,000
TOTAL	\$ 41,735,000	\$ 5,785,000	\$ 35,950,000

Reflects existing bonds issued for general fund purposes as of June 30, 2020. 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	BANs Maturing 6/25/21
	Total Permanent General Fund Debt	\$ 35,950,000	
	Authorized General Fund Debt (not yet issued):		
11/13/2018	Feasibility Study and Schematic Design for High School	\$ 1,600,000	\$ 1,600,000
6/25/2019	3 Elementary School Projects Plan Design	\$ 3,488,461	\$ 3,488,461
9/10/2019	3 Elementary School Projects OPM Services	\$ 1,144,277	\$ 1,144,277
6/9/2020	Construction of Hosmer and Cunniff Elementary Schools	\$103,455,000	
9/22/2020	Purchase of a Fire Ambulance	\$ 355,000	
10/13/2020	Renovation/Upgrade of Town Hall Elevator	\$ 188,000	
	Subtotal Authorized Unissued Debt:	\$110,230,738	
	Total Permanent & Short Term And Authorized Un-issued Debt	\$ 146,180,738	

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

Sewer Enterprise Fund

	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET
REVENUE & OTHER SOURCES:			
USAGE CHARGES	\$ 10,792,020	\$ 9,491,657	\$ 10,554,119
MUNICIPAL CHARGES	\$ 98,604	\$ 98,604	\$ 86,068
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 68,446	\$ 50,000
SEWER LIENS		\$ 414,259	
OTHER UTILITY CHARGES	\$ -	\$ 655	\$ -
INTEREST INCOME	\$ 15,000	\$ 16,333	\$ 15,000
TOTAL REVENUE	\$ 10,945,624	\$ 10,089,954	\$ 10,705,187
EXPENDITURE & OTHER USES:			
PERSONNEL SERVICES	\$ 558,768	\$ 500,413	\$ 569,425
SUPPLIES AND SERVICES	\$ 469,645	\$ 433,787	\$ 481,000
MWRA ASSESSMENT	\$ 6,735,163	\$ 6,718,261	\$ 6,648,177
CAPTIAL OUTLAY	\$ 1,055,000	\$ 1,050,791	\$ 1,055,000
TRANSFER TO GENERAL FUND	\$ 1,534,390	\$ 1,534,390	\$ 1,491,802
DEBT SERVICE	\$ 592,658	\$ 395,515	\$ 459,783
TOTAL EXPENDITURES	\$ 10,945,624	\$ 10,633,157	\$ 10,705,187

Water Enterprise Fund

	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET
REVENUE & OTHER SOURCES:			
USAGE CHARGES	\$ 7,570,278	\$ 6,629,005	\$ 7,803,063
MUNICIPAL CHARGES	\$ 195,000	\$ 195,000	\$ 160,000
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 46,155	\$ 42,000
WATER LIENS		\$ 249,951	
OTHER UTILITY CHARGES	\$ 30,000	\$ 113,359	\$ 50,000
TEST CHARGES	\$ 50,000	\$ 71,850	\$ 50,000
USE OF RETAINED EARNINGS	\$ 500,000	\$ 500,000	\$ 250,000
SALE OF PROPERTY		\$ 117,633	
INTEREST INCOME	\$ 10,000	\$ 9,819	\$ 10,000
TOTAL REVENUE	\$ 8,395,278	\$ 7,932,772	\$ 8,365,063
EXPENDITURE & OTHER USES:			
PERSONNEL SERVICES	\$ 1,014,129	\$ 898,466	\$ 1,089,648
SUPPLIES AND SERVICES	\$ 372,390	\$ 330,698	\$ 395,100
MWRA ASSESSMENT	\$ 3,899,172	\$ 3,897,384	\$ 3,935,832
CAPITAL OUTLAY	\$ 236,000	\$ 231,446	\$ 236,000
TRANSFER TO GENERAL FUND	\$ 1,631,808	\$ 1,631,808	\$ 1,588,520
TRANSFER TO CAP. PROJECT/WATER	\$ 500,000	\$ 500,000	\$ 250,000
DEBT SERVICE	\$ 741,779	\$ 676,446	\$ 869,963
TOTAL EXPENDITURES	\$ 8,395,278	\$ 8,166,247	\$ 8,365,063

Water & Sewer Prior Year Funds

Balances as of July 1, 2020

Account Description	Current Year Fund Carryover
Water:	
Improvements	\$ 239,743
Water Materials & Supplies	\$ 136,771
Street Repair Services	\$ 58,900
Sidewalk Repair Services	\$ 30,000
Replacement Of Equipment	\$ 26,532
Contracted Services	\$ 8,114
Tools	\$ 7,810
Printing & Forms	\$ 2,603
Total Water Prior Year	\$ 510,473
Sewer:	
Improvements	\$ 2,315,923
Additional Equipment	\$ 793,759
Replacement Of Equipment	\$ 111,786
Sewer Materials & Supplies	\$ 110,503
Street Repair Services	\$ 82,400
Sidewalk Repair Services	\$ 59,299
Contracted Services	\$ 52,684
Rental of Equipment	\$ 44,845
Total Sewer Prior Year	\$ 3,571,199

Overlay Accounts

Balances as of June 30, 2020

Fiscal Year	Amounts
2005-2013	\$ 342,320
2014	\$ 201,216
2015	\$ 484,803
2016	\$ 315,819
2017	\$ 245,519
2018	\$ 404,491
2019	\$ 309,882
2020	\$ 669,464
	\$ 2,973,514

Special Revenue Accounts

Balances as of June 30, 2020

Fund Description	Fund Balance
FY 20 Circuit Breaker	\$ 1,979,752
O'Neill Property Charitable	\$ 1,210,909
Integrated Pre-School Revolving	\$ 556,512
Athletics Revolving Fund	\$ 490,932
Community Dev. Block Grant	\$ 388,418
School Lunch Program	\$ 334,560
Lowell School Extended Day	\$ 326,732
Parking Meter Fund*	\$ 303,541
Sale Of Cemetery Lots*	\$ 302,365
Pre-kindergarten Revolving	\$ 301,595
Hosmer School Extended Day	\$ 281,070
Affordable Housing Dev	\$ 269,269
Top Twelve Total	\$ 6,745,655
All Others (103)	\$ 2,638,563
Total Special Revenue (115)	\$ 9,384,218

* Includes amounts to be transferred for FY2021 Budget.

Community Preservation Act (CPA)

Balances as of June 30, 2020

Account Description	Account Balance
FY 2018 Reserve for Open Space/Recreation	\$150,000
FY 2019 Reserve for Open Space/Recreation	\$236,739
FY 2020 Reserve for Open Space/Recreation	\$248,140
Total Reserve Open Space/Recreation	\$634,879
FY 2018 Reserve for Historic Preservation	\$150,000
FY 2019 Reserve for Historic Preservation	\$236,739
FY 2020 Reserve for Historic Preservation	\$248,140
Total Reserve for Historic Preservation	\$634,879
FY 2018 Reserve for Community Housing	\$150,000
FY 2019 Reserve for Community Housing	\$236,739
FY 2020 Reserve for Community Housing	\$248,140
Total Reserve for Community Housing	\$634,879
Reserve for Encumbrances	\$37,150
Undesignated Fund Balance	\$5,058,390
Total:	\$7,000,177

NOTE: During Fiscal Year 2021, it is estimated that the CPA fund will grow another \$2,600,000.

Capital Projects Accounts

Balances as of June 30, 2020

Fund Description	Fund Balance
Three Elementary School Project	\$ 9,697,716
Arsenal Park	\$ 2,028,200
Greystar Capital Mitigation	\$ 1,450,000
Filippello Park Lighting	\$ 1,317,316
FY 20 Street And Sidewalk	\$ 1,061,600
MWRA I And I Grant/Loan Order FY 20	\$ 767,800
DPW Equipment	\$ 691,485
FY 20 Street And Sidewalk Loan	\$ 524,410
DPW Equipment	\$ 477,225
Parking Meters	\$ 457,000
DPW Equipment	\$ 455,168
Police Building	\$ 436,570
FY 19 Sewer Improvements	\$ 250,000
FY 18 Sewer Improvements	\$ 250,000
FY 20 Water Improvements	\$ 247,534
Top Fifteen Total	\$ 20,112,023
All Others (55)	\$ 3,112,833
Total Capital Projects (70)	\$ 23,224,856

Stabilizations, Trusts and Agency Accounts

Balances as of June 30, 2020

Fund Description	Balance
OPEB Trust Fund	\$ 9,537,744
Capital Proj. Stabilization*	\$ 2,626,158
ESCO Stabilization*	\$ 1,386,909
Stabilization Fund	\$ 1,273,186
Sped Stabilization	\$ 1,014,808
Cemetery Perpetual Care (Non-expendable)	\$ 999,676
Federal Law Enforcement Trust	\$ 778,678
Collective Bargaining Stabilization	\$ 440,667
Albert Fleming Scholarship (Non-expendable)	\$ 300,000
UPIT Scholarship Fund (Non-expendable)	\$ 228,630
Top Ten Total	\$ 18,586,456
All Others (61)	\$ 999,688
Total Trusts & Agency (71)	\$ 19,586,143

* Includes amounts to be transferred for FY2021 Budget

FY2021 Budget Development

(Included for background informational purposes)

To preserve the Town's financial condition we must:

1. Continue to strive to provide the highest level of essential services possible 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.

Town Council FY2021

Budget Policy Guidelines (Page 1 of 2)

(adopted November 26, 2019)

The following are the top two priorities of the ranked Cost-Savings/Revenues Guidelines and the top seven priorities of the ranked Program Enhancements/Expenditures Guidelines:

- ▶ 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.
- ▶ Continue pursuing mitigation monies and/or other measures for larger scale projects.
- ▶ Enhance the capabilities of the Town Manager's office with consideration given to creating a Deputy Town Manager position as previously recommended in the Division of Local Services' Financial Management Review, with responsibilities to include managing communication content and enhancing public engagement, and other duties as assigned.
- ▶ 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 with proposed debt exclusion funding in conjunction with outreach efforts to the community by the School Committee.

Town Council FY2021

Budget Policy Guidelines (Page 2 of 2)

(adopted November 26, 2019)

- Improve the operational efficiency, flexibility, and capacity of the Public Works Department to meet the Town'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. Consider what technology platforms are needed to support the Department.
- Consider the recommendations of the Town-wide Information Technology Assessment to review the acquisition, distribution, and management of IT resources, including staffing levels and positions required to support the Town's IT environment, improve the functionality of the Town's website, and improve communications with residents.
- Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive multi-year educational budget that assures sustainable funding for our schools and the successful education of our children. Seek to accommodate the Manager's forecast 5% school operating budget increase for FY21, subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 8, 2019 Preliminary Budget Overview. Conduct further review to examine the sustainability of 5% increases in FY22 and beyond.
- Continue to work with the Watertown Transportation Management Association to identify sustainable sources of funding, including tax revenue if needed, for the pilot shuttle bus program.
- Move forward with funding to develop the Watertown Climate and Energy Master Plan.

COVID-19 Pandemic & Related Budget Issues

- COVID-19 Pandemic
- Fiscal Year 2021 Budget Delay
- Fiscal Year 2021 Lost Revenue
- Federal Coronavirus Aid, Relief & Economic Security Act (the “CARES Act”)
- Fiscal Year 2021 Budget Highlights
- Fiscal Year 2021 State Aid Update
- Basic Budget Tenets

Fiscal Year 2021 Budget Amendment

<u>REVENUE</u>	<u>INCREASE (DECREASE)</u>	<u>TO READ</u>
REAL ESTATE AND PROPERTY TAXES	\$ 180,668	\$ 122,391,323
STATE AID	\$ 1,390,612	\$ 11,955,612
TOTAL REVENUE ADJUSTMENT	\$ 1,571,280	

<u>EXPENDITURES</u>	<u>INCREASE (DECREASE)</u>	<u>TO READ</u>
CLIMATE & ENERGY MASTER PLAN 0194000-530386	\$ 102,175	\$ 102,175
ELECTION'S TEMPORARY PART TIME SALARIES 0116251-510121	\$ 8,000	\$ 60,240
ELECTION'S BUILDING RENTAL 0116252-520270	\$ 2,000	\$ 6,000
TRANSFER TO COMMANDERS MANSION 0194000-590975	\$ 90,000	\$ 90,000
TOWN COUNCIL RESERVE 0111152-570780	\$ 1,369,105	\$ 3,145,923
TOTAL EXPENDITURE ADJUSTMENT	\$ 1,571,280	

FY2022 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.

Revenue Forecast

Assumptions:

Real Estate and Personal Property taxes are increased 2.5% per year. New growth is projected to be \$6,000,000 in FY 2022, \$3,500,000 in FY 2023 and \$3,500,000 in Fiscal Year 2024.

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 original FY2021 budget.

The majority of Local Receipts are projected to remain constant or increase 2.5% annually.

Inspection Fees remain at \$2,200,000 and Investment Income is projected at \$500,000 annually through FY 2024.

Motor Vehicle Excise was reduced by \$435,000 in FY 2021, and is projected to increase \$125,000 in FY 2022 & FY 2023 and \$185,000 in FY 2024 to a level of \$4,350,000 annually which was the FY 2020 amount. Hotel Excise was reduced by \$175,000 in FY 2021, and is projected to increase \$150,000 annually from FY 2022 through FY 2024.

Revenue Forecast

Other Financing Sources reflect transfers from the following:

- ▶ Parking Meter Fund to offset the Parking Lots and Meters Budget. This fund was reduced by \$100,000 in FY 2021 and will be further reduced by another \$100,000 in FY 2022, and is projected to be \$350,000 in FY 2023 and FY 2024.
- ▶ Cemetery Perpetual Care Expendable Trust Fund and the Sale of Lots Fund to partially offset the Department of Public Works Cemetery Budget.
- ▶ Water and Sewer Enterprise Funds to cover applicable indirect costs.

Revenue Forecast

Utilization of Free Cash was \$3,250,000 in FY 2021. Utilization of Free Cash is recommended at a level of \$2,000,000 annually through FY 2024 which includes \$250,000 annually for the Special Education Stabilization Fund.

Transfer from the Capital Projects Stabilization Fund is projected at \$500,000 annually through FY 2025, 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	FY2021	FY2022	FY2023	FY2024
Prior Year Levy Limit	\$ 117,181,127	\$ 123,391,323	\$ 132,476,106	\$ 139,288,008
Prior Year Amended Growth	\$ (118,907)	\$ -	\$ -	\$ -
Add 2.5%	\$ 2,926,556	\$ 3,084,783	\$ 3,311,903	\$ 3,482,200
New Growth	\$ 3,402,547	\$ 6,000,000	\$ 3,500,000	\$ 3,500,000
Adjusted Levy Limit	\$ 123,391,323	\$ 132,476,106	\$ 139,288,008	\$ 146,270,208
Overlay	\$ (1,000,000)	\$ (1,000,000)	\$ (1,050,000)	\$ (1,050,000)
Debt Exclusion	\$ -	\$ -	\$ -	\$ -
Net Levy Limit	\$ 122,391,323	\$ 131,476,106	\$ 138,238,008	\$ 145,220,208

Revenue Forecast

State Aid

State Aid	FY2021	FY2022	FY2023	FY2024
Cherry Sheet Receipts	\$ 11,955,612	\$ 10,565,000	\$ 10,565,000	\$ 10,565,000
Total State Aid	\$ 11,955,612	\$ 10,565,000	\$ 10,565,000	\$ 10,565,000

Revenue Forecast

Local Receipts (1 of 2)

	FY2021	FY2022	FY2023	FY2024
Motor Vehicle Excise	\$ 3,915,000	\$ 4,040,000	\$ 4,165,000	\$ 4,350,000
Meals Excise	\$ 412,500	\$ 500,000	\$ 512,500	\$ 525,313
Hotel Excise	\$ 525,000	\$ 675,000	\$ 825,000	\$ 975,000
Penalties & Interest	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
PILOT	\$ 1,024,699	\$ 86,548	\$ 87,088	\$ 87,628
Commercial Trash	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Fees	\$ 3,850,000	\$ 3,850,000	\$ 3,850,000	\$ 3,850,000
Rentals	\$ 128,841	\$ 178,312	\$ 227,769	\$ 227,215
Cemetery	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
Recreation	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000

Revenue Forecast

Local Receipts (2 of 2)

	FY2021	FY2022	FY2023	FY2024
Licenses & Permits	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
Fines & Forfeits	\$ 610,000	\$ 610,000	\$ 610,000	\$ 610,000
Investment Income	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Sale of Town Property	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Belmont Reimbursement	\$ 74,595	\$ 76,460	\$ 78,371	\$ 80,331
Grant/Employee Reimbursements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Total Local Receipts	\$ 12,042,635	\$ 11,518,320	\$ 11,857,728	\$ 12,207,487

Revenue Forecast

Other Financing Sources

Transfer from:	FY2021	FY2022	FY2023	FY2024
Sale of Lots	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Parking Meter	\$ 250,000	\$ 150,000	\$ 350,000	\$ 350,000
Cemetery Perpetual Care	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Capital Project Stabilization	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
ESCO Capital Proj. Stabilization	\$ 508,388	\$ 505,938	\$ 500,938	\$ 494,438
Water Fund	\$ 1,588,520	\$ 1,628,233	\$ 1,668,939	\$ 1,710,662
Sewer Fund	\$ 1,491,802	\$ 1,529,097	\$ 1,567,324	\$ 1,606,508
Free Cash	\$ 3,250,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total Other Sources	\$ 7,623,710	\$ 6,348,268	\$ 6,622,201	\$ 6,696,608

Utilization of Free Cash & Overlay Surplus

Source	FY2020	FY2021	FY2022	FY2023	FY2024
Free Cash - Annual	\$ 2,000,000	\$ 3,250,000	\$ 1,750,000	\$1,750,000	\$1,750,000
Free Cash – SPED Stabilization			\$ 250,000	\$ 250,000	\$ 250,000
Total Revenue	\$ 2,000,000	\$ 3,250,000	\$ 2,000,000	\$2,000,000	\$2,000,000

Revenue Forecast Summary

Source	FY2021	FY2022	FY2023	FY2024
Real Estate & Personal Prop. Tax	\$ 122,391,323	\$ 131,476,106	\$ 138,238,008	\$ 145,220,208
State Aid	\$ 11,955,612	\$ 10,565,000	\$ 10,565,000	\$ 10,565,000
Local Receipts	\$ 12,042,635	\$ 11,518,320	\$ 11,857,728	\$ 12,207,487
Other Financing Sources	\$ 7,623,710	\$ 6,348,268	\$ 6,622,201	\$ 6,696,608
Total Revenue	\$ 154,013,280	\$ 159,907,694	\$ 167,282,938	\$ 174,689,303

FY2021 Budget amounts include Proposed FY2021 Budget Amendment of \$1,571,280

Expenditure Forecast

Assumptions:

Departmental expenditures are projected to increase \$1,461,946 (2.5%) in FY 2022 , \$1,021,868 (2.5%) in FY 2023 and \$1,047,416 (2.5%) in FY 2024.

The Education appropriation is projected to increase \$1,817,806 (3.5%) in FY 2022, \$1,881,429 (3.5%) in FY 2023 and \$1,947,280 (3.5%) in FY 2024.

Snow and Ice Removal is projected at \$1,500,000 through FY 2024.

The Waste Disposal appropriation is projected to increase 5% annually from FY 2022 through FY 2024. Funding of a new Service Agreement with Wheelabrator North Andover beginning in FY 2021 has been included.

Expenditure Forecast

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

The Watertown Contributory Retirement Board will be submitting a Funding Schedule to the Public Employee Retirement Administration Commission for approval which has the Retirement System fully funded on July 1, 2021. Pension costs increased \$1,407,566 in FY 2021, projected to decrease \$7,079,095 in FY 2022, decrease \$6,494,473 in FY 2023, and decrease \$254,755 in FY 2024.

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 2029. Funding of the OPEB Liability was projected at \$2,379,017 in FY 2021, \$7,752,188 in FY 2022, \$10,177,254 in FY 2023, and \$7,624,359 in FY 2024.

Expenditure Forecast

Health Insurance costs, included within Insurance & Employee Benefits, are projected to increase 7.5% annually.

Funding of the Three Elementary Schools Project was \$6,473,376 in FY 2021, projected at \$8,754,300 in FY 2022, \$12,823,707 in FY 2023, and \$15,631,357 in FY 2024.

Debt figures are from current and projected future debt as listed in the FY 2021-2025 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 2021-2025 Capital Improvement Program.

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

Transfer to the Special Education Stabilization Fund is projected at \$250,000 annually through FY 2024.

Expenditure Forecast

Departmental Expenditures

Source	FY2021	FY2022	FY2023	FY2024
General Government	\$ 6,726,547	\$ 6,894,711	\$ 7,067,078	\$ 7,243,755
Public Safety	\$ 21,229,625	\$ 22,236,991	\$ 22,792,915	\$ 23,362,738
Public Works	\$ 5,871,584	\$ 6,018,374	\$ 6,168,833	\$ 6,323,054
Snow & Ice Removal	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Waste Disposal	\$ 3,388,265	\$ 3,557,678	\$ 3,735,562	\$ 3,922,340
Health & Human Services	\$ 1,511,687	\$ 1,549,479	\$ 1,588,216	\$ 1,627,922
Library	\$ 3,233,367	\$ 3,314,201	\$ 3,397,056	\$ 3,481,983
Recreation	\$ 839,996	\$ 860,996	\$ 882,521	\$ 904,584
Education	\$ 51,937,315	\$ 53,755,121	\$ 55,636,550	\$ 57,583,830
Total Departmental	\$ 96,238,386	\$ 99,687,551	\$ 102,768,732	\$ 105,950,206
Insurance & Employee Benefits	\$ 16,996,300	\$ 18,195,153	\$ 19,482,501	\$ 20,864,942

Expenditure Forecast

FY 2021 Education Appropriation

(Included for background informational purposes)

Two of the top priorities of the Program Enhancements/Expenditures section of the Honorable Town Council's Fiscal Year 2021 Budget Policy Guidelines reads as follows:

- II. B. Continue support for Building for the Future Initiative funding in collaboration with the School Committee, for the Three Elementary Schools project, and for the MSBA High School project with proposed debt exclusion funding in conjunction with outreach efforts to the community by the School Committee.
- II. E. Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive multi-year educational budget that assures sustainable funding for our schools and the successful education of our children. Seek to accommodate the Manager's forecast 5% school operating budget increase for FY21, subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 8, 2019 Preliminary Budget Overview. Conduct further review to examine the sustainability of 5% increases in FY22 and beyond.

Expenditure Forecast

FY 2021 Education Appropriation

(Included for background informational purposes)

Source	FY2021	FY2022	FY2023	FY2024
Education*	\$ 51,937,315	\$ 53,755,121	\$ 55,636,550	\$ 57,583,830

The Submitted Fiscal Year 2021 Budget continues the Town's very strong commitment to Education. The adopted funding level for the Fiscal Year 2021 Education appropriation is \$51,937,315, which is an increase of \$1,495,891 over the Fiscal Year 2020 Education appropriation.

The Submitted Fiscal Year 2021 School Health Insurance appropriation is \$5,598,293, an increase of \$395,480 above the revised Fiscal Year 2020 Level. Included within the School Health Insurance appropriation are monies related to projected staffing in Fiscal Year 2021.

As indicated earlier in this presentation, the Expenditure Forecast included within the Submitted Fiscal Year 2021 Budget document has Departmental Expenditures projected to increase 2.5% annually from Fiscal Year 2022 through Fiscal Year 2024. The Education appropriation is projected to increase 3.5% annually from Fiscal Year 2022 through Fiscal Year 2024.

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.

* The Education appropriation is projected to increase \$1,817,806 (3.5%) in FY 2022, \$1,881,429 (3.5%) in FY 2023 and \$1,947,280 (3.5%) in FY 2024.

Building for the Future Initiative

(Page 1 of 2)

The Honorable Town Council’s Fiscal Year 2021-2025 Capital Improvement Program conceptual recommendation #13 reads as follows: For the “Building for the Future” Three Elementary Schools Project: endorse the revised borrowing plan of \$75,000,000 in FY20, \$60,000,000 in FY22, and \$35,000,000 in FY23 within the confines of Proposition 2½; and proceed with the remaining FY20 proposed loan order for \$58,478,109 (consisting of \$75,000,000 minus prior loan orders of \$12,441,016 for Design Services and \$4,080,875 for the Owner’s Project Manager.) As a result of timing issues with going to the Bond Market, the following is the revised timeline for borrowing \$170,000,000 for the Three Elementary Schools Project:

Fiscal Year 2020	\$ 16,521,891
Fiscal Year 2021	\$ 64,000,000
Fiscal Year 2022	\$ 46,000,000
Fiscal Year 2023	<u>\$ 43,478,109</u>
	\$170,000,000

The following are the projected funding levels for the three Elementary Schools Building Project:

Fiscal Year 2021	\$ 6,473,376
Fiscal Year 2022	\$ 8,754,300
Fiscal Year 2023	\$12,823,707
Fiscal Year 2024	\$15,631,357

Building for the Future Initiative (Page 2 of 2)

As a follow-up to that conceptual recommendation and in accordance with the Honorable Town Council's Budget Policy Guideline II.B., the potential renovation/reconstruction of school facilities included as a subcategory in the Fiscal Year 2021-2025 Capital Improvement Program includes the following projects.

3 Elementary Schools Project	\$153,500,000
High School Project	<u>\$200,000,000</u>
	\$353,500,000

A School Building Committee was established with thirteen (13) appointments to the Committee. The Committee is the representative of the Town in all dealings with the architect. The Committee's first meeting was held on March 14, 2018 and they have held sixty-four (64) meetings since then including three (3) Community Forums at each of the three elementary schools and four (4) Community Forums on the High School. The Committee has worked tirelessly with the architect and the proposed Three Elementary Schools Project creates modern, forward-thinking facilities and associated site amenities that meet the educational, neighborhood, energy efficiency, and recreational goals established through a public process of meetings and forums. The Committee is also working with Ai3 Architects on the High School Project that will be done with MSBA assistance and a Debt Exclusion vote in calendar year 2021.

UNFUNDED PENSION LIABILITY & OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Honorable Town Council's Fiscal Year 2019 Budget Policy Guideline II.A. reads in part as follows: " use funds redirected from the retirement appropriation when the pension is fully funded, to reconstruct 3 elementary schools while also paying down the OPEB liability." In accordance with that Budget Policy Guideline, the projected funding for the Retirement Appropriation is as follows:

Fiscal Year 2021	\$14,588,179
Fiscal Year 2022	\$ 7,509,084
Fiscal Year 2023	\$ 1,014,611
Fiscal Year 2024	\$ 759,856

As indicated earlier, the Retirement System will be fully funded on July 1, 2021. A long-range financial plan for addressing the Unfunded OPEB Liabilities has been created; and subsequently formalized in the Honorable Town Council's Fiscal Year 2019 Budget Policy Guidelines II.A.; and commenced in Fiscal Year 2020 with the projected funding of the OPEB Liability as follows:

Fiscal Year 2021	\$ 2,379,017
Fiscal Year 2022	\$ 7,752,188
Fiscal Year 2023	\$10,177,254
Fiscal Year 2024	\$ 7,624,359

Expenditure Forecast 6/8/2020 – Submission of the Fiscal Year 2021 Budget

Source	FY2020	FY2021	FY2022	FY2023	FY2024
Pension Costs	\$ 13,180,613	\$ 14,588,179	\$ 1,008,276	\$ 1,018,337	\$ 766,944
Other Post Employment Benefits (OPEB)	\$ 8,016,203	\$ 2,379,017	\$ 13,677,996	\$ 9,598,528	\$ 7,042,271
3 Elementary School Project	\$ 981,193	\$ 6,473,376	\$ 8,754,300	\$ 12,823,707	\$ 15,631,357
TOTAL	\$ 22,178,009	\$ 23,440,572	\$ 23,440,572	\$ 23,440,572	\$ 23,440,572

Expenditure Forecast 10/13/2020 – Fiscal Year 2022 Preliminary Budget Overview

Source	FY2020	FY2021	FY2022	FY2023	FY2024
Pension Costs	\$ 13,180,613	\$ 14,588,179	\$ 7,509,084	\$ 1,014,611	\$ 759,856
Other Post Employment Benefits (OPEB)	\$ 8,016,203	\$ 2,379,017	\$ 7,752,188	\$ 10,177,254	\$ 7,624,359
3 Elementary School Project	\$ 981,193	\$ 6,473,376	\$ 8,754,300	\$ 12,823,707	\$ 15,631,357
TOTAL	\$ 22,178,009	\$ 23,440,572	\$ 24,015,572	\$ 24,015,572	\$ 24,015,572

Variance Between the Expenditure Forecasts

Source	FY2020	FY2021	FY2022	FY2023	FY2024
Pension Costs	\$ -	\$ -	\$ 6,500,808	\$ (3,726)	\$ (7,088)
Other Post Employment Benefits (OPEB)	\$ -	\$ -	\$ (5,925,808)	\$ 578,726	\$ 582,088
3 Elementary School Project	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ 575,000	\$ 575,000	\$ 575,000

- As of January 1, 2020, the Unfunded Pension Liability is estimated to be \$19,341,794.
- As of July 1, 2019, the Unfunded OPEB Liability is estimated to be \$115,370,918.

Expenditure Forecast

Debt and Interest

Source	FY2021	FY2022	FY2023	FY2024
Permanent Debt/Interest	\$ 5,763,313	\$ 4,984,725	\$ 4,175,687	\$ 3,925,056
ESCO - Permanent Debt/Interest	\$ 508,388	\$ 505,938	\$ 500,938	\$ 494,438
Three Elem. Schools Proj. - Permanent Debt/Interest	\$ 1,143,938	\$ 1,107,250	\$ 1,070,750	\$ 1,034,250
Three Elem. Schools Proj. - Authorized/Unissued & Planned	\$ 5,329,438	\$ 7,647,050	\$ 11,752,957	\$ 14,597,107
Street & Sidewalk - Authorized/Unissued & Planned	\$ 1,350,226	\$ 2,359,700	\$ 3,256,325	\$ 4,190,450
Other Debt - Authorized/Unissued & Planned	\$ 1,397,515	\$ 2,901,938	\$ 4,511,736	\$ 5,504,848
Cost of Certifying Bonds	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Expenditure	\$ 15,497,818	\$ 19,511,601	\$ 25,273,393	\$ 29,751,149

Debt & Interest related to the Three Elementary Schools Project is as follows:

\$6,473,376 in FY2021, \$8,754,300 in FY2022, \$12,823,707 in FY2023 and \$15,631,357 in FY2024

Expenditure Forecast

Capital Projects

Source	FY2021	FY2022	FY2023	FY2024
Town Capital	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000
School Capital Projects	\$ 255,000	\$ 291,000	\$ 300,000	\$ 235,000
Street & Sidewalk Improvements	\$ 1,114,600	\$ 1,170,360	\$ 1,228,847	\$ 1,290,289
Total Expenditure	\$ 1,809,600	\$ 1,901,360	\$ 1,968,847	\$ 1,965,289

Expenditure Forecast

Source	FY2021	FY2022	FY2023	FY2024
Departmental	\$ 96,238,386	\$ 99,687,551	\$ 102,768,732	\$ 105,950,206
Insurance & Employee Benefits	\$ 16,996,300	\$ 18,195,153	\$ 19,482,501	\$ 20,864,942
Pension Costs	\$ 14,588,179	\$ 7,509,084	\$ 1,014,611	\$ 759,856
OPEB	\$ 2,379,017	\$ 7,752,188	\$ 10,177,254	\$ 7,624,359
Debt & Interest	\$ 15,497,818	\$ 19,511,601	\$ 25,273,393	\$ 29,751,149
Capital Projects	\$ 1,809,600	\$ 1,901,360	\$ 1,968,847	\$ 1,965,289
State Assessments	\$ 2,816,632	\$ 2,875,427	\$ 2,953,467	\$ 3,033,629
Town Council Reserve	\$ 3,145,923	\$ 1,625,000	\$ 1,875,000	\$ 2,125,000
Other Financing Uses & Misc.	\$ 541,425	\$ 588,450	\$ 596,054	\$ 603,885
Total Expenditure	\$ 154,013,280	\$ 159,645,814	\$ 166,109,858	\$ 172,678,315

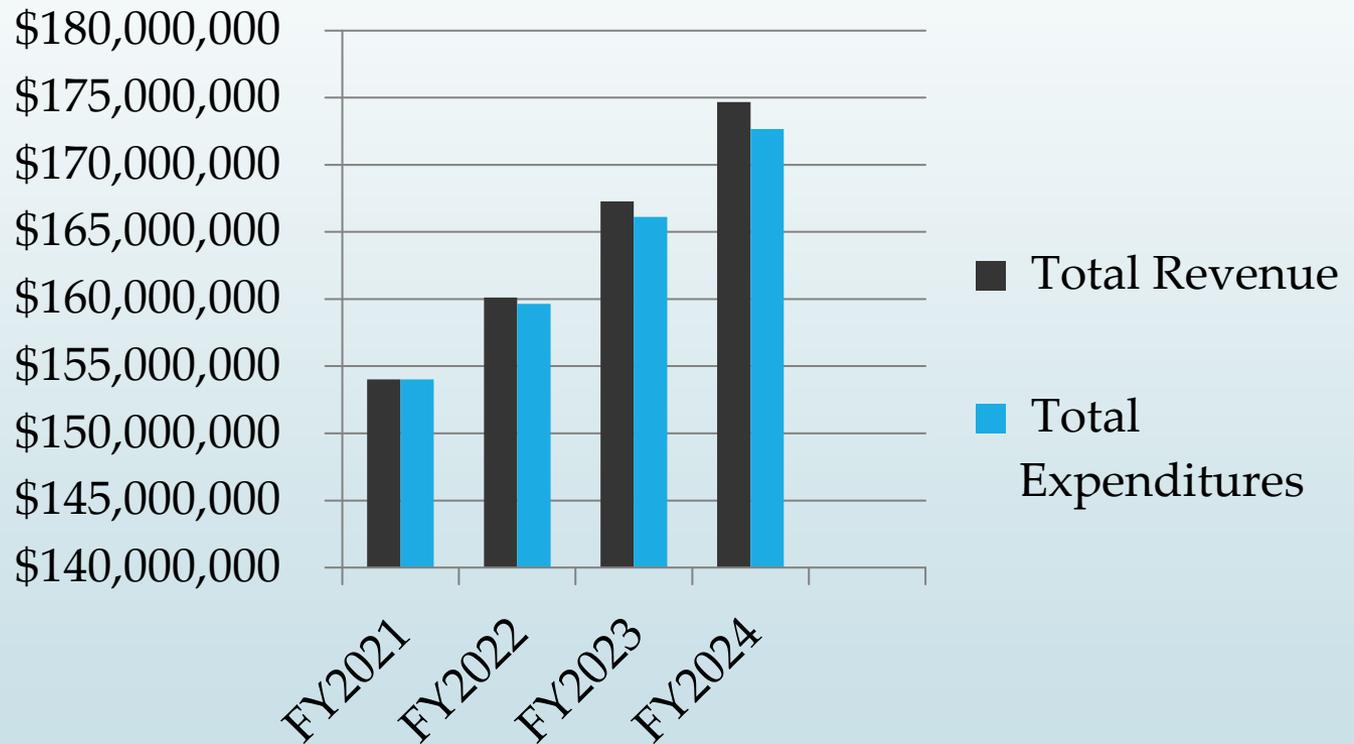
FY2021 Budget amounts include Proposed FY2021 Budget Amendment of \$1,571,280.

Debt & Interest related to the Three Elementary Schools Project is as follows:
 \$6,473,376 in FY2021, \$8,754,300 in FY2022, \$12,823,707 in FY2023 and \$15,631,357 in FY2024

Forecast Summary

	FY2021	FY2022	FY2023	FY2024
Total Revenue	\$ 154,013,280	\$ 159,907,694	\$ 167,282,938	\$ 174,689,303
Total Expenditures	\$ 154,013,280	\$ 159,645,784	\$ 166,109,858	\$ 172,678,315
Projected Surplus/(Deficits)	\$ -	\$ 261,880	\$ 1,173,079	\$ 2,010,989
Prior Year Balance Budget	\$ -	\$ -	\$ (261,880)	\$ (1,173,079)
Remaining Surplus/(Deficit)	\$ -	\$ 261,880	\$ 911,199	\$ 837,909

Forecast Summary



Forecast Comparison

	Projected 6/8/2020 FY2022 Budget	Projected 10/13/2020 FY2022 Budget	Variance
Revenue:			
Taxes	\$ 128,590,921	\$ 131,476,106	\$ 2,885,185
State Aid	\$ 10,565,000	\$ 10,565,000	\$ -
Local Receipts	\$ 12,485,172	\$ 11,518,320	\$ (966,852)
Other Financing Sources	\$ 6,548,268	\$ 6,348,268	\$ (200,000)
Total Revenue	\$ 158,189,361	\$ 159,907,694	\$ 1,718,333
Expenditures:			
Education Appropriation	\$ 53,755,121	\$ 53,755,121	\$ -
Town Depts. Approp.	\$ 40,818,377	\$ 40,874,752	\$ 56,375
Waste Disposal	\$ 3,557,678	\$ 3,557,678	\$ -
Snow & Ice Removal	\$ 1,500,000	\$ 1,500,000	\$ -
State Assessments	\$ 2,875,427	\$ 2,875,427	\$ -
Pension Costs	\$ 1,008,276	\$ 7,509,084	\$ 6,500,808
OPEB	\$ 13,677,996	\$ 7,752,188	\$ (5,925,808)
Insurance & Employee Benefits	\$ 18,195,153	\$ 18,195,153	\$ -
Debt and Interest	\$ 19,511,601	\$ 19,511,601	\$ -
Capital Projects	\$ 1,901,360	\$ 1,901,360	\$ -
Other Financing Uses	\$ 588,450	\$ 588,450	\$ -
Town Council Reserve	\$ 1,625,000	\$ 1,625,000	\$ -
Total Expenditures	\$ 159,014,439	\$ 159,645,814	\$ 631,375
Projected Surplus/(Deficit)	\$ (825,078)	\$ 261,880	\$ 1,086,958

Projected Comparison

	FY2021	FY2022	Variance
Revenue:			
Taxes	\$ 122,391,323	\$ 131,476,106	\$ 9,084,783
State Aid	\$ 11,955,612	\$ 10,565,000	\$ (1,390,612)
Local Receipts	\$ 12,042,635	\$ 11,518,320	\$ (524,315)
Other Financing Sources	\$ 7,623,710	\$ 6,348,268	\$ (1,275,442)
Total Revenue	\$ 154,013,280	\$ 159,907,694	\$ 5,894,414
Expenditures:			
Education Appropriation	\$ 51,937,315	\$ 53,755,121	\$ 1,817,806
Town Depts. Approp.	\$ 39,412,806	\$ 40,874,752	\$ 1,461,946
Waste Disposal	\$ 3,388,265	\$ 3,557,678	\$ 169,413
Snow & Ice Removal	\$ 1,500,000	\$ 1,500,000	\$ -
State Assessments	\$ 2,816,632	\$ 2,875,427	\$ 58,795
Pension Costs	\$ 14,588,179	\$ 7,509,084	\$ (7,079,095)
OPEB	\$ 2,379,017	\$ 7,752,188	\$ 5,373,171
Insurance & Employee Benefits	\$ 16,996,300	\$ 18,195,153	\$ 1,198,853
Debt and Interest	\$ 15,497,818	\$ 19,511,601	\$ 4,013,783
Capital Projects	\$ 1,809,600	\$ 1,901,360	\$ 91,760
Other Financing Uses	\$ 541,425	\$ 588,450	\$ 47,025
Town Council Reserve	\$ 3,145,923	\$ 1,625,000	\$ (1,520,923)
Total Expenditures	\$ 154,013,280	\$ 159,645,814	\$ 5,632,534
Projected Surplus/(Deficit)	\$ -	\$ 261,880	\$ 261,880

FY2021 & FY2022 Budget Issues & Beyond

- COVID-19 Pandemic & Related Budget Issues
 - Future State Aid/Economy Driven Revenues
 - “CARES Act”
- Unfunded Pension Liability & OPEB
 - Retirement System – Fully Funded July 1, 2021
 - OPEB Liability Funding – FY2020 – FY2029
- Building for the Future Initiative
 - (3) Elementary Schools’ Project (within Prop 2 ½)
 - Cunniff & Hosmer Under Construction
 - Cunniff to be Completed Fall 2021
 - Hosmer to be Completed Summer 2022
 - Lowell Construction Contractor Bidding Fall 2021
- High School Project (MSBA Path)
 - Feasibility and Schematic Process
 - Preliminary Design Program - Completed
 - Preferred Schematic Study and Report – January 2021
 - Schematic Design - 2021
 - Debt Exclusion Vote – Calendar Year 2021
- Collective Bargaining
 - Three (3) Town Unions (FY2020-2022)
 - Two (2) School Unions (FY2020-2022)
- Insurance and Employee Benefits
 - Group Insurance Commission Renewal
- Acquisition of Land for Open Space/ Recreational Use
- Community Preservation Act (CPA)
 - Finalize CPA Plan/Initial Application Process
- Community Development & Planning
 - Comprehensive Plan Implementation/Update
 - Transportation Management Association/Pilot Shuttle Bus Program
 - Parking Management Plan Implementation
 - Bicycle & Pedestrian Plan
 - Community Path (Taylor – Linear)
 - I-Cubed
- Capital Improvement Plan
 - DPW Staging Space
 - Various Building Improvements
 - Departmental Equipment
- Park Improvements
 - Arsenal Park Phase B
 - Victory Field Phase 2
 - Saltonstall Park Improvements
 - Moxley Courts Renovations & Lighting
 - Casey Park
- Street & Sidewalk Improvements
 - FY2021 Loan Orders at \$4.0M
 - Four (4) Loan Orders of \$16.0 (FY2022-2025)
 - Related Water-Sewer Improvements
 - Mount Auburn Street Project - Design
- Bond Market
 - Upcoming Bond Sales
 - Maintain AAA Bond Rating
- Snow & Ice Removal
- Town Council Budget Guidelines/Conceptual Recommendations
 - Climate and Energy Master Plan
 - Town Charter Review Consultant
 - Deputy Town Manager Position
 - Improve Public Shade Trees/Increase Overall Tree Canopy
 - Re-use of Town Buildings(Former Police Station & Former North Branch Library)
 - Replacement of Residential Water Meters
 - Funding Options for Stormwater Infrastructure Improvements
 - Shared/Regionalized Services

Cunniff Elementary School



Hosmer Elementary School



Lowell Elementary School



