



**TOWN OF WATERTOWN
ANNUAL BUDGET 2021-2022
SUBMITTED BY MICHAEL J. DRISCOLL, TOWN MANAGER**

Proposed Amendment to the Fiscal Year 2021 Budget

Tonight, there will be a First Reading on a Proposed Amendment to the Fiscal Year 2021 Budget totaling \$9,440,000 and the Fiscal Year 2021 Budget numbers within the Fiscal Year 2022 document include the Proposed Budget Amendment.

On May 11, 2021, the Honorable Town Council will consider the above-mentioned Proposed Amendment to the Fiscal Year 2021 Budget related to the following:

- The establishment of an Acquisition of Land/Open Space Stabilization Fund; and an initial appropriation of \$6,500,000 thereto.
- The establishment of a New High School Stabilization Fund; and an initial appropriation of \$2,500,000 thereto.
- Appropriation of \$440,000 from the Collective Bargaining Stabilization Fund to replenish the Fiscal Year 2021 Town Council Reserve Account.
- Appropriation of \$100,000 to move forward with hiring a consultant to review and update the Comprehensive Plan in Fiscal Year 2022 in accordance with the Honorable Town Council's January 12, 2021 Action Item.
- Appropriation of \$29,500 to move forward with a Master Plan/Feasibility Study for the Phillips School/Senior Center site to identify future Capital Improvement Program funding

Fiscal Year 2022 New Positions, Program Initiatives and Budget Highlights

The following are new positions included in the Fiscal Year 2022 Budget

- Deputy Town Manager
- Finance & Accounting Reporting Coordinator
- Information Technology Munis Database Administrator
- Planner
- ½ Clerk Community Development & Planning
- ½ Clerk Personnel
- Public Buildings Custodian
- Recycling/Solid Waste Coordinator
- Public Works Construction Permit Inspector
- Community Outreach Librarian
- Sewer Supervisor

The following is a list of continued program initiatives that are contained within the Fiscal Year 2022 Budget.

- Very Strong Commitment to Education
- Enhanced Funding of Pension & OPEB Liability
- Community Policing including 70 Police Officers/2 Mental Health Clinicians
- Fire Department Sworn Personnel Levels at 87
- Town Capital Projects Funding
- Roadway Reconstruction and Resurfacing Projects
- Sidewalk Repair & Replacement Program
- Tree Management & Street Tree Replanting Program
- Automated Trash Collection & Single Stream Recycling
- Participation in the Minuteman Household Product Facility
- Additional Funding of Public Health Nursing Services
- Social Services Resource Program
- Community Wellness Program
- Resources for Project Literacy & the HATCH Program

The following are the highlights of the Fiscal Year 2022 Budget:

- **Fully Funded Retirement System as of July 1, 2021**

As a result of aggressive funding of the Retirement System, whereby the Pension appropriation increased by \$11,159,992 from Fiscal Year 2009 through Fiscal Year 2019, which is a 152.34% increase or an annual average increase of 15.23% over those ten fiscal years, the Town's Unfunded Pension Liability will be fully funded as of July 1, 2021. The Fiscal Year 2022 Budget includes \$7,509,084 for the Pension appropriation; and that appropriation is projected to be \$1,140,525 in Fiscal Year 2023.

- **Funding Plan to Address the Unfunded (OPEB) Liability**

As a result of aggressive funding of the Retirement System, the Unfunded Other Post- Employment Benefits (OPEB) Liability of \$115,370,918 is being addressed with the continued implementation of a Funding Plan that began in Fiscal Year 2020. The Fiscal Year 2022 Budget includes \$6,698,124 for the OPEB appropriation. The Town will be having an actuarial valuation of the Post Retirement Benefit Program as of June 30, 2021. Subsequent to that valuation, the OPEB Funding Plan may be adjusted.

- **Funding of the Three Elementary Schools Project**

As a result of aggressive funding of the Retirement System, financing of the \$170,000,000 for the Three Elementary Schools Project continues in Fiscal Year 2022 and all of this project is being done within the confines of Proposition 2 ½. The Fiscal Year 2022 Budget includes \$9,808,364 for debt service related to this project. Borrowing for this project is being done in phases and the remaining \$50,023,109 will be borrowed in Fiscal Year 2022.

- **Acquisition of Land/Open Space Stabilization Fund**

As indicated earlier, one of the items included in tonight's First Reading on a Proposed Amendment to the Fiscal Year 2021 Budget is the establishment of an Acquisition of Land/Open Space Stabilization Fund; and an initial appropriation of \$6,500,000 thereto. Additionally, a Transfer to this Stabilization Fund is projected at \$1,500,000 annually from Fiscal Year 2022 through Fiscal Year 2025 Budgets.

- **New High School Stabilization Fund**

As indicated earlier, one of the items included in tonight's First Reading on a Proposed Amendment to the Fiscal Year 2021 Budget is the establishment of a New High School Stabilization Fund; and an initial appropriation of \$2,500,000 thereto. Additionally, a Transfer to this Stabilization Fund is projected at \$3,000,000 annually from Fiscal Year 2022 through Fiscal Year 2025 Budgets.

- **New High School Project**

The School Building Committee has been working tirelessly to review conceptual design options for the new High School in an effort to ultimately select a preferred design option that is in the best interests of the Town, the taxpayers and the successful education of our children.

On March 17, 2021, the School Building Committee (SBC) unanimously voted to support Option 1H, a 4-story new building constructed on the existing high school site only in a single phase with the use of temporary modular high school on another site. The project team is currently continuing to review locations for this temporary modular high school and meeting with the Community. Options for both the high school and swing space have been presented since January over (6) virtual SBC meetings, and (2) virtual Community Meetings. The Project Team and the SBC plan to submit the new Preferred Schematic Report (PSR) to the MSBA on July 7, 2021 in anticipation of approval at the August 2021 Board Meeting. The PSR submission will complete the Feasibility Study Phase for the Watertown High School project, after which the project will proceed into Schematic Design.

After completion of Schematic Design in December of 2021, the Town will seek approval from the MSBA at their first Board Meeting in 2022.

During all of the School Building Committee's tireless efforts, we have been working on how best to proceed with the financing of the new High School. **I am pleased to inform that a plan will be finalized and presented in advance of October's Fiscal Year 2023 Preliminary Budget Overview whereby financing of the new High School Project with MSBA funding included will be done within the confines of Proposition 2½; and all of this to be done without the need to request debt exclusion financing from the taxpayers of Watertown.**