



# Fiscal Year 2021 Town of Watertown Preliminary Budget Overview

October 8, 2019

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# Revenue and Other Sources General Fund

Revenue and Other Sources	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	FY2020 Budget
Real & Personal Property Tax	\$ 100,290,991	\$ 100,557,814	\$ 108,548,765	\$ 108,648,032	\$ 116,043,512
State Aid	\$ 12,738,266	\$ 12,731,651	\$ 12,321,277	\$ 12,335,662	\$ 13,205,612
<b>Total</b>	<b>\$ 113,029,257</b>	<b>\$ 113,289,465</b>	<b>\$ 120,870,042</b>	<b>\$ 120,983,694</b>	<b>\$ 129,249,124</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.

# Local Receipts - Detail

Source	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	FY2020 Budget
Motor Vehicle	\$ 4,100,000	\$ 4,552,085	\$ 4,200,000	\$ 4,715,595	\$ 4,350,000
Meals Excise	\$ 520,000	\$ 550,186	\$ 535,000	\$ 596,709	\$ 550,000
Hotel and Other Excise	\$ 545,000	\$ 707,424	\$ 600,000	\$ 728,787	\$ 700,000
Penalties & Interest	\$ 250,000	\$ 248,848	\$ 250,000	\$ 242,614	\$ 250,000
PILOT	\$ 968,405	\$ 920,788	\$ 994,240	\$ 982,989	\$ 977,236
COMM. Trash	\$ 15,000	\$ 24,724	\$ 15,000	\$ 23,631	\$ 15,000
Fees	\$ 3,644,000	\$ 4,180,785	\$ 3,808,000	\$ 5,146,266	\$ 4,100,000
Rentals	\$ 127,202	\$ 119,761	\$ 129,860	\$ 159,169	\$ 129,358
Cemetery	\$ 95,000	\$ 115,550	\$ 95,000	\$ 104,854	\$ 95,000
Recreation	\$ 445,000	\$ 445,314	\$ 420,000	\$ 427,831	\$ 420,000
License & Permits	\$ 205,000	\$ 203,379	\$ 205,000	\$ 221,680	\$ 192,000
Fines & Forfeits	\$ 755,000	\$ 583,593	\$ 705,000	\$ 626,412	\$ 705,000
Investment Income	\$ 225,000	\$ 527,793	\$ 350,000	\$ 1,162,618	\$ 500,000
Sale of Town Prop.	\$ 5,000	\$ -	\$ 5,000	\$ 15,813	\$ 5,000
Belmont Reimb.	\$ 71,000	\$ 104,094	\$ 71,543	\$ 62,091	\$ 73,090
Grant/Employee Reimb.	\$ 25,000	\$ 114,573	\$ 25,000	\$ 21,405	\$ 25,000
Medicaid	\$ 440,000	\$ 413,032	\$ 420,000	\$ 148,160	\$ 320,000
Miscellaneous*		\$ 181,223		\$ 136,693	
<b>Total</b>	<b>\$ 12,435,607</b>	<b>\$ 13,993,152</b>	<b>\$ 12,828,643</b>	<b>\$ 15,523,317</b>	<b>\$ 13,406,684</b>

# Revenue and Other Sources

Source Transfer from:	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	FY2020 Budget
Sale of Lots	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 25,000
Parking Meter	\$ 536,000	\$ 536,000	\$ 350,000	\$ 350,000	\$ 350,000
Cemetery Perpetual Care	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Capital Proj. Stab. Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Unfunded Pension Liab. Stab. Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
ESCO Capital Project Stab. Fund	\$ 522,738	\$ 522,738	\$ 517,238	\$ 517,238	\$ 515,688
Utilization Of Overlay Surplus			\$ 500,000	\$ 500,000	
Free Cash	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Collective Bargaining Stabilization	\$ 98,503	\$ 98,503			\$ 621,500
Sale of Property Fund			\$ 1,200,000	\$ 1,200,000	
Water Fund	\$ 1,689,103	\$ 1,689,103	\$ 1,648,500	\$ 1,648,500	\$ 1,631,808
Sewer Fund	\$ 1,458,212	\$ 1,458,212	\$ 1,524,642	\$ 1,524,642	\$ 1,534,390
<b>Total</b>	<b>\$ 7,089,556</b>	<b>\$ 7,089,556</b>	<b>\$ 8,525,380</b>	<b>\$ 8,525,380</b>	<b>\$ 7,193,386</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.

# Revenue Summary

## (Page 1 of 2)

Source	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	FY2020 Budget
Property Tax	\$ 100,290,991	\$ 100,557,814	\$ 108,548,765	\$ 108,648,032	\$ 116,043,512
State Aid	\$ 12,738,266	\$ 12,731,651	\$ 12,321,277	\$ 12,335,662	\$ 13,205,612
Local Receipts	\$ 12,435,607	\$ 13,993,152	\$ 12,828,643	\$ 15,523,317	\$ 13,406,684
Other Sources	\$ 7,089,556	\$ 7,089,556	\$ 8,525,380	\$ 8,525,380	\$ 7,193,386
<b>Total Revenue</b>	<b>\$ 132,554,420</b>	<b>\$ 134,372,173</b>	<b>\$ 142,224,065</b>	<b>\$145,032,391</b>	<b>\$ 149,849,194</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.

# Revenue Summary

## (Page 2 of 2)

Source	FY2019 Budget	FY2019 Actual	Variance	FY2020 Budget
Property Tax	\$ 108,548,765	\$ 108,648,032	\$ 99,267	\$ 116,043,512
State Aid	\$ 12,321,277	\$ 12,335,662	\$ 14,385	\$ 13,205,612
Local Receipts	\$ 12,828,643	\$ 15,523,317	\$ 2,694,674	\$ 13,406,684
Other Sources	\$ 8,525,380	\$ 8,525,380	\$ -	\$ 7,193,386
<b>Total Revenue</b>	<b>\$ 142,224,065</b>	<b>\$145,032,391</b>	<b>\$ 2,808,326</b>	<b>\$ 149,849,194</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.

# Expenditures

	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	FY2020 Budget
General Government	\$ 5,440,828	\$ 5,056,879	\$ 6,449,638	\$ 5,399,633	\$ 9,384,791
Public Safety	\$ 19,331,384	\$ 18,931,033	\$ 20,523,360	\$ 20,234,770	\$ 21,204,729
Public Works	\$ 5,281,335	\$ 5,025,005	\$ 5,494,265	\$ 5,126,617	\$ 5,719,616
Snow & Ice	\$ 1,874,736	\$ 1,868,425	\$ 1,564,810	\$ 1,561,351	\$ 1,500,000
Waste Disposal	\$ 3,013,658	\$ 3,000,615	\$ 3,099,162	\$ 3,063,162	\$ 3,187,237
Health & Human Services	\$ 1,381,824	\$ 1,324,809	\$ 1,465,182	\$ 1,383,573	\$ 1,484,716
Library	\$ 2,910,222	\$ 2,854,293	\$ 3,015,639	\$ 2,965,566	\$ 3,151,808
Recreation Department	\$ 351,437	\$ 327,927	\$ 356,746	\$ 355,684	\$ 361,274
Skating Arena	\$ 398,094	\$ 373,629	\$ 407,153	\$ 347,732	\$ 458,214
Education	\$ 45,551,858	\$ 45,502,111	\$ 48,039,451	\$ 48,039,451	\$ 50,441,424
<b>Total Departmental</b>	<b>\$ 85,535,376</b>	<b>\$ 84,264,726</b>	<b>\$ 90,415,406</b>	<b>\$ 88,477,540</b>	<b>\$ 96,893,809</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.  
 General Government FY2020 budget amount includes Town Council Reserve of \$3,251,203.



# Expenditures

	<b>FY2018 Budget</b>	<b>FY2018 Actual</b>	<b>FY2019 Budget</b>	<b>FY2019 Actual</b>	<b>FY2020 Budget</b>
Debt Retirement	\$ 8,464,158	\$ 8,411,769	\$ 6,175,796	\$ 6,172,142	\$ 9,844,794
School Capital Projects	\$ 667,296	\$ 667,296	\$ 720,000	\$ 720,000	\$ 488,500
Town Capital Projects	\$ 1,621,458	\$ 1,621,458	\$ 5,039,059	\$ 5,039,059	\$ 1,750,803
<b>Total Debt Svc. &amp; Cap. Proj.</b>	<b>\$ 10,752,912</b>	<b>\$ 10,700,523</b>	<b>\$ 11,934,855</b>	<b>\$ 11,931,201</b>	<b>\$ 12,084,097</b>

# Expenditures

## (Page 1 of 2)

	FY2018 Budget	FY2018 Actual	FY2019 Budget	FY2019 Actual	FY2020 Budget
Total Departmental	\$ 85,535,376	\$ 84,264,726	\$ 90,415,406	\$ 88,477,540	\$ 96,893,809
Total Debt Svc. & Cap. Proj.	\$ 10,752,912	\$ 10,700,523	\$ 11,934,855	\$ 11,931,201	\$ 12,084,097
State & County Charges	\$ 2,650,379	\$ 2,650,171	\$ 2,613,656	\$ 2,661,170	\$ 2,717,478
Retirement	\$ 16,939,961	\$ 16,935,674	\$ 18,485,572	\$ 18,479,199	\$ 21,196,816
Insurance & Employee Benefits	\$ 14,771,601	\$ 14,622,561	\$ 15,254,735	\$ 14,672,867	\$ 16,072,026
Other Financing Uses	\$ 1,904,191	\$ 1,884,166	\$ 3,519,841	\$ 3,504,166	\$ 884,968
<b>Grand Total</b>	<b>\$132,554,420</b>	<b>\$131,057,820</b>	<b>\$142,224,065</b>	<b>\$139,726,142</b>	<b>\$149,849,194</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.

# Expenditures

## (Page 2 of 2)

	FY2019 Budget	FY2019 Actual	Variance	FY2020 Budget
General Government	\$ 6,449,638	\$ 5,399,633	\$ 1,050,005	\$ 9,384,791
Public Safety	\$ 20,523,360	\$ 20,234,770	\$ 288,590	\$ 21,204,729
Public Works	\$ 5,494,265	\$ 5,126,617	\$ 367,648	\$ 5,719,616
Snow & Ice	\$ 1,564,810	\$ 1,561,351	\$ 3,459	\$ 1,500,000
Waste Disposal	\$ 3,099,162	\$ 3,063,162	\$ 36,000	\$ 3,187,237
Health & Human Services	\$ 1,465,182	\$ 1,383,573	\$ 81,609	\$ 1,484,716
Library	\$ 3,015,639	\$ 2,965,566	\$ 50,073	\$ 3,151,808
Recreation Department	\$ 356,746	\$ 355,684	\$ 1,062	\$ 361,274
Skating Arena	\$ 407,153	\$ 347,732	\$ 59,421	\$ 458,214
Education	\$ 48,039,451	\$ 48,039,451	\$ -	\$ 50,441,424
<b>Total Departmental</b>	<b>\$ 90,415,406</b>	<b>\$ 88,477,540</b>	<b>\$ 1,937,866</b>	<b>\$ 96,893,809</b>
Total Debt Svc. & Cap. Proj.	\$ 11,934,855	\$ 11,931,201	\$ 3,654	\$ 12,084,097
State & County Charges	\$ 2,613,656	\$ 2,661,170	\$ (47,514)	\$ 2,717,478
Retirement	\$ 18,485,572	\$ 18,479,199	\$ 6,373	\$ 21,196,816
Insurance & Employee Benefits	\$ 15,254,735	\$ 14,672,867	\$ 581,868	\$ 16,072,026
Other Financing Uses	\$ 3,519,841	\$ 3,504,166	\$ 15,675	\$ 884,968
<b>Grand Total</b>	<b>\$ 142,224,065</b>	<b>\$ 139,726,142</b>	<b>\$ 2,497,923</b>	<b>\$ 149,849,194</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.  
 General Government FY2020 budget amount includes Town Council Reserve of \$3,251,203.

# Unreserved Fund Balance

## Certified Free Cash Analysis

	FY2015	FY2016	FY2017	FY2018	FY2019
Unreserved Fund Balance Beginning of Fiscal Year	\$ 12,377,000	\$ 13,026,000	\$ 15,481,000	\$ 15,383,922	\$ 16,374,245
Revenues Over/(Under) Budget	\$ 2,281,000	\$ 2,847,000	\$ 1,447,042	\$ 1,817,753	\$ 2,808,326
Expenditures (Over)/Under Budget	\$ 763,000	\$ 1,782,000	\$ 1,452,225	\$ 1,496,600	\$ 2,497,923
Use of Free Cash	\$ (3,000,000)	\$ (2,000,000)	\$ (3,438,894)	\$ (2,000,000)	\$ (2,000,000)
GAAP Adjustments	\$ 605,000	\$ (174,000)	\$ 442,549	\$ (324,030)	\$ (500,000)
Unreserved Fund Balance End of Fiscal Year	\$ 13,026,000	\$ 15,481,000	\$ 15,383,922	\$ 16,374,245	\$ 19,180,494
Certified Free Cash	\$ 8,366,733	\$ 12,326,092	\$ 11,451,127	\$ 12,978,697	\$ 17,000,000

FY2019 amounts are subject to classification changes via audit.  
FY2019 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 2020 Budget Message

The five year Capital Improvement Program (CIP) is included within the FY2020 Budget.

The Fiscal Year 2020-2024 General Fund CIP totals \$503,096,500, which represents an increase of \$54,385,200 from the Fiscal Year 2019-2023 CIP. Potential renovation/reconstruction of school facilities totaling \$327,000,000 is included as a subcategory in the Fiscal Year 2020-2024 Capital Improvement Program, which is an increase of \$43,300,000 from the Fiscal Year 2019-2023 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	\$170,000,000
• High School Project	<u>\$157,000,000</u>
TOTAL:	\$327,000,000

The bonding requirement for the Fiscal Year 2020-2024 CIP is \$224,881,900 and the Street and Sidewalk bonds of \$58,235,800 listed in Fiscal Year 2024 are not included in the bonding requirement.

The funding source of \$11,650,000 of the CIP has not been determined. The following are the projects/items with the funding source to be determined (TBD).

• Watertown Square Structured Parking	\$ 5,000,000
• 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>\$ 250,000</u>
TOTAL:	\$11,650,000

The Fiscal Year 2020-2024 Water /Sewer Enterprise Funds CIP totals \$25,670,000. Stormwater Infrastructure Improvements of \$36,000,000 with a funding source to be determined (TBD) are included within the 2020-2024 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 6/30/19	Budgeted FY 2020 Bond Payments	Permanent Debt Balances 6/30/20
FY 2007 Bond Issue	\$ 200,000	\$ 100,000	\$ 100,000
FY 2008 Bond Issue	\$ 5,000,000	\$ 500,000	\$ 4,500,000
FY 2010 Bond Issue	\$ 2,645,000	\$ 270,000	\$ 2,375,000
FY 2012 Bond Issue	\$ 1,210,000	\$ 195,000	\$ 1,015,000
FY 2013 Bond Issue	\$ 4,375,000	\$ 260,000	\$ 4,115,000
FY 2014 Bond Issue	\$ 1,925,000	\$ 215,000	\$ 1,710,000
FY 2014 Refunding Bond Issue	\$ 4,160,000	\$ 770,000	\$ 3,390,000
FY 2016 Bond Issue	\$ 1,895,000	\$ 1,155,000	\$ 740,000
FY 2018 Bond Issue	\$ 5,730,000	\$ 1,360,000	\$ 4,370,000
FY 2019 Bond Issue	\$ 4,514,500	\$ 719,500	\$ 3,795,000
<b>TOTAL</b>	<b>\$ 31,654,500</b>	<b>\$ 5,544,500</b>	<b>\$ 26,110,000</b>

Reflects existing bonds issued for general fund purposes as of June 30, 2019. 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 6/25/20
	Total Permanent General Fund Debt	\$ 26,110,000	
	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 Plans Design	\$ 12,441,016	\$ 10,400,000
9/10/2019	3 Elementary School Projects OPM Services	\$ 4,080,875	
9/10/2019	Street and Sidewalk Work and Duct or Conduit Improvements	\$ 2,500,000	
9/10/2019	Equipment - Ladder Truck	\$ 1,100,000	
	Subtotal Authorized Unissued Debt:	\$ 21,721,891	\$ 12,000,000
	<b>Total Permanent &amp; Short Term And Authorized Un-issued Debt</b>	<b>\$ 47,831,891</b>	

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 2019 BUDGET	FY 2019 ACTUAL	FY 2020 BUDGET
<b>REVENUE &amp; OTHER SOURCES:</b>			
USAGE CHARGES	\$ 10,297,121	\$ 8,993,833	\$ 10,792,020
MUNICIPAL CHARGES	\$ 95,434	\$ 95,434	\$ 98,604
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 55,550	\$ 40,000
SEWER LIENS		\$ 444,656	
OTHER UTILITY CHARGES	\$ -	\$ 960	\$ -
USE OF RETAINED EARNINGS	\$ 250,000	\$ 250,000	\$ -
INTEREST INCOME	\$ 15,000	\$ 19,932	\$ 15,000
<b>TOTAL REVENUE</b>	<b>\$ 10,697,555</b>	<b>\$ 9,860,365</b>	<b>\$ 10,945,624</b>
<b>EXPENDITURE &amp; OTHER USES:</b>			
PERSONNEL SERVICES	\$ 531,237	\$ 458,509	\$ 547,413
SUPPLIES AND SERVICES	\$ 481,000	\$ 456,850	\$ 481,000
MWRA ASSESSMENT	\$ 6,415,582	\$ 6,357,733	\$ 6,735,163
CAPTIAL OUTLAY	\$ 1,055,000	\$ 1,052,916	\$ 1,055,000
TRANSFER TO GENERAL FUND	\$ 1,524,642	\$ 1,524,642	\$ 1,534,390
TRANSFER TO CAP. PROJECT/SEWER	\$ 250,000	\$ 250,000	\$ -
DEBT SERVICE	\$ 440,094	\$ 366,194	\$ 592,658
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,697,555</b>	<b>\$ 10,466,845</b>	<b>\$ 10,945,624</b>

# Water Enterprise Fund

	FY 2019 BUDGET	FY 2019 ACTUAL	FY 2020 BUDGET
<b>REVENUE &amp; OTHER SOURCES:</b>			
USAGE CHARGES	\$ 7,324,295	\$ 6,448,702	\$ 7,570,278
MUNICIPAL CHARGES	\$ 204,859	\$ 204,859	\$ 195,000
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 48,088	\$ 40,000
WATER LIENS		\$ 276,192	
OTHER UTILITY CHARGES	\$ 30,000	\$ 75,281	\$ 30,000
TEST CHARGES	\$ 50,000	\$ 68,884	\$ 50,000
USE OF RETAINED EARNINGS	\$ 250,000	\$ 250,000	\$ 500,000
SALE OF PROPERTY		\$ 11,510	
INTEREST INCOME	\$ 10,000	\$ 13,626	\$ 10,000
<b>TOTAL REVENUE</b>	<b>\$ 7,909,154</b>	<b>\$ 7,397,142</b>	<b>\$ 8,395,278</b>
<b>EXPENDITURE &amp; OTHER USES:</b>			
PERSONNEL SERVICES	\$ 984,391	\$ 922,855	\$ 996,419
SUPPLIES AND SERVICES	\$ 380,100	\$ 316,766	\$ 390,100
MWRA ASSESSMENT	\$ 3,723,198	\$ 3,696,371	\$ 3,899,172
CAPITAL OUTLAY	\$ 236,000	\$ 235,417	\$ 236,000
TRANSFER TO GENERAL FUND	\$ 1,648,500	\$ 1,648,500	\$ 1,631,808
TRANSFER TO CAP. PROJECT/WATER	\$ 250,000	\$ 250,000	\$ 500,000
DEBT SERVICE	\$ 686,965	\$ 604,715	\$ 741,779
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,909,154</b>	<b>\$ 7,674,624</b>	<b>\$ 8,395,278</b>

# Water & Sewer Prior Year Funds

## Balances as of July 1, 2019

Account Description	Current Year Fund Carryover
<b>Water:</b>	
Improvements	\$ 407,449
Water Materials & Supplies	\$ 175,054
Street Repair Services	\$ 124,845
Sidewalk Repair Services	\$ 45,067
Replacement Of Equipment	\$ 40,356
Contracted Services	\$ 12,097
Printing & Forms	\$ 7,752
<b>Total Water Prior Year</b>	<b>\$ 812,620</b>
<b>Sewer:</b>	
Improvements	\$ 2,137,884
Additional Equipment	\$ 628,675
Contracted Services	\$ 184,416
Replacement Of Equipment	\$ 154,000
Sewer Materials & Supplies	\$ 96,346
Rental Of Equipment	\$ 70,000
Street Repair Services	\$ 59,800
Sidewalk Repair Services	\$ 35,000
<b>Total Sewer Prior Year</b>	<b>\$ 3,366,121</b>

# Overlay Accounts

Balances as of June 30, 2019

Fiscal Year	Amounts
2005 – 2012	\$ 257,371
2013	\$ 84,949
2014	\$ 215,348
2015	\$ 499,621
2016	\$ 329,312
2017	\$ 245,519
2018	\$ 455,632
2019	\$ 441,032
	<b>\$ 2,528,784</b>

# Special Revenue Accounts

Balances as of June 30, 2019

Fund Description	Fund Balance
FY 19 CIRCUIT BREAKER	\$ 1,504,905
O'NEILL PROPERTY CHARITABLE	\$ 1,203,648
PRE-KINDERGARTEN REVOLVING	\$ 438,510
INTERGRATED PRE-SCHOOL REVOLVING	\$ 399,555
ATHLETICS REVOLVING FUND	\$ 396,978
PARKING METER FUND **	\$ 393,763
COMMUNITY DEV. BLOCK GRANT	\$ 388,418
SALE OF CEMETERY LOTS **	\$ 287,000
LOWELL SCHOOL EXTENDED DAY	\$ 274,752
AFFORDABLE HOUSING DEV	\$ 269,269
HOSMER SCHOOL EXTENDED DAY	\$ 223,369
SCHOOL LUNCH PROGRAM	\$ 217,000
<b>Top Twelve Total</b>	<b>\$ 5,997,167</b>
All Others (112)	\$ 2,174,195
<b>Total Special Revenue (124)</b>	<b>\$ 8,171,362</b>

\* Includes amounts to be transferred for FY2020 Budget.

# Community Preservation Act (CPA)

## Balances as of June 30, 2019

Account Description	Account Balance
FY 2018 Reserve for Open Space/Recreation	\$150,000
FY 2019 Reserve for Open Space/Recreation	\$236,739
<b>Total Reserve Open Space/Recreation</b>	<b>\$386,739</b>
FY 2018 Reserve for Historic Preservation	\$150,000
FY 2019 Reserve for Historic Preservation	\$236,739
<b>Total Reserve for Historic Preservation</b>	<b>\$386,739</b>
FY 2018 Reserve for Community Housing	\$150,000
FY 2019 Reserve for Community Housing	\$236,739
<b>Total Reserve for Community Housing</b>	<b>\$386,739</b>
<b>Undesignated Fund Balance</b>	<b>\$3,201,838</b>
<b>Total:</b>	<b>\$4,362,055</b>

# Capital Projects Accounts

Balances as of June 30, 2019

Fund Description	Fund Balance
Three Elementary Schools Project	\$ 1,700,000
Greystar Capital Mitigation	\$ 1,450,000
WHS Project	\$ 1,256,074
MWRA I And I Grant/Loan Order FY 20	\$ 1,050,000
MWRA I And I Grant/Loan Order FY 19	\$ 1,050,000
FY 19 Street And Sidewalk	\$ 1,011,000
DPW Equipment	\$ 965,423
FY 18 Street And Sidewalk	\$ 962,856
DPW Equipment	\$ 858,012
FY 18 Street And Sidewalk Loan Order	\$ 531,570
MWRA I And I Grant/Loan Order FY 18	\$ 524,000
MWRA LWSAP FY 20	\$ 500,000
Chapter 90 Mt Auburn St Design	\$ 487,706
DPW Equipment	\$ 486,586
FY 15 Sewer Improvements	\$ 469,907
<b>Top Fifteen Total</b>	<b>\$ 11,603,134</b>
All Others (50)	\$ 6,837,264
<b>Total Capital Projects (68)</b>	<b>\$ 18,440,398</b>

# Stabilizations, Trusts and Agency Accounts

## Balances as of June 30, 2019

Fund Description	Balance
Capital Project Stabilization **	\$ 2,091,570
OPEB Trust Fund	\$ 1,380,886
ESCO Stabilization **	\$ 1,335,100
Stabilization Fund	\$ 1,267,296
Sped Stabilization	\$ 1,008,722
Cemetery Perpetual Care (Non-expendable)	\$ 989,176
Federal Law Enforcement Trust	\$ 945,537
Collective Bargaining Stabilization **	\$ 621,185
Albert Fleming Scholarship (Non-expendable)	\$ 300,000
UPIT Scholarship Fund (Non-expendable)	\$ 228,630
<b>Top Ten Total</b>	<b>\$ 10,168,102</b>
All Others (62)	\$ 927,411
<b>Total Trusts &amp; Agency (72)</b>	<b>\$ 11,095,513</b>

\* Includes amounts to be transferred for FY2020 Budget



# FY2020 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 FY2020

## Budget Policy Guidelines (Page 1 of 2)

(adopted December 11, 2018)

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.
- Continue to develop Building for the Future Initiative funding in collaboration with the School Building Committee; for the Three Elementary Schools project by formalizing the proposal to use funds redirected from the retirement appropriation when the pension fund is fully funded while also paying down the OPEB liability; and for the MSBA High School project with the proposed debt exclusion funding.
- Develop a five year plan and funding schedule for the integrated improvements of the Town's streets and sidewalks, water-sewer-stormwater infrastructure, and underground utilities. The plan should show status of ongoing projects, identify future projects including those with no funding source, and include upgrade of all water meters, identify sources of stormwater and sewage outflow to the Charles River, and coordination with water-sewer-stormwater projects and underground utility projects.

# Town Council FY2020

## Budget Policy Guidelines (Page 2 of 2)

(adopted December 11, 2018)

- Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive 5-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 FY20, subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 9, 2018 Preliminary Budget Overview.
- Enhance the capabilities of the Department of Public Works Forestry Department by adding resources and/or redeploying additional resources for improving Watertown's public shade trees and increasing the Town's overall tree canopy by: (1) Developing a robust data collection process for public shade trees in Watertown, and (2) Analyzing the data to determine an action plan and to seek collaboration and partnership opportunities with community groups such as Trees for Watertown.
- Work with the Watertown Transportation Management Association to identify sustainable sources of funding for the pilot shuttle bus program.
- Based on final Town Council policy direction, develop a budgetary plan to meet the identified need for DPW staging space.
- Move forward with a 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.

# FY2021 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 \$3,600,000 in FY 2021, \$3,800,000 in FY 2022 and \$3,000,000 in Fiscal Year 2023.

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 FY2020 amount.

The majority of Local Receipts are projected to remain constant or increase 2.5% annually. Motor Vehicle Excise is projected at \$4,350,000 annually and investment income is projected at \$500,000 annually through FY 2023. Hotel Excise is projected to increase \$250,000 in FY 2021 and \$150,000 in FY 2022. Inspection Fees remain at \$2,200,000 in FY 2021 and decrease by \$1,050,000 in FY 2022.

# Revenue Forecast

Other Financing Sources reflect transfers from the following:

- ▶ Parking Meter Fund to offset the Parking Lots and Meters Budget.
- ▶ 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 is recommended at a level of \$2,000,000 annually through FY 2023, 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 2024, 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	FY2020	FY2021	FY2022	FY2023
Prior Year Levy Limit	\$ 109,523,765	\$ 117,118,512	\$ 123,646,475	\$ 130,537,637
Add 2.5%	\$ 2,738,094	\$ 2,927,963	\$ 3,091,162	\$ 3,263,441
New Growth	\$ 4,856,653	\$ 3,600,000	\$ 3,800,000	\$ 3,000,000
Adjusted Levy Limit	\$ 117,118,512	\$ 123,646,475	\$ 130,537,637	\$ 136,801,077
Overlay	\$ (1,075,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,100,000)
Debt Exclusion	\$ -	\$ -	\$ -	\$ -
<b>Net Levy Limit</b>	<b>\$ 116,043,512</b>	<b>\$ 122,646,475</b>	<b>\$ 129,537,637</b>	<b>\$ 135,701,077</b>



# Revenue Forecast

## State Aid

State Aid	FY2020	FY2021	FY2022	FY2023
Cherry Sheet Receipts	\$ 13,205,612	\$ 13,205,612	\$ 13,205,612	\$ 13,205,612
<b>Total State Aid</b>	<b>\$ 13,205,612</b>	<b>\$ 13,205,612</b>	<b>\$ 13,205,612</b>	<b>\$ 13,205,612</b>

# Revenue Forecast

## Local Receipts (1 of 2)

	FY2020	FY2021	FY2022	FY2023
Motor Vehicle Excise	\$ 4,350,000	\$ 4,350,000	\$ 4,350,000	\$ 4,350,000
Meals Excise	\$ 550,000	\$ 563,750	\$ 577,844	\$ 592,290
Hotel Excise	\$ 700,000	\$ 950,000	\$ 1,100,000	\$ 1,100,000
Penalties & Interest	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
PILOT	\$ 977,236	\$ 1,032,479	\$ 1,061,343	\$ 1,091,068
Commercial Trash	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Fees	\$ 4,100,000	\$ 4,202,500	\$ 3,231,313	\$ 3,312,095
Rentals	\$ 129,358	\$ 128,841	\$ 178,312	\$ 227,769
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)

	FY2020	FY2021	FY2022	FY2023
Licenses & Permits	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
Fines & Forfeits	\$ 705,000	\$ 705,000	\$ 705,000	\$ 705,000
Investment Income	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Sale of Town Property	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Belmont Reimbursement	\$ 73,090	\$ 74,917	\$ 76,790	\$ 78,710
Grant/Employee Reimbursements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Medicaid Reimbursements	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000
<b>Total Local Receipts</b>	<b>\$ 13,406,684</b>	<b>\$ 13,829,488</b>	<b>\$ 13,102,602</b>	<b>\$ 13,278,932</b>

# Revenue Forecast

## Other Financing Sources

Transfer from:	FY2020	FY2021	FY2022	FY2023
Sale of Lots	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Parking Meter	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Cemetery Perpetual Care	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Capital Project Stabilization	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Collective Bargaining Stabilization	\$ 621,500	\$ -	\$ -	\$ -
ESCO Capital Proj. Stabilization	\$ 515,688	\$ 508,388	\$ 505,938	\$ 500,938
Water Fund	\$ 1,631,808	\$ 1,672,603	\$ 1,714,418	\$ 1,757,279
Sewer Fund	\$ 1,534,390	\$ 1,572,750	\$ 1,612,068	\$ 1,652,370
Free Cash	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Total Other Sources</b>	<b>\$ 7,193,386</b>	<b>\$ 6,643,742</b>	<b>\$ 6,722,426</b>	<b>\$ 6,800,588</b>

# Utilization of Free Cash & Overlay Surplus

Source	FY2019	FY2020	FY2021	FY2022	FY2023
Free Cash - Annual	\$ 2,000,000	\$ 2,000,000	\$ 1,750,000	\$1,750,000	\$1,750,000
Free Cash – SPED Stabilization			\$ 250,000	\$ 250,000	\$ 250,000
Overlay Surplus	\$ 500,000				
<b>Total Revenue</b>	<b>\$ 2,500,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>

# Revenue Forecast Summary

Source	FY2020	FY2021	FY2022	FY2023
Real Estate & Personal Prop. Tax	\$ 116,043,512	\$ 122,646,475	\$ 129,537,637	\$ 135,701,077
State Aid	\$ 13,205,612	\$ 13,205,612	\$ 13,205,612	\$ 13,205,612
Local Receipts	\$ 13,406,684	\$ 13,829,488	\$ 13,102,602	\$ 13,278,932
Other Financing Sources	\$ 7,193,386	\$ 6,643,742	\$ 6,722,426	\$ 6,800,588
<b>Total Revenue</b>	<b>\$ 149,849,194</b>	<b>\$ 156,325,317</b>	<b>\$ 162,568,277</b>	<b>\$ 168,986,211</b>

FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.

# Expenditure Forecast

## Assumptions:

Departmental expenditures are projected to increase \$962,849 (2.5%) in FY 2021 , \$986,919 (2.5%) in FY 2022 and \$1,011,594 (2.5%) in FY 2023.

The Education appropriation is projected to increase \$2,522,071 (5%) in FY 2021, \$2,648,175 (5%) in FY 2022 and \$2,780,583 (5%) in FY 2023.

Snow and Ice Removal is projected at \$1,500,000 through FY 2023.

The Waste Disposal appropriation is projected to increase 5% annually from FY 2021 through FY 2023. Projected 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 Funding Schedule as of January 1, 2018 that was approved by the Public Employee Retirement Administration Commission (PERAC) had the Retirement System fully funded on July 1, 2019 (FY 2020). As a result of adopting a new mortality table assumption along with lowering the rate of return (ROR) investment assumption, the WCRB will be submitting a Funding Schedule as of January 1, 2019 for approval by PERAC. Subsequent to a \$14,625,789 payment on July 1, 2020 (FY 2021), the Retirement System will be fully funded. Pension costs are projected to increase \$1,445,176 in FY 2021, decrease \$13,529,513 in FY 2022 and increase \$10,451 in FY 2023.

A long-range financial plan for the pay down of the Unfunded Other Post-Employment Benefits (OPEB) Liability was created beginning in FY 2020 through FY 2029.

Funding of the OPEB Liability is projected at \$8,016,203 in FY 2020, \$4,213,487 in FY 2021, \$13,610,276 in FY 2022, and \$9,566,376 in FY 2023.



# Expenditure Forecast

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

Funding of the Three Elementary Schools Project is projected at \$4,601,296 in FY 2021, \$8,734,020 in FY 2022 and \$12,767,469 in FY 2023.

Debt figures are from current and projected future debt as listed in the FY 2020-2024 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 2020-2024 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 2023.

# Expenditure Forecast

## Departmental Expenditures

Source	FY2020	FY2021	FY2022	FY2023
General Government	\$ 6,133,588	\$ 6,286,928	\$ 6,444,101	\$ 6,605,203
Public Safety	\$ 21,204,729	\$ 21,734,847	\$ 22,278,218	\$ 22,835,174
Public Works	\$ 5,719,616	\$ 5,862,606	\$ 6,009,172	\$ 6,159,401
Snow & Ice Removal	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Waste Disposal	\$ 3,187,237	\$ 3,346,599	\$ 3,513,929	\$ 3,689,625
Health & Human Services	\$ 1,484,716	\$ 1,521,834	\$ 1,559,880	\$ 1,598,877
Library	\$ 3,151,808	\$ 3,230,603	\$ 3,311,368	\$ 3,394,152
Recreation	\$ 819,488	\$ 839,975	\$ 860,975	\$ 882,499
Education	\$ 50,441,424	\$ 52,963,495	\$ 55,611,670	\$ 58,392,253
<b>Total Departmental</b>	<b>\$ 93,642,606</b>	<b>\$ 97,286,888</b>	<b>\$ 101,089,312</b>	<b>\$ 105,057,185</b>
Insurance & Employee Benefits	\$ 16,072,026	\$ 17,190,498	\$ 18,405,251	\$ 19,709,733

# Expenditure Forecast

## FY 2020 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 2020 Budget Policy Guidelines reads as follows:

II. A. Continue to develop Building for the Future Initiative funding in collaboration with the School Building Committee; for the Three Elementary Schools Project by formalizing the proposal to use funds redirected from the retirement appropriation when the pension fund is fully funded while also paying down the OPEB liability; and for the MSBA High School project with the proposed debt exclusion funding.

II. C. Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive 5-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 FY20, subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 9, 2018 Preliminary Budget Overview.

# Expenditure Forecast

## FY 2020 Education Appropriation

(Included for background informational purposes)

Source	FY2020	FY2021	FY2022	FY2023
Education*	\$ 50,441,424	\$ 52,963,495	\$ 55,611,670	\$ 58,392,253

The Submitted Fiscal Year 2020 Budget continues the Town's very strong commitment to Education. The adopted funding level for the Fiscal Year 2020 Education appropriation is \$50,441,424, which is an increase of \$2,401,973 over the Fiscal Year 2019 Education appropriation.

The Submitted Fiscal Year 2020 School Health Insurance appropriation is \$5,202,813, an increase of \$305,063 above the revised Fiscal Year 2019 Level. Included within the School Health Insurance appropriation are monies related to projected staffing in Fiscal Year 2020.

As indicated earlier in this presentation, the Expenditure Forecast included within the Submitted Fiscal Year 2020 Budget document has Departmental Expenditures projected to increase 2.5% annually from Fiscal Year 2021 through Fiscal Year 2023. The Education appropriation is projected to increase 5.0% annually from Fiscal Year 2021 through Fiscal Year 2023.

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 \$2,522,071 (5%) in FY 2021, \$2,648,175 (5%) in FY 2022 and \$2,780,583 (5%) in FY 2023.

# Building for the Future Initiative

The Honorable Town Council's Fiscal Year 2020-2024 Capital Improvement Program conceptual recommendation #18 reads as follows: Concur with the decision to proceed with the "Building for the Future" initiative of \$170,000,000 for the Three Elementary Schools Project funding within the confines of Proposition 2½, and not proceed with the \$5,304,000 for renovation projects for the Cunniff, Hosmer, and Lowell schools shown in the FY2020-2024 CIP as NB (included in New Building) or RB (included in Renovated Building).

As a follow-up to that conceptual recommendation and in accordance with the Honorable Town Council's Budget Policy Guideline II.A., the potential renovation/reconstruction of school facilities included as a subcategory in the Fiscal Year 2020-2024 Capital Improvement Program includes the following projects.

3 Elementary Schools Project	\$170,000,000
High School Project	<u>\$157,000,000</u>
	\$327,000,000

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

Fiscal Year 2020	\$ 981,193
Fiscal Year 2021	\$ 4,601,296
Fiscal Year 2022	\$ 8,734,020
Fiscal Year 2023	\$12,767,469

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 forty (40) meetings since then including three (3) Community Forums at each of the three elementary schools. 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.

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

The Honorable Town Council’s 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 2020	\$13,180,613
Fiscal Year 2021	\$14,625,789
Fiscal Year 2022	\$ 1,096,276
Fiscal Year 2023	\$ 1,106,727

As indicated earlier, the Retirement System will be fully funded on July 1, 2020. 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 2020	\$ 8,016,203
Fiscal Year 2021	\$ 4,213,487
Fiscal Year 2022	\$13,610,276
Fiscal Year 2023	\$ 9,566,376

## Expenditure Forecast 4/23/2019 – Submission of the Fiscal Year 2020 Budget

Source	FY2019	FY2020	FY2021	FY2022	FY2023
Pension Costs	\$ 18,485,572	\$ 13,088,176	\$ 827,670	\$ 823,238	\$ 817,209
Other Post Employment Benefits (OPEB)		\$ 8,016,203	\$ 16,772,287	\$ 12,637,298	\$ 8,605,156
3 Elementary School Project		\$ 981,193	\$ 4,485,615	\$ 8,625,036	\$ 12,663,207
<b>TOTAL</b>	<b>\$ 18,485,572</b>	<b>\$ 22,085,572</b>	<b>\$ 22,085,572</b>	<b>\$ 22,085,572</b>	<b>\$ 22,085,572</b>

## Expenditure Forecast 10/08/2019 – Fiscal Year 2021 Preliminary Budget Overview

Source	FY2019	FY2020	FY2021	FY2022	FY2023
Pension Costs	\$ 18,485,572	\$ 13,180,613	\$ 14,625,789	\$ 1,096,276	\$ 1,106,727
Other Post Employment Benefits (OPEB)		\$ 8,016,203	\$ 4,213,487	\$ 13,610,276	\$ 9,566,376
3 Elementary School Project		\$ 981,193	\$ 4,601,296	\$ 8,734,020	\$ 12,767,469
<b>TOTAL</b>	<b>\$ 18,485,572</b>	<b>\$ 22,178,009</b>	<b>\$ 23,440,572</b>	<b>\$ 23,440,572</b>	<b>\$ 23,440,572</b>

## Variance Between the Expenditure Forecasts

Source	FY2019	FY2020	FY2021	FY2022	FY2023
Pension Costs	\$ -	\$ 92,437	\$ 13,798,119	\$ 273,038	\$ 289,518
Other Post Employment Benefits (OPEB)	\$ -	\$ -	\$ (12,558,800)	\$ 972,978	\$ 961,220
3 Elementary School Project	\$ -	\$ -	\$ 115,681	\$ 108,984	\$ 104,262
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 92,437</b>	<b>\$ 1,355,000</b>	<b>\$ 1,355,000</b>	<b>\$ 1,355,000</b>

- As of January 1, 2019, the Unfunded Pension Liability is estimated to be \$24,573,231.
- As of July 1, 2019, the Unfunded OPEB Liability is estimated to be \$115,370,918.

# Expenditure Forecast

## Debt and Interest

Source	FY2020	FY2021	FY2022	FY2023
Permanent Debt/Interest	\$ 5,337,364	\$ 4,666,689	\$ 3,932,378	\$ 3,164,587
ESCO - Permanent Debt/Interest	\$ 515,688	\$ 508,388	\$ 505,938	\$ 500,938
Three Elem. Schools Proj. - Permanent Debt/Interest		\$ 258,000	\$ 247,250	\$ 236,500
Three Elem. Schools Proj. - Authorized/Unissued & Planned	\$ 981,193	\$ 4,343,296	\$ 8,486,770	\$ 12,530,969
Street & Sidewalk - Authorized/Unissued & Planned	\$ 1,279,200	\$ 2,081,700	\$ 2,986,775	\$ 3,855,850
Other Debt - Authorized/Unissued & Planned	\$ 1,726,349	\$ 2,573,261	\$ 3,569,680	\$ 4,593,316
Cost of Certifying Bonds	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Expenditure</b>	<b>\$ 9,844,794</b>	<b>\$ 14,436,334</b>	<b>\$ 19,733,791</b>	<b>\$ 24,887,160</b>

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

\$981,193 in FY2020, \$4,601,296 in FY2021, \$8,734,020 in FY2022 and \$12,767,469 in FY2023



# Expenditure Forecast

## Capital Projects

Source	FY2020	FY2021	FY2022	FY2023
Town Capital	\$ 689,203	\$ 440,000	\$ 440,000	\$ 440,000
School Capital Projects	\$ 488,500	\$ 474,000	\$ 280,000	\$ 335,000
Street & Sidewalk Improvements	\$ 1,061,600	\$ 1,114,630	\$ 1,170,360	\$ 1,228,880
<b>Total Expenditure</b>	<b>\$ 2,239,303</b>	<b>\$ 2,028,630</b>	<b>\$ 1,890,360</b>	<b>\$ 2,003,880</b>

# Expenditure Forecast

Source	FY2020	FY2021	FY2022	FY2023
Departmental	\$ 93,642,606	\$ 97,286,888	\$ 101,089,312	\$ 105,057,185
Insurance & Employee Benefits	\$ 16,072,026	\$ 17,190,498	\$ 18,405,251	\$ 19,709,733
Pension Costs	\$ 13,180,613	\$ 14,625,789	\$ 1,096,276	\$ 1,106,727
OPEB	\$ 8,016,203	\$ 4,213,487	\$ 13,610,276	\$ 9,566,376
Debt & Interest	\$ 9,844,794	\$ 14,436,334	\$ 19,733,791	\$ 24,887,160
Capital Projects	\$ 2,239,303	\$ 2,028,630	\$ 1,890,360	\$ 2,003,880
State Assessments	\$ 2,717,478	\$ 2,799,450	\$ 2,875,427	\$ 2,953,467
Town Council Reserve	\$ 3,251,203	\$ 2,550,000	\$ 2,550,000	\$ 2,550,000
Other Financing Uses & Misc.	\$ 884,968	\$ 637,412	\$ 646,484	\$ 655,829
<b>Total Expenditure</b>	<b>\$ 149,849,194</b>	<b>\$ 155,768,488</b>	<b>\$ 161,897,177</b>	<b>\$ 168,490,357</b>

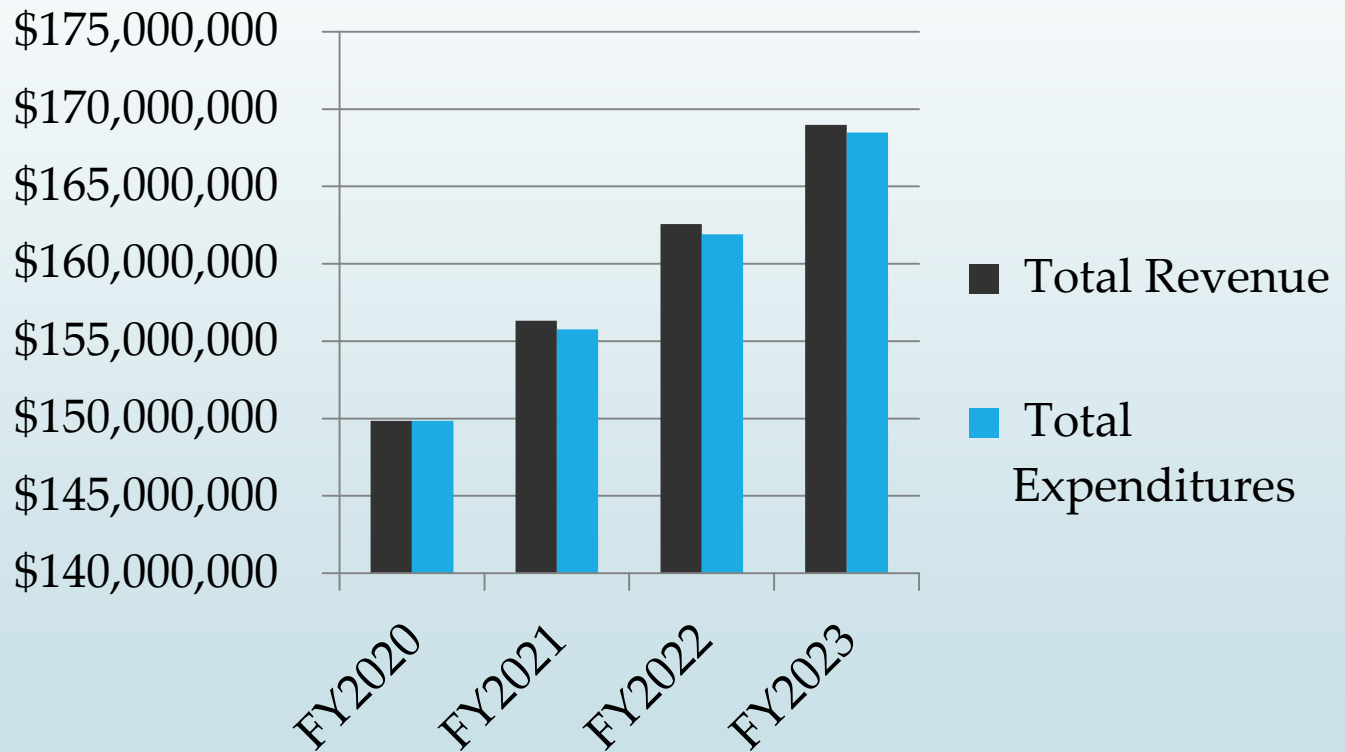
FY2020 Budget amounts include Proposed FY2020 Budget Amendment of \$2,091,194.

Debt & Interest related to the Three Elementary Schools Project is as follows:  
 \$981,193 in FY2020, \$4,601,296 in FY2021, \$8,734,020 in FY2022 and \$12,767,469 in FY2023

# Forecast Summary

	FY2020	FY2021	FY2022	FY2023
Total Revenue	\$ 149,849,194	\$ 156,325,317	\$ 162,568,277	\$ 168,986,211
Total Expenditures	\$ 149,849,194	\$ 155,768,488	\$ 161,897,177	\$ 168,490,357
Projected Surplus/(Deficits)	\$ -	\$ 556,829	\$ 671,100	\$ 495,854
Prior Year Balance Budget	\$ -	\$ -	\$ (556,829)	\$ (671,100)
Remaining Surplus/(Deficit)	\$ -	\$ 556,829	\$ 114,271	\$ (175,246)

# Forecast Summary



# Forecast Comparison

	Projected 4/23/19 FY2021 Budget	Projected 10/08/19 FY2021 Budget	Variance
Revenue:			
Taxes	\$ 121,405,905	\$ 122,646,475	\$ 1,240,570
State Aid	\$ 13,092,571	\$ 13,205,612	\$ 113,041
Local Receipts	\$ 13,829,488	\$ 13,829,488	\$ -
Other Financing Sources	\$ 6,643,742	\$ 6,643,742	\$ -
<b>Total Revenue</b>	<b>\$ 154,971,706</b>	<b>\$ 156,325,317</b>	<b>\$ 1,353,611</b>
Expenditures:			
Education Appropriation	\$ 52,963,495	\$ 52,963,495	\$ -
Town Depts. Approp.	\$ 39,149,470	\$ 39,476,794	\$ 327,324
Waste Disposal	\$ 3,346,599	\$ 3,346,599	\$ -
Snow & Ice Removal	\$ 1,500,000	\$ 1,500,000	\$ -
State Assessments	\$ 2,799,450	\$ 2,799,450	\$ -
Pension Costs	\$ 827,670	\$ 14,625,789	\$ 13,798,119
OPEB	\$ 16,772,287	\$ 4,213,487	\$ (12,558,800)
Insurance & Employee Benefits	\$ 17,442,086	\$ 17,190,498	\$ (251,588)
Debt and Interest	\$ 15,082,044	\$ 14,436,334	\$ (645,710)
Capital Projects	\$ 2,028,630	\$ 2,028,630	\$ -
Other Financing Uses	\$ 637,412	\$ 637,412	\$ -
Town Council Reserve	\$ 2,065,000	\$ 2,550,000	\$ 485,000
<b>Total Expenditures</b>	<b>\$ 154,614,144</b>	<b>\$ 155,768,488</b>	<b>\$ 1,154,344</b>
<b>Projected Surplus/(Deficit)</b>	<b>\$ 357,562</b>	<b>\$ 556,829</b>	<b>\$ 199,267</b>

# Projected Comparison

	FY2020	FY2021	Variance
Revenue:			
Taxes	\$ 116,043,512	\$ 122,646,475	\$ 6,602,963
State Aid	\$ 13,205,612	\$ 13,205,612	\$ -
Local Receipts	\$ 13,406,684	\$ 13,829,488	\$ 422,804
Other Financing Sources	\$ 7,193,386	\$ 6,643,742	\$ (549,644)
<b>Total Revenue</b>	<b>\$ 149,849,194</b>	<b>\$ 156,325,317</b>	<b>\$ 6,476,123</b>
Expenditures:			
Education Appropriation	\$ 50,441,424	\$ 52,963,495	\$ 2,522,071
Town Depts. Approp.	\$ 38,513,945	\$ 39,476,794	\$ 962,849
Waste Disposal	\$ 3,187,237	\$ 3,346,599	\$ 159,362
Snow & Ice Removal	\$ 1,500,000	\$ 1,500,000	\$ -
State Assessments	\$ 2,717,478	\$ 2,799,450	\$ 81,972
Pension Costs	\$ 13,180,613	\$ 14,625,789	\$ 1,445,176
OPEB	\$ 8,016,203	\$ 4,213,487	\$ (3,802,716)
Insurance & Employee Benefits	\$ 16,072,026	\$ 17,190,498	\$ 1,118,472
Debt and Interest	\$ 9,844,794	\$ 14,436,334	\$ 4,591,540
Capital Projects	\$ 2,239,303	\$ 2,028,630	\$ (210,673)
Other Financing Uses	\$ 884,968	\$ 637,412	\$ (247,556)
Town Council Reserve	\$ 3,251,203	\$ 2,550,000	\$ (701,203)
<b>Total Expenditures</b>	<b>\$ 149,849,194</b>	<b>\$ 155,768,488</b>	<b>\$ 5,919,294</b>
Projected Surplus/(Deficit)	\$ -	\$ 556,829	\$ 556,829

# FY2020 & FY2021 Budget Issues & Beyond

- Funded Pension Liability & OPEB
  - Retirement System – Fully Funded July 1, 2020
  - OPEB Liability Funding – FY2020 – FY2029
- Building for the Future Initiative
  - (3) Elementary Schools' Project (within Prop 2 ½)
    - Construction Document Phase
    - Construction Contractor Bidding
- High School Project (MSBA Path)
  - Feasibility and Schematic Process
    - Preliminary Design Program
    - Preferred Schematic Study and Report
    - Schematic Design
    - Debt Exclusion Vote – Calendar Year 2021
- Collective Bargaining
  - Five (5) Town Unions (FY2020-2022)
  - Six (6) School Unions (FY2020-2022)
- Acquisition of Land for Open Space/ Recreational Use
- Community Preservation Act (CPA)
  - Development of CPA Plan
- Community Development & Planning
  - Comprehensive Plan Implementation
  - 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
  - Filippello Park Lights & Scoreboard
  - Arsenal Park
  - Victory Field Phase 2
  - Saltonstall Park Improvements
  - Moxley Courts Renovations & Lighting
  - Casey Park
- Street & Sidewalk Improvements
  - FY2020 Loan Orders at \$4.0M
  - Four (4) Loan Orders of \$16.0 (FY2021-2024)
  - Related Water-Sewer Improvements
  - Mount Auburn Street Project - Design
- Bond Market
  - Upcoming Bond Sales
  - Maintain AAA Bond Rating
- Future Local Aid/Economy Driven Revenues
- Insurance and Employee Benefits
- Snow & Ice Removal
- Town Council Budget Guidelines/Conceptual Recommendations
  - Town-wide Information Technology Assessment
  - 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
- Review of Recommendations and/or Implementation
  - Public Safety Study
  - DPW Staffing & Operational Assessment
  - DLS Financial Management Review
  - Munis Payroll Project

