

Watertown City Council

Tuesday April 8, 2025

MARK SIDERIS - CITY COUNCIL PRESIDENT - I'd like to call the meeting to order. This is a meeting of the city council of April 8. This meeting is being broadcast and recorded by Watertown Cable Access. It is a Zoom meeting, and the information is available on the city website as well as an email and a telephone number. Clerk, please call the roll.

SIDERIS - Thank you. And before we continue this evening, I'm gonna recognize the city manager because we have a special guest with us tonight. Mr Manager.

GEORGE PROAKIS - CITY OF WATERTOWN - Thank you, Mr President. I, wanna take the opportunity before we, get into the regular business of the meeting tonight to, introduce, Wyatt, the new police department facility comfort dog, and, officer Kyle Verney, who has been working with Wyatt, and, just give them a chance to say hello. And if anybody wants, I believe we have Wyatt cards here for you, to celebrate our Labrador golden retriever cross and officer Kyle Rooney and the work that they've been doing to provide comfort here. So, if you would like to share a little bit, I'm probably gonna hand you that microphone or if you can go behind the podium. KYLE ROONEY - WATERTOWN POLICE DEPARTMENT, MA - Thank you for having us. So my name is officer Rooney. This is my K9 partner. He's a facility dog from Guide Dogs of America. His name is Wyatt. He's two and a half years old. He, provides therapy to citizens of Watertown and the police department, city hall. He comes with me to work every day. I I'm using him as much as I see fit. He's responding to me on sudden death calls, at the schools, anything involving children. He's helping out with domestic violence. He's corresponding with our Advocates Commission clinician Eli Miller. And, we recently got appointed to a co-response team called NEMLAC Stars. They specifically respond to schools for critical incidents. Wyatt is super smart. He knows 48 tricks and queues. He actually has learned a few more since I've had him since January. He was part of a prison program, and he was trained by a prisoner for a full year. I'm very lucky to have him, and thank you to Watertown. Thank you to the police department for allowing me this opportunity. I'm gonna do some tricks and queues, and, if you guys have any questions, just let me know. So he's all positive, food, trained.

Every time he does a trick completely right, I say click. If he doesn't do it right, you just say, give a boy. So I'm kinda doing a little bit of training as well. Sit. Click.

Close. Good. So he specializes in depression therapy. He does retrieval things, and then he has a nudge behavior, to change someone's behavior, from, like, a seizure, a kid's stimming behavior, or, PTSD dream at night. He also does the retrieval stuff, for, like, veterans or somebody who can't reach down below. He can get something for me, give something to you, or put something somewhere. So this is really good, at schools when I can show this off. And, it just gets kids to smile and, like, get them to see what the dog can do. The deep pressure therapy stuff, I've been using a lot. He uses his head on a hug, or he uses his whole body as, like, a weighted blanket. So I'll show you a couple of that. Stand. Side. Side. Side. Good boy. So the company trains, deaf and blind handler dogs. So he's gonna be trained to be, one of those. Sit. Hug. Another fun one he does is stand, Back up. Leave it. Back up. Belly up. He does a lot of good things for children as well. He does something called a snuggle. If I do a snuggle, his face is away from a child. So I can show you an example.

When he does it to me, his head is facing the other way. You can also do that to somebody in a chair. Does anyone feel comfortable with a dog and wanna try one of these? Do you want a hug? Yeah. Alright. Let's get down and sit. He's already very happy. He knows. Just he's just gonna put his head on your shoulder, like, kinda like he did to me. Just just get ready. Ready? Since left. And this is where he gets a deep pressure therapy. He's using his body as a weighted blanket. You can pet him, hug him, love up on him, do whatever you wanna do. That's where he's giving all these kids and these people in our community a good therapy that, people really need. But the biggest thing that a lot some people don't realize is what he's doing right now, and we're all laughing, having a good time is this is what he's meant for. He's here to provide therapy for all, and everyone loves dogs. How could you not? I am so thankful and grateful for this opportunity. He's amazing. So thank you guys for having us here. Thank you very much.

SIDERIS - I don't think we have to have the rest of the meeting now. We're all set. Maybe we shoulda had you at the end. Does anyone have any questions? Any questions? We'll need him after the budget. Okay. Thank you, Kyle. We appreciate it. Thanks. Next item on the agenda is public forum, and we have some people that have signed up. And just so people are aware in public forum, you're allowed two minutes to speak. You need to identify yourself, and we do not respond, at this time. So first, we have Patrick McManus.

PATRICK MCMANUS - RESIDENT - My name is Patrick McManus. I've been a firefighter, paramedic here in Watertown for six years. I'm gonna speak to you about the importance of time and how it correlates with patients' clinical outcomes and how only having one ambulance hurt the community when a community that

desperately needs two. Everyone's heard the term cardiac arrest, but what does it mean? Every minute of a cardiac arrest, heart, brain, lung tissue begin dying. Getting an ambulance on scene is crucial for patients' outcomes. 10 percent of every hot out of hospital cardiac arrest survive when receiving ALS intervention. This includes IV, heart monitor, intubation, and medications. Of those people who survive, nine out of 10 have permanent brain damage from the lack of oxygen. We are greatly reducing the patient outcomes by having extended ETAs of out-of-town ambulances. Two Christmases ago, our ambulance was on another call when a two-year-old cardiac arrest came in. With our ambulance being not available and a delayed ETA from a private ambulance, the patient's survival greatly decreased, and, ultimately, the patient died.

Having a second ambulance would have given this patient a fighting chance rather than delayed resources to the scene. Another call where time is important are strokes. CVA and strokes are very important. The interruption of blood flow to the, interruption of blood flow to the cells of the brain. For every minute that passes, millions of blood brain cells begin dying, causing long-lasting deficits and bad patient outcomes. Having an ambulance on scene to get the patient to the appropriate facility in a timely manner is the only way to help this patient. And lastly, patients with seizures, time is very important. Every minute a patient is seizing, there's a disruption of oxygen to the brain. Seizing chews through the patient's blood glucose levels causing drastic drops and spikes in their glucose, worsening the patient outcome. Having an ambulance on scene to stop the seizure in an appropriate amount of time gives a patient a better outcome. Why is Watertown in need of a second ambulance? One does not cut it. Time matters. Time to having the appropriate resources to the civilians matter. Thank you for letting me speak.

KATE BOUDREAU - RESIDENT - Good evening. My name is Kate Boudreau. I've been a firefighter paramedic for the city of Watertown for the last three years working on the paramedic unit. I wanna speak to how having one ambulance not only impacts the response times, but impacts the members as well. Everyone in this room has seen the fast growth that has occurred here. New families, new businesses, and with that comes new calls for help. The department's call volume has steadily been increasing with no proportionate increase in public safety resources, and the impact is coming to a breaking point. We all operate with a level of manageable anxiety that comes with the unknown of this job. Oftentimes, we're showing up on somebody's worst day of their life. For most people, their work week's predictable. Show up at 9AM, lunch break, leave at five, rinse and repeat. Now picture the anxiety of coming into work on a Monday and not knowing when you're gonna go home.

It could be the next morning. It could be two days from now. Now picture telling your five-year-old that you're not gonna be there for their birthday tomorrow, and they're already mad at you because you missed the last two baseball games that week. Imagine the stress that puts on a spouse who now has to put on a happy face and make it happen for the kids that day. We have several members that had their first baby this year. Imagine having to tell a new mother who's already overstimulated that they have to take the night shift again by themselves. The burnout that affects our members from being understaffed has far-reaching impacts beyond the walls of these stations. The fire service is changing. More departments are providing advanced life support to the residents.

Paramedics are in high demand, and therefore, they have their choices of places to work. We need to make this an easy choice and make this a desirable place for everybody to work. Watertown has developed a reputation among other local departments and EMS systems as being a busier system with an overtaxed ambulance. The quality of life for a paramedic working in Watertown is much different than a system like Lexington or Natick who have more paramedics on staff, multiple ambulances, and fewer calls on a daily basis. As someone on the city council board recently said, the bigger picture is making sure that we have a city that cares about its residents and is responsive to the community needs. We want it to be a place where people wanna come to work every day, want to participate, and want to give it their best. Thank you.

PAUL LAFAUCI - RESIDENT - Hello. My name is Paul LaFauci. I'm the president of the local 1347 firefighters here in Watertown. You just heard four minutes of what's very important to the fire department and how we're only asking for resources to help the citizens of Watertown. This can has been kicked down the road too long. We're losing members. We hear a lot of, talk about numbers, response time numbers, city budget numbers. This goes beyond that. We need to take care of the citizens here in the town and the people that work in the fire department. Let them go home to their families, not be held over and stay days at a time. Like I said, this this has been kicked down the road too long.

We're waiting for second meetings. We can't get second meetings. This has been going on a month. We need to hear these kind of stories and get the full story out on this thing. So if we can just put into perspective when you're in a house and you're telling somebody that they're waiting for an ambulance over and over again when they're holding a seizing child, it's uncomfortable, and that's what's important. Not these numbers. There's plenty of money here that we can do this, and we can do it now. We can take money and stop putting it down in the Watertown Square Stabilization Fund and use it for what's important at this

moment. And this medic program, I don't think, can last this summer if we don't do something about it. So I thank you for your moment of time, and I'd like to see this, brought forward. Thank you.

JANET ZILDJIAN - RESIDENT - Thank you. My name is Janet Zildjian. My husband and I have lived here in Watertown since 1965. Zavin and I Zavin lived here 78 years of his 82. We've raised our 4 children here. The town city now has grown a lot since then. I am a retired RN and worked many years at MGH in Newton Wellesley. I have seen over the years the importance of quick response in how they affect and save lives. On 11/12/2021, I came home to find my husband putting away tools as he was used that he was using to clean the driveway of leaves, but he hadn't finished and he was putting away the tools and that's not like him. Very unusual. So I asked him, is anything wrong? He said he didn't feel well. I said, let's go inside and I'll check your blood pressure. It was okay, but he was ashen.

So I called 911 and they were there in minutes. They took EKG readings and then took us to MGH as we requested. The cardiac team was waiting for Zaden and I and they took him immediately upstairs and placed a stent. His artery was 95% blocked and they were able to plan to place the stent before any cardiac damage occurred. If we hadn't if we had to wait for an ambulance, the outcome would have been much different. He might have not survived or otherwise had severe heart damage. Many times in my career, I've witnessed how minutes and seconds matter. I'm asking you to please add a second ambulance for our city due to the growth over the last 60 years and also to consider that minutes and seconds matter. I ask you all to consider how you would feel.

ANGIE KOUNELLIS - RESIDENT - Thank you so much for the opportunity. Angie Kounellis, 55 Kenan Street. Earlier this month on April, I submitted communication to the city council regarding, my concerns relative to the new staffing positions in Watertown and where the priorities lie from Watertown's Elected Officials. All of a sudden now when we're speaking about public safety, Watertown is in austerity mode. I have major concerns here. I value all of the employees in our community and the tasks that they perform. The services for the community are certainly warranted, but we do need to review the scope of services. I've never in my life seen so many newsletters coming out of administration. There aren't enough hours in the day to read them. Duplicate communications. I think that some staff are tripping over each other trying to find something to do. And now we speak about a second ambulance and all of a sudden is being placed on the back burner. Second ambulance and staffing and public safety have been discussed for many, many years. We have to look at the criteria that goes behind all of this. We need to look at the development in our community. We need to look at the population

growth, the development. So I think there should be considerations made for the staffing levels, for the second ambulance, and safety for our residents in Watertown. Thank you. ELODIA THOMAS - RESIDENT - Thank you, Mr. President. I wanna speak in general in terms of community comments. These comments tonight were very important. I spoke at the last public forum at the last meeting and reviewed my comments. I don't know if AI is now doing the minutes for our council meetings, but I believe the public forum comments should be clearly reflected in the minutes, not edited, not, different words used. The word ire was in my comment. I never used that word. And this is the place that the public can really say what's on their mind. So I would like special attention paid to these issues because when I speak, I'm pretty damn specific about what I have to say. What you wanna do with the council minutes in terms of the meetings and councilor comments is up to you. But the public forum is critical to this community, and I appreciate everybody's comment tonight. Thank you very much, Mr. President.

VINCENT PICCIRILLI - CITY COUNCIL MEMBER - Thank you, Mr. President. This email was from, Peter Centola. It says, I wanna thank first, thank each of you for your hard work and dedication to the residents of Watertown over the years. Leadership team, department heads, and men and women who implement policies and procedures and are on the ground doing the work. That being said, it's clearly stated in the document I set out today. I am more than dissatisfied with many aspects related to park, recreation, and athletic facilities in the town. I will call on some of you to reset and reevaluate your position and your unwillingness or inability to make recommendations, plans, and decisions that make sense and are in the best interest of most of our residents. I will call on others to join the discussion as some just sit by quietly without voicing their opinion. As requested in the attached document, I would appreciate including it sent into the minutes and at some point in the near future, some level of response. Regards, Peter Centola.

SIDERIS - Thank you. Is there anyone else in public forum? Seeing none, I close the public forum and move on. The next item is the examination of minutes. Can I get a motion on the minutes of March 25?

PICCIRILLI - Mr President, I'll make a motion that we adopt the minutes of March 25 as written.

SIDERIS - Is there a second?

LISA FELTNER - CITY COUNCIL MEMBER - Second.

SIDERIS - Yes. Thank you. The next item is president's report, and I don't have anything tonight because we have, other things that we're gonna be discussing. So the next item is presentations of petitions, proclamations, and similar papers. And I have a special proclamation for a special person this evening. It's a proclamation honoring Mary Berry as a Watertown hometown hero. Whereas Mary Ellen Berry, Nee O'Connor, a lifelong resident of Watertown, is now in her ninetieth year. And whereas Mary, a parent teacher association member for 20 years, saw her five children succeed as Watertown public school graduates. And whereas, Mary has been a dedicated volunteer serving the clients of the food pantry for over 30 years, where she has raised thousands of dollars from her many friends and supporters on behalf of the food pantry. Her children, grandchildren, and all who have worked with Mary have been inspired by her steadfast devotion to promote the mission of this important service organization in the Watertown community.

Her friends and clients will always remember Mary's ready smile, enthusiasm, and caring disposition as they carry on the essential work of the Watertown food pantry. And whereas, Mary has served the Sacred Heart Parish community for over 60 years, is a Eucharistic minister, and is one of the longest serving volunteers for the parish's annual bazaar. Mary staff the raffle prize table and donated many of the prizes, personally made a quilt each year to raffle off as a fundraiser, while her proudest contribution was baking hundreds of loaves of Irish breads and pound cakes for bake sales. Her contributions resulted in thousands of dollars in benefits to the bazaar. And whereas as an election worker in the in Watertown's Precinct 3, Mary advanced to the position of elections warden, a position she held for many years. Mary was proud that her precinct was always one of the first precincts to report for the vote turn-in, which was always accurately 100% accounted for.

And whereas, Mary has served in many other roles in our community, a Watertown Town Meeting member, a volunteer with the multi service center, a brown girl a Brownie Girl Scout leader, a reliable driver to transport town residents to the Watertown Senior Center, the Red Hat ladies, Rummy cube, Watertown High School class of 1953 luncheons, and numerous other contributions to her Watertown. Now therefore be it proclaimed that the city council of the city of Watertown hereby honors Mary E. Berry as a Watertown hometown hero. I have been a resident of Watertown all my life. I've loved Watertown. I grew up in the East, and we were all children of immigrants. And we all have the American dream, and that did happen. My brothers were able to go to MIT, Boston College, and BU from just an immigrant father and mother. And I've always loved Watertown, and I always felt we all got along in Watertown. And I always thought, you know, if the whole world would be like Watertown, we wouldn't have any wars, and everybody

would get along. And thank you very much. So to finish this process, I'd like to get a motion to accept the proclamation. So moved. Is there a second?

FELTNER - Second.

SIDERIS - Yes. Thank you. And as we can see, Mary brought all her friends with her tonight. They filled the room. So thank you all for coming to honor Mary. Yeah. So that's only some of your friends. Thank you. Thank you very much, and congratulations.

SIDERIS - Okay. The next item on the agenda is motions, orders, and resolutions. And 7a is a resolution approving the acceptance and expenditure of gift of funds in the amount of \$450 from Patrick Mulroy, Greg Lickniak, Shanta Pukler, and Paul Coleman to offset expenses related to Watertown Pride 2025 events, Mr. Manager.

PROAKIS - Thank you, Mr President. As you are aware, under state regulations, we are required to accept gifts through the city council, with thanks to the individuals named, we have the opportunity to accept gifts for the Watertown Pride event, which will be held, this year on, I believe, June 1. Thank you, Mr President.

SIDERIS - Thank you. Can I get a motion to approve the acceptance and gift of funds?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second.

SIDERIS - Yes. Thank you for the donations. Next item is committee reports and, 8a is a committee on climate and energy report regarding its meeting on March 10. Council of Palomba.

ANTHONY PALOMBA - CITY COUNCIL MEMBER - Thank you. The committee on climate and energy convened at 05:30 in the City Council Office on 03/10/2025. The purpose of the meeting was to interview Wallace Cole for appointment to the we3 c. The meeting was called to order by myself. Also present were councilor base, the vice chair, and councilor Arasian, the secretary. Mr. Cole has served on sim a similar board in his former town called the Sustainable Winchester Energy Commission and loved the experience. He would like to apply some of his personal skills in the solar industry to help achieve some of the goals outlined in the climate action plan. One thing you would like to see done soon faster or better is building decarbonization as he understands the importance of reducing emissions.

For the last few several months, Mr. Cole has sat on the we3c's meeting sat in on the wec3's meetings and has been impressed with the diversity of skill of the current committee. He mentioned there will need to be a lot of hard work to be innovative to help ease some of the issues coming from the federal level at this point in time. He also believes he will add value to the current composition of the committee. Councilor Bays made a motion to recommend to the city council to appoint Wallace Cole to the we3c for a term expiring November 2027. The motion was seconded by Councilor Raisin and passed 3 to 0. The motion was made and second to adjourn. The meeting ended at 4 05:45. And thank you to, Councilor Airasian for preparing the minutes.

SIDERIS - Thank you. Can I get a motion to accept the report?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second.

SIDERIS - Yes. Thank you. Can I get a motion to, confirm the appointment of Wallace Cole to the Watertown Energy Environment and Energy Committee for a term to expire 11/15/2027?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second. SIDERIS - Thank you. Next item on the agenda is, 8b, which is a committee on state, federal, and regional government report regarding its meeting on March 31. Councilor Gardner.

NICOLE GARDNER - CITY COUNCIL MEMBER - Thank you, Mr. President. The committee convened on Monday, March 31 at 5PM in the city council office. Present were myself chair, Anthony Palomba vice chair, and Emily Izzo secretary. And the purpose of the meeting was to conduct an interview for the board of election commissioners. The committee interviewed Ms. Margie Applebaum, and this would be Ms. Applebaum's first time serving on the Board of Election Commissioners. Ms. Applebaum stated her interest in elections started from a young age when she would go with her father to vote, and the moment she turned 18 years old, she registered. She has been active in elections ever since. Ms. Efelbaum has recently brought this passion to her workplace at the New England Conservatory, where she has looked to as a leader. The Dean of Students asked her to assist in getting out the vote and encouraging students and faculty to

participate in elections. She discussed her efforts in getting out the vote activities and talked passionately about registering not only students who are Massachusetts residents, but also urging students registered in other states and countries to participate in their elections as well.

She described voting as the great equalizer. This is her fourth time applying for the role. She has had a long standing interest in serving on this board. To prepare for this role, she has looked at online meeting minutes from past election commission meetings. Miss Afflebein discussed how she has always had positive election experiences in Watertown. She mostly votes in person but has voted by mail and has participated in early voting. She acknowledged the concerns around inactive voters and emphasized the importance of communicating with residents when it comes to completing their census. She also believes communication is the best way to get more participation in elections. Miss Afflebaum also explained how she is interested in learning more about ranked choice voting as an option for voters. Councilor Palumbo made a motion seconded by Councilor Izzo to recommend that the city council confirm Margie Afflebaum for a term of appointment to the board of election commissioners for a term to expire on 04/01/2029, and this was voted 3 to 0, after which the meeting was adjourned.

SIDERIS - Thank you. Can I get a motion to accept the report?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second.

SIDERIS - Yes. Thank you. Can I get a motion to confirm the appointment of Marjorie Applebaum to the Board of Election Commissioners for a term to expire on 04/01/2029?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second. SIDERIS - Thank you. HC is a committee on economic development and planning report regarding its meeting on March 26. Council of Feltner.

FELTNER - Thank you, Mr. President. The council committee on economic development and planning convene on Wednesday, March 26 at 05:30PM in the city council office. Present were myself as chair, John Gannon as vice chair, and Vincent Piccirilli as secretary. The purpose of our meeting was to conduct a

historic district commission interview with Thomas Faust, who is an architect currently working for the firm SMMA. He has lived in Watertown since 2022 and is interested in history and adaptive reuse of historic buildings. He feels that being on the historic district commission is a way for him to become more engaged with the community. In his career, he had worked on a reuse project for Church of the Holy Name of Jesus in New York City, which he feels would be particularly helpful as a church at 80 Mount Auburn Street, which is located in the historic district, is proposed for redevelopment. And I will note that there's not a particular redevelopment, project being proposed, but we rezoned that during the Watertown Square, hearings. And the action item was to confirm appointment for Thomas Faust. The meeting adjourned at 06:10PM and thank you for so quickly, councilor Piccirilli getting this report to council.

SIDERIS - Thank you. Can I get a motion to accept the report?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second. SIDERIS - Thank you. Can I get a motion to confirm the appointment of Thomas Faust to the historic district commission for a term to expire on 11/15/2027?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second. SIDERIS - Thank you. Okay. We move on to, communications from the city manager. And the first one is the submission of the fiscal year 02/1926 budget, which is what we're all waiting for this evening.

PROAKIS - Thank you, Mr. President. I just need a moment here to set this up. Thank you. I wanna make sure the computer doesn't die while I'm doing this. There we go. So, thank you, Mr. President, members of the council, and, everyone who has joined us both here in the council chambers and at home today. So, in front of you, councilors, you should have this here budget book. Looks a little different than the last ones, and I will talk about that a little bit more as we go. So pursuant to the provisions of the Watertown Home Rule Charter, I'm here with presenting the submitted budget for fiscal year running 07/01/2025 to 06/30/2026. And while I need it added to the next agenda for proper referral, pursuant to section 2 of the Watertown Home Rule Charter, I'll also be presenting to you a reorganization plan, this one much smaller than the ones done before. But I will need it marked on the next agenda so it can be referred and properly voted

as well per the city charter as it goes. And so if you're following along at home and you don't have a book in front of you, which you probably don't since we got them in from the printer just a couple hours ago, you can go to watertown-ma.gov/manager.

You can click on the left hand side column where it says budget documents FY2026 on the left side of the page, and you can select fiscal year 2026 budget, and it should give you a downloadable copy that you can either read on your screen or download as a PDF of this exact document that is in front of us here as we discuss it this evening, for your review tonight and then for the public meetings to follow as as we discuss what's in the budget. The budget book itself continues to be a transitional process. One of our goals for future years is to apply for the GFOA, the Government Finance Organization's distinguished budget presentation award. We've been looking at the best presented budgets in the country, and my hope is maybe next year, we'll reach that point. We've made some steps in the direction towards a clearer, easier-to-read document, and we hope you like the changes we've made here. We switched for the we started with budget books that were had a had a, end bound landscape to a top bound landscape, and now we've switched to a portrait orientation, not because we like to mix it up, but because you think it's a little bit easier to present the data this way.

You'll see that, after some of this had been around and then disappeared for a while, having government mission statements, department descriptions, accomplishments, and goals in each department budget is back, and, we'll be here to stay. We'll be working with departments to refine the process and making sure they submit their goals and that we can tie budgets to goals and make that make that work. You'll also see that organizational charts for each department indicating the positions and how they lay out in each department are laid out with each department piece. What I lost in that was the ability to have budget sheet and changes opposite each other on the same page just because the way the portrait book flows. But I do think that in the end, they're still right there. Just before each budget sheet, you will see, any, current budget items on, continuing operations as well as new budget requests and whether or not they were funded. So we're continuing to refine the budget book layout by fiscal year 27. We're going to add performance indicators for each department, community indicators, glossaries, some other pieces that are in best practice budget books, but we think we made a big step forward with this particular document.

The table of contents of the book is very similar to last year. It includes the transmittal letter, which is my introductory letter, the reorganization plan and organization chart, the fist the budget policy guidelines that the council put

together in November, so they're right there in the same book for you, budget overview, general fund budgets, and then kind of all of all of the background pieces. On pages three through 24 is the transmittal letter. The topics are pretty similar to last year, strategy, finance highlights, revenue, government organization expenditures, our commitment to schools, pension, and, the, OPEB benefits fund, capital project education, water soar, forecasts for years beyond in closing, and kind of just an overview of all of that on the those those first 21 pages. Pages 41 to 53 kinda give you an overview of revenue, and expenditures, kind of the high level of the entire budget. And then kind of the meat of the document, pages 54 to 173 is where we have each department. And with each department and shows kinda here on the screen how it works, you have mission statement, department description, and an organizational chart, and then fiscal year 24 and '25 accomplishments.

We listed both together because we didn't do it last year, so we wanted kind of the last two years of accomplishments. Fiscal year 26 goals, significant level service changes, so where we've had to make shifts in the budget for level service, and then the additional budget requests and capital budget items for that particular department. You'll see it starts with the city council and kinda works its way through all of the departments in the order that you're typically used to seeing. As usual, there are a bunch of backup documents, including the compensation worksheets, the supplies and services expenditure worksheets, the supplies and services expenditure worksheets, the actual additional funding requests submitted by the departments. Those are not in this book. If we put them in this book, it would be a significantly huge document. Those items as well as the reference items listed on this slide all go online, and we make sure that those are there available for you online prior to the first meeting where we're going to start digging into the department discussion. So I know coming out of here today, we'll be working in the next couple days on scheduling those meetings and making sure that we can dive into the budget document, and, all that information will be ready at that point.

So that's kind of the intro to the book and how it works. I wanna now step into, a discussion about sort of how we work to build budgets. As you know, I've been working with you as a council now for this is our third budget, and together, we have been focusing on some high-level strategies and goals to try to guide our decisions around financial documents. The first place to lead to is the Watertown Home Rule Charter, And the preamble to that charter, which lays out the guiding principles for civic and environmental stewardship, and prioritizes safety and tranquility, health and well-being, education and excellence, creativity and innovation, equity equity and diversity, and accountability and transparency. The

preamble notes that taken together, these principles yield, and this is a quote right out of it, vibrant and welcome neighborhoods, high quality and inclusive schools, transparent and accountable municipal operations, including performance excellence, responsiveness, and collaboration, and thriving local business. So we build on that base, and I'll come back and talk a little bit more about performance excellence, responsiveness, and collaboration at the end of this this responsiveness, and collaboration at the end of this this this, presentation. But, that's sort of our key starting point.

As I think everyone in the council knows, and some people maybe in the room and at home have heard me say it just a few times before, since my arrival here in 2022, I built this leadership formula that is something I go over regularly with our staff. And we're meeting one on one with each department and kinda doing a departmental lunch meeting where we talk about what issues and converse and, circumstances are going on there. And I always talk about the leadership formula, which includes maintaining the highest ethical standards, ensuring collaboration between departments, providing accurate, courteous, and easy, I call it ACE customer service that originates from our 311 team and percolates into the work we do to do customer service trainings and support systems for all of our departments. Transparency in process and outcome, and there's a number of features in this budget are designed to focus on that transparency. And my 5th goal, which is to be abnormal, finding new and unique situations to challenges and leading in local government. As we focus on those leadership that leadership formula steps, which really is my message to my staff to kinda how to keep the staff focused on where we're moving forward, we maintain some continuing priorities about how we do budgeting that has been consistent in Water predecessors,

Some strong fiscal guidance to this community, to provide the highest level of essential services possible with the most efficient utilization of resources, to ensure annual costs of all operation are funded on an annual resources, to ensure annual costs of all operation are funded on an annual basis from current revenues, meaning don't dip into the one time funds to pay operating costs, to not defer maintenance and or recognition of costs, capital equipment, facilities, and infrastructure to future years, so to not push off and make a big list of deferred maintenance, and to ensure sound financial management and fiscal policy while presenting a budget based on sound business practices. So that remains a core basis of the way we do things. Building upon that, I've framed a lot of the work that's come out of the administration around five key strategic priorities, continued fiscal stability, climate mitigation resiliency, organizational effectiveness, building for the future, and a commitment to planning. And I wanna frame once again both

the, where we are in fiscal year 25 and where we're going in fiscal year 26 in this budget around the five strategic priorities. So before I dive into the fiscal year 26 budget, I wanna give an update on just where we stand in fiscal year 25 as we sit here nine months into the fiscal year that, you know, I last spoke to you about in the October budget update presentation.

And things are things are pretty solid. Continuing fiscal stability, we're implementing the 25 budget, uses the best practices of financial management, funds the city priorities. We're continuing the path of full funding for the city pension system. We're continuing to fund OPEB with the 2031 target for full funding. We're ensuring full funding for the Watertown High School project while maintaining borrowing not to exceed \$150,000,000. On climate mitigation, we've added staff resources to the sustainability team at community development and planning to meet the top budget policy guideline provided for fiscal year 25 to continue the implementation of the climate plan. We're continuing to improve the city's elect implement the city's electric vehicle program. We're continuing, aggressive tree planting programs, growth of the organic recycling program, investment in their stormwater infrastructure for both, stormwater, for meeting our overall standards for stormwater, but also for building a more resilient community that, that can handle larger storm events. and working with our energy team to encourage private homeowners to implement energy efficiency programs such as rooftop solar and heat pumps. On a commitment to planning, we finished the comprehensive plan. The implementation is underway.

The planning and zoning community design teams are in place and, doing some incredible work. The Watertown Square area plan document, thank you to the council for approving that plan document and the relevant zoning. The two pieces coming next, the redevelopment planning and the streetscape design work will start soon and continue into fiscal year 26. The bike and pedestrian plan, the multimodal transportation work is underway. The affordable housing trust is now investing in new opportunities, particularly with the, coming of the Willow Park project that has also been supported by our, community preservation committee and the city council through the community preservation funds. Appreciate that opportunity to build new affordable housing is coming forward, and we're continuing efforts on historic preservation. On our organizational effectiveness, the 311 service center continues to serve as a frontline resource, to receive, address, process, and monitor community concerns. The health and human services study draft has been released. I should say final version has been released, and funding has been appropriate to fund the initial implementation, and the classification compensation study has been fully implemented.

And then on building for the future on our school programs, the high school's on schedule and due to open just about a year from now. The renovations to the Parker Building are scheduled to begin near the end of fiscal year 25, which will have the food pantry over there. Thanks to the council support through the ARPA federal funds, have, plant community development planning in a single place there. Parks, streets, and sidewalks projects continue in concert with the city's commitment to walkability and multimodal access. On top of that, one of the key things that I appreciate working with the council on over the course of the last six months is the question of what we do next with the capital project needs that are facing us and kinda converging at the same time, which included a discussion of the future of the middle school, the growth of the senior center, the need to, look at what the future is of the East End Fire Station, staging area for DPW, and the schedule for implementing Watertown Square and making it possible to see how we can do all of those things under these circumstances. And with the council's advice, we've pulled the middle school project forward and started in on a feasibility project for that, and we'll talk more about that as we go through the budget. But that's kind of the snapshot of where we are nine months into fiscal year 25 as we start to build into fiscal year 26.

So from there, I wanna provide what I refer to as the big picture headlines of this budget and really focus from there and then get down into the numbers. The first I will say is that this budget is being produced at a time of significant uncertainty. That seems to be the word that everyone seems to use when I talk to them about financial planning these days is uncertainty. And I think not just in local government. I think if you, look at your own retirement account, sometimes we're wondering about uncertainty as well. And my general philosophy is that we must maintain a resilience system that is resistant to volatility in an uncertain circumstance. So I go with the metro mayors and managers group and meet with the leadership at the state house, and all they talk about is how difficult it is for them to put a state budget together with this level of uncertainty. I look at some of the communities around us that rely on federal funds for certain programs, and they talk the same about, should we be replacing these funds? Can we depend upon these funds? There's just a lot of things that are bumpy right now, and our goal, I think, is to maintain a system that is resilient and, again, resistant to volatility.

The fiscal year 26 budget continues our practice of prioritizing maintenance improvement of our capital assets with a focus on the use of stabilization funds and free cash to reduce borrowing. Where we can place funds in stabilization or where we can use free cash to put money into stabilization, to make a purchase, to do a one time step that will reduce our borrowing. What we're doing is we're

ensuring that we're not borrowing and ending up with long-term, obligations on our budget that we have to pay for a significant period of time. One of the steps to that, for example, was as the high school project eked up in price in the post COVID inflation, we were able to hold the high school borrowing at \$150,000,000 through the strategic use of this council, working with this administration to add more funds to high school stabilization over time to ensure that we could keep that 150 number. That 150 number pays 30 of dividends for us because it means we didn't borrow an extra \$10, \$15, \$20,000,000 that we might have done otherwise that would be would then have been paying back on borrowing for many years beyond that. The budget and forecast are built on our long-standing commitment not to seek overrides or debt exclusions, which we work within our means. Our number one budget policy guideline on the revenue side has always been about using economic growth, to build our budgets.

We don't have the same level of economic growth as we've had in future years, but when I look around at some of our surrounding communities and some of the challenges they have, some of the choices they're making between cutting significant teachers in the schools, putting overrides on the ballot, some of which are passing, some of which are very surprisingly to me not passing with the significant level of cuts attached to it. We continue to work to build a budget that doesn't put us in a position where we have to ask that question. So this budget, as built, is set up to look at our full two and a half percent tax gap under proposition two and a half, which basically means we add two and a half percent to the base of our of our property tax base and then add anything from new growth, but it doesn't anticipate. And even though there are some deficits in the out years, in the forecast, I wanna work with the council to ensure that we don't end up in a situation where maintaining level services requires us to seek overrides or debt exclusions. The fiscal year 26 budget establishes the human services department to implement the health and human services plan or the piece of the health and human services plan that is based upon that department, with the appreciation for the council to support, the midyear request as we had originally planned in fiscal year 25 to create the director position and begin that process.

We've had a meeting with the council committee to talk about, the role for that director. We've posted that position. We're searching for that position. That position sits in the city manager's office in the fiscal year 25 documents. The fiscal year 26 budget moves that into a human services department. The budget does not otherwise include significant new programs. To put that in perspective, this year, the department had submitted to me and they're all I mean, we can go through them. There are some really good ideas and really good requests about over \$5,000,000 of additional budget requests. We approved \$383,000 worth of

those, so that's about 8% of what was requested we're able to put in this budget. The fiscal year 26 budget does not create new staff positions in the city, so the net growth of new staff positions is zero. If you look at the total budget, the submitted budget includes revenues and expenditures totaling \$223,660,433. The budgets are always a little tricky when you pull extra free cash in to fund a one time item, which we are doing with \$8,900,000 of free cash here. So, sometimes you'll see that when you do that once, the next year budget kinda bumps back down again and is a little bumpy. We did do some calculations that pull that out just to look.

But as a baseline, including that, and we'll talk about why we're doing that, the submitted budget, 223,660,433. That's the number. 3.3% increase over the revised fiscal year 25 budget as you have now. The tax levy is 78% of that, 178,240,316. And, again, tax levy, it's a mathematical calculation. We take last year's number, we add two and a half percent, we add the tax value on new growth, and, and that's the number, and that's what you have to work with. And, then, you know, the wonder of the assessing process determines as we set the tax rate in December of where we go from there. As I said, there's some uncertainty. Overall, there's some I think that as uncertainty goes, we're not in as tough of a situation as some others, and I'll explain a couple reasons why. First of all, our direct dependency on federal funds is minimal. There are a lot of communities out there that are receiving significant federal money directly into their local budget. They're the block grant entitlement communities, although no one suggested cutting off the federal government block grants from HUD. It would be a concern if people are looking across the federal system. It changes. We have, I can give you the update. We have the document on grants here for a little later this evening, but we are in a situation where our dependency on federal funds is minimal. It's not zero.

We had a \$4,000, grant from the Mass library commissioners that we're probably not gonna see at this point because the federal government cut the funding to the agency that funds the mass library commissioners. But \$4,000 when we're in a \$220,000,000 budget is frustrating because we love those grants, but it's not as significant an impact as would be in the circumstances where some communities are looking at millions of dollars that they depend upon for federal funds to be able to do stuff. You know, I am concerned. You know, as you look at our grants list, you look at we we, you know, we have Mark as our grants our budget and grants management analyst. He's been working on getting us more grants and working to pull more grant funds together. There's still a lot of grant money out there. Grant money that's filtered through the federal government to another agency may not be as available to us as in the past. And when we go and we say, okay. We're

gonna build something based upon a \$4,000 grant, then it's not there anymore. It is frustrating, and that is one of the things that we are monitoring.

I will say the next thing that we're monitoring is we depend on unrestricted state aid, chapter 70 school funds, and chapter 90 transportation funds. A reduction in federal support for state programs could cause the state to turn around and reduce their support for local government. Now state aid makes up seven and a half percent of our budget. This is a little bit of a higher risk. This is a circumstance where even though a federal cut to its Commonwealth of Massachusetts may not say, hey, Commonwealth, you know, we're gonna cut millions of dollars to something that goes directly to local government, they could turn around and cut Medicaid money that is going to a program that has nothing to do with us. And if the state government says, well, we need to backfill that, and therefore, we can't spend as much on chapter 70 school or chapter 90 transportation, that's where we may see an impact back to our our budget and financial situation. So this is something we do have to keep an eye on. We build our budget every year using the best number we have available for state aid. In this case, right now, it's the governor's submitted budget number for state aid.

Typically, over many years recently, the legislature has increased that number a little bit, but I'm not sure that's the direction the legislature's gonna head this year, so we have to just keep an eye on that, but we use the governor's number in this particular budget. Then you kinda rise to the sort of the higher oh, what did I do? Okay. The higher level impacts when it comes to uncertainty. And that is the risk of a recession on our regional economy, reduction in federal support, not just for us or for our state, but for our strongest industry clusters, including life sciences, and increased cost of materials that could further slow growth of housing and new commercial buildings. There's a lot of discussion going on now about the impacts pro and con of tariffs. And, again, it's never my role to take a political position, so I do try my best not to do that. But I do worry with the uncertainty, particularly about circumstances that might raise the cost of construction material that would make the next thing we go out to bid for, which in this case is Victory Field, to be higher than it would otherwise be.

You know, regardless of what that particular construction material might be, if there's a tariff on it, if there's something, you know, if there's a tariff on the solar panels we're ordering for the next big project we do, and we're looking at doing solar on the DPW roof, those sort of things could have an impact on our ability to stretch our dollars as far. I will say, you know, one of the things that has happened is construction has slowed down, and some of the construction bids in government are seeing are more competitive at this point because of that. But if

the material costs are so high, it's not gonna make it easy to continue, what we wanna do. And the second bullet there about reduction in federal support for our industry clusters, you know, a number of things that can happen, everything up to immigration policy that limits our workforce can all have an impact on the potential stability of the system we're working on. We're still working on a system where we're not depending upon a new building to be built in order to get to our new growth numbers this year. But, where we are, we would like at some point to see that sort of growth happen, and we're positioning ourselves for that growth to happen.

It does it is the thing that will make it possible to either do more in government or to provide more services with less cost in government otherwise. And so we're monitoring that situation and the circumstances, that surround it because as I said, uncertainty does seem to be the word. This budget incorporates a reduced new growth estimate for the current year and the forecasted years. When I was here in October, we had pegged new growth at about \$3,000,000 a year. This budget has it at two and a half. While there are permitted new life science lab buildings in Watertown, the growth forecast don't anticipate that any of them will start construction in the next few years. That's what we built our budget on. Someone walks in my office tomorrow and says, I'm building a life science building. That's great. I'll be back in October with an updated revenue forecast. But the way things are looking right now, it's not something that we can depend on. This budget substantially maintains key funding strategies, maintaining the full funding of the pension, staying on track for funding OPEB, supporting key stabilization accounts like affordable housing, open space, and Watertown Square.

And it maintains our strategic reserves, including free cash, consistent with the council's recommendation. Now as I will dig into in a moment, the budget allocates \$8,900,000 of free cash to open the middle school stabilization account, but it maintains a free cash balance at \$23,000,004.49 \$3.26, which serves as our reserve fund for emergencies. And then we have the increased expenses. I mean, the insurance and employee benefits line across the board is up 16.4%. Pretty much nothing in that budget line is something that I can easily control. Health insurance costs are up, I think, over 12%. Then you add to that, you know, the retiree health, the employee health, the school health health insurance costs, the, liability, the workers' comp, like, all of those items as a whole, these are just increasing numbers. Our insurance claims are actually down, so we're doing well on the, you know, liability in general insurance, but the cost of insurance is up. Our waste disposal costs are up 7.5% or, reaching a total cost to run our trash recycling compost system at \$6,100,000. Again, there those are in those are tagged to inflation under the contracts.

That's where the numbers are going at this point. Our debt and interest number is only up 2.7%. It's going to increase more in future years as we take that last borrowing on the high school, but that's where we stand today. And as you go through the department budgets, I will not go through the details here. You can flip through the book, and we will certainly talk department by department in the current weeks about it. You'll see several department budgets required additional funding just to maintain existing programs at the same level of service. So when we build that level of service budget, electricity costs are up or programs are shifting or something that we may have even been able to chase a grant for before that we can't do at this point in time or not able to find one that matches us, that's gonna fall onto our level service budget, and, there are some impacts across the board there. There's one more big picture thing. Well, maybe it's not that big picture that I wanna cover, which is my budget housekeeping slide just to note that, there are a few things of note in here. The budget includes step increases for salaries required by collective bargaining agreements, and it also includes them for nonunion staff.

So this is a little different than what we've done in previous years where typically we have funded both the step and any merit pay-related increase for nonunion staff off a single line in the manager's budget. When we instituted the class and comp system, we placed the DPW employees, the library employees, the city hall employees, and the non-union staff on the same salary scale. Now I don't expect that one can go through collective bargaining cycle after cycle and have everybody on the exact same chart forever. It's probably not realistic if one person gets a tenth of a percent one union gets a tenth of a percent more than another. For some reason, it's gonna break the system. It's gonna go where it's gonna go. But at least for this year, we had the benefit of having them all on the same scale. No one in that system is on the top step, which means that all of them get their step increases July 1, and then the conversations you're having through negotiations are about, sort of annual cost of living type increases, etcetera, that you build on that. Those steps are all 2% steps. So what you'll see is that there's, across those groups, there are 2% steps. When it comes to the public safety unions, people who are not on a top step, you'll see those steps as well for them. And then, basically, everything else beyond that is a collective bargaining conversation. The budget does set aside funds to settle forthcoming contracts.

Funds in council reserve are there in anticipation of settling them. We will continue to follow the path we set forth in previous negotiations and that I've shared with the council before. We're seeking competitive contracts based on comparable community data. One of the advantages we had with the, class and comp is we built a lot of comparable community data. We have 15 comps we've used in their

system. We've started studying those comps as it relates to our public safety unions as well. Having that data helps our conversations on that front. All department budgets were reviewed to determine the appropriate categories of spending, particularly in the professional development categories. So this is a real nuts and bolts housekeeping thing. And this is part of the transparency study strategy. So I wanna be honest with the transparency strategy as we did the professional development budgets. There was no consistent across-the-board strategy for how different departments were handling circumstances where people would go to a professional development conference. When we looked at it, what we want the department to do is to set into their budget the numbers that make the most sense. And there are three categories.

There's essentially the kind of conference expenses, and then there's a line called in-state travel and a line called out-of-state travel. And a lot of times, what you would find is we would find that departments would kinda shift money between them, or put the conference and the travel together in one budget. The intent of doing what we're trying to do is that if one travels in state or out of state to a professional development opportunity, that, the registration fees, etcetera, come out of the conference expense budget and the travel costs come out of the in state traveler or the out of state travel budget. And what that means is that sometimes that money was sitting in a totally different line and people are moving it and shifting it. We did a pretty good cross-the-board study of what is actually costing us to do those professional development opportunities. And across the board of the departments, we shifted some money around. And so you'll occasionally see a circumstance where an out-of-state travel line that used to be zero suddenly goes to \$1,500. And I don't want folks to immediately read that as, oh, boy. Now they're gonna spend \$1,500 to go off to some out-of-state place. Very likely, that department was doing it for a long time. It just wasn't in the budget in that line.

And I wanted to make sure working with our system manager for finance, our auditor, and the deputy manager, we worked through with every department to try to get the right number in the right place that as most accurately can predicts where those numbers are likely to be. Now I'll tell you it's not perfect. We're probably still, as with many budgets, when you go into those supplies and services worksheets and you get into the middle of the year, you gotta move a little bit here or there. And, you know, you can look at the updated, you know, the fiscal year 24 actual numbers to see where some things have been moved in certain cases. But, the reality is, we're trying to just do a little bit of an alignment here so that everything makes sense. And then as always, the budget does everything we can to reflect the budget policy guidelines of the council, where they're referenced in

the relevant sections of the budget book, whether that be the introductory memo or the departments. You'll always see them underlined like budget book policy guideline 2D, and where they're mentioned in this presentation, they're always in parentheses where if you see 2D or 2F or 2L somewhere in this, that is a budget policy guideline.

And you can go to the budget policy guidelines, as they are in here on, you know, page 30, 31 through 37, I believe, 31 through 40 of the book and figure out which one we're talking about and why it's there. I wanna talk very briefly about organization of government. You know, as you know, in the last two budgets, we presented some shifting and adjusting, try to figure out the best way to, organize government and, kind of pull away from the process of having 17 direct reports to the city manager. And, we've made a lot of progress on that front. The only change to government organization this year is the adding of the human services department, which in this system is a direct report to the manager. It is tough to read this chart on the slide. It's easier to read it in the budget book. But what you'll essentially see is that, we're adding one little box down on the bottom there that says human services. It is I believe it's the lowest box all the way down there. So, actually, just above the lowest box, but second lowest box. And then what we have under the budget there is the human services director and a couple of programs.

And, what we're proposing to do, and we've had conversations and discussion about this internally and beyond, but at this point, we're bringing the community wellness program and the food pantry coordinator into the human services department. And we're also, bringing, some of the funding, like like the wayside program funding into the department as well. Our goal is to get this department head on board, have them kind of sort through where we go from there. And if they have additional requests, you know, they'll make them, and we'll see kinda where we are from a budgeting perspective at that point. But they have a good working strategy by having the, the, you know, health and human services study as a guide. I think one of the key roles that person very early on will be to pull that human services cabinet together and get them talking about needs in Watertown. From an organizational structure, there is one other thing I just wanna mention. Every one of these organizational structure documents have been done every year using the section of the charter that allows you to develop an administrative code. Essentially, our administrative code for all practical purposes right now is just the org charts. About a year and a half ago, the support of the council, and I do appreciate that support, we hired the Collins Center at UMass Boston to work with the city administration to create a complete administrative code.

That includes department descriptions and also takes all the appointed boards and commissions and places them in our code in one place. We're really close to being able to present a draft of that. One of the things that's odd about administrative codes is the council vote can only be an up or down vote. I'm gonna submit a draft and ask the council president to refer it to committee. I wanna walk through with the committee where we are and get some feedback and suggestions before we submit the final version of it. It has continued to both amuse and frustrate me as I go through the existing code and find the various things that we are replacing by doing this. Some of them are truly amusing. One of the things I will have to give a shout out to Gideon from planning who did not make a big deal about this as we were doing the Watertown Square zoning, but I'm still very impressed that he manages as we did the Watertown Square zoning to replace the language in our code of ordinances that said the planning board was still elected despite the fact that we haven't elected a planning board in who knows how long. So at least we got that out of there. But now we'll pull it all into the administrative code. There was a typo. It called the Zoning Board of Appeals Planning Board in the zoning board section.

There was a there's, you know, I've talked in the past. It also oversees the personnel ordinances, but still recommend a reference the need for the, town meeting moderator to appoint a committee to deal with personnel. We haven't had town meeting now in 45 years, so it's time for some updates on this. And I look forward to those drafts coming forward. So budget program highlights. So now I wanna go through, the five straight strategic priorities and sort of talk about what is in this budget as it relates to them, starting with fiscal stability. So the fiscal strategy remains strong. The budget uses the best practices in financial management. It funds the city's priorities. We remain on budget and on schedule with the high school project. And, we do well when we do have to go borrow. The most recent general obligation bond sale, was \$61,000,000 at 3.812%, which with our continued to sign triple a rating from Standard and Poor's, which is the highest rating that we can have, which I believe we've now had, that high rating for about 12 years now, if I got that right, since about 2013, I think. So, yeah. And, we will be going to do another rating call in the very near future because, we'll be going back out in June for more borrowing, and, we're hoping that our sound financial practices continue to keep S and P in a good place with us.

Commitment to education on the fiscal side, contributing increased funding to schools. The budget to fund school operations in here is \$61,893,912. I will note that is the direct funding to schools. If you divide that by the budget number and say that's how much you spent on schools, it's not really a fair assessment because we also have the, the, thing things like the school health insurance line

and the Department of Public Buildings that does half their work on schools that, you know, it's tough to peg where where that is, but our core baseline budget for the schools, the one that the school department then builds their budget on, which and they have just released a really well done budget book that lays out lays out their story of how they're spending \$61,893,912, to deliver excellent education to the to the students of Watertown. This is a 3.5% increase according to budget policy guideline 2c, as well as a hundred thousand dollars for expanding the 4-year-old pre-k program. So when you added up the increase, it's a little over 3.7%. The middle school project, which is called out in policy guideline 2D, the goal with the middle school project was to fund \$14,700,000 towards the middle school through the establishment of stabilization account.

That is because, essentially, when we did the capital plan this year where we currently stand, we can push borrowing to about 70,000,000 for the middle school. And the first budget number we had for a strategy for the middle school was 84,700,000.0. So we kinda looked at trying to get those two numbers together. Now as the middle school feasibility study moves on, maybe that number changes, maybe that number shifts, maybe different strategies come up. But for now, we wanted to make sure we could put 14,700,000.0 in a safe place to be able to make this happen. So how do we do that? We took \$3,800,000 from operating funds from this operating budget to for that stabilization account. We took \$8,900,000 from free cash, and I'll explain in a few minutes why that number is exactly 8.9 and not something else. And then as we wrap up the elementary school projects, we believe that those accounts should be able to generate and maybe, other wrapping up under, you know, financial projects that came in a little under budget that we should be able to find 2,000,000 in the very near future to get that number up to \$14.07. And then with the capital project and plan borrowing schedule at 70,000,000, it works with all of the capital plan projections we have.

And, again, if that number changes, we'll have to adjust and determine what we wanna do from our capital plan. But this is where we are now, and we wanted to make sure that 14.7 was available in there. On pension and OPEB, the continued fiscal stability strategy on pension and OPEB has always been to maintain full funding of pension and to maintain full funding of OPEB by 2031. We have updated OPEB numbers to get us to 2031 based upon, where our actuarial data is going. And they're actually, and this is what makes it possible to do the middle school. They're actually a little bit lower than they had been in our previous projections. 3,500,000.0 this year, then 4,000,000, then 4.6, then about 4,000,000 in 29. And if we keep along using these exact numbers, we should be on track. Now I will point out, for those who are worried about the last 5 days of the markets, pension and OPEB, which do often invest in a variety of different investment vehicles and have

a very blended, like, big picture perspective on investments. They use this long-term scaling blended average as they try to calculate how they how they get to projections. Essentially, like, our pension fund works on the idea that, I think the number is 7.7%.

I'm kinda looking to the folks here who would know. But that number of average annual returns to the whole overall system is what they aim for. And if one year is up or one year is down, you know, they don't panic. They're looking at 5, 10, 20, and 30-year trends. And so and so we we feel these are the numbers, you know, that keep us in a good place to invest in the OPEB trust and keep that project going. On the pension side, we've been putting in 1,150,000.00 per year to keep ourselves fully funded. And as we approach fiscal year 26 and with the awareness that we needed a check on where we're going, we looked for updated actuarial data. And since they kinda test us every two years on where our funding is, we wanted to make sure that we were aggressive to address the fact that we made such a salary adjustment with the class and comp study a year ago. And we knew that that would have a bump in what we would need to put into the pension system in order to maintain a % funding in pension. So the plan on pension is with OPEB numbers coming down a bit, that we can put 3,900,000 in pension this year and 4,000,000 in pension in fiscal year 27, and then return to that 1.15 number in '28 and for years beyond, and we maintain a % funding.

And, again, that wasn't unanticipated. We know that when you kind of do an aggressive across-the-board adjustment to bring salaries to market that it's going to have downstream impacts on pension. We have the exact dollar amounts now. We know what our investment needs to be to maintain full funding, and that's built right into this budget, and it's built into the fiscal year 27 forecast. And then we talk about general stabilization and free cash. So I just wanna remind everyone, I think most of the council knows this, the council has a goal to maintain reserves at 8 to 15% of the annual budget. These reserves include free cash and the general stabilization fund. And so general stabilization is currently at \$1,371,323, and free cash was certified at 43,649,326. We've used free cash for the recent purchase of 148 Waltham Street, 9.3 Million Dollars. Every year to fund the capital lines in the operating budget and keeping with our standard practice, we do \$2,000,000. And to support middle school stabilization, 8.9 as proposed in this budget, which means the funds remaining in free cash are \$23,449,326, which if you then add to the general stabilization account means that the reserves we have, our full rainy day fund, \$24,820,649, is 11% of the fiscal year 27 budget.

It's calmly in the middle, 11 and a half, I think, would be exactly the middle, but it's in the middle of the council's goal. No further expenditures from these funds

should occur to protect our reserves and maintain compliance with the policy, to maintain our triple A bond rating, to be able to point to the folks at S and P that we have that rainy day fund, unless something significant goes wrong that is a real rainy day situation to dip into it, that remaining \$24.08 \$26.49 should remain as our funds available for emergencies only. And then we try then with pension up and pension down and OPEB dropping and middle school increasing to try to find a way to smooth the totals of these lines to ensure that we don't find ourselves in a situation where the ups and downs of it are impacting the rest of the budget. We are setting this number starting this year with an annual allocation of 34 and a half million dollars. That makes sure that going forward, if we do borrowing for a middle school project, that that middle school project can be included in this grouping of 34 and a half million dollars of our budget. And what that 34,500,000.0 should cover is high school debt, elementary school debt, middle school stabilization and debt, pension and OPEB.

And then if we move into doing the senior center project beyond debt, we should keep that within the 34.5. Now when you look at fiscal year 26, because we threw 8,900,000 in free cash in, that's kind of on top of that. So when you do the calculation this year, pension, \$3,000,009.35 \$2.55. That's that bumped up number that we have for the next two years. OPEB 359028. That's bump down number based on the new actuarial schedule. Elementary school debt at \$19.02 \$79.00 5 o. High school debt, 3916667. And you're gonna see that number go up in future years as as the additional borrowing hits. Middle school stabilization at 3,800,000.0 from the budget that we just talked about, add that all up, \$34.05 34 and a half million dollars. That is that pulls that number altogether. And then we add that additional 8.9 in free cash, that means that this year, that total is \$43.04, but that's only because we're pulling that high school that middle school stabilization money from free cash. So that is kind of the summary of our continued fiscal stability strategy as it's built in this budget.

On the climate change front, we continue implementation of the climate change climate plan, which is item 2a, which was the top budget policy guideline again with our ongoing commitment to EV charging stations, our electric vehicle first policy for city fleet vehicles, our continued work on energy efficient city buildings through the capital plan, and continued aggressive tree planting, organics recycling, and stormwater investments. And, also, we'll continue to be a resource for homeowners, looking to implement energy efficient strategies. And, of course, I guess I should I should also mention at this point, although it's not quite a budget item, that the staff is continuing to work on development to the building energy reduction and disclosure ordinance, the Berto, which, will, with the council sending it back to us for a review. We'll talk a little bit at the end of the meeting about our

next steps on that. On the commitment to planning, there are a number of planning studies built in this budget. In fact, the team is gonna be very busy. We need to make sure we have enough capacity amongst the staff to manage all of these pieces as there are many requests to do them simultaneously.

I think we've discussed a bit of that challenge before, but the missing middle design guidelines, that's for the mid-sized units that are necessary to, where we're gonna get potentially buy right mid sized units under the New Watertown Square plan. We wanna have guidance for the site plan review process. Zoning ordinance updates, affordable housing incentives, the curbside use parking study that we've discussed recently that were kind of moved up in the schedule from where the comp plan had it, and work on historic preservation planning. The TMA, the shuttles, our transportation management association that provides alternative transportation from Pleasant Street and, in the Arsenal area. There's funding in here for the Pleasant Street shuttle, some initial, it needs a bump in funding to keep on going at this point. There was also a request to do more funding into the Arsenal's, Arsenal area shuttle, which we didn't fund this year. We really wanna push getting the ongoing mobility study done that will make recommendations on how to improve operations and improve ridership as we work through meeting, policy guideline 2J. And then 2b and 2d both relate to Watertown Square.

There's, two additional pieces coming in the near future. One, the revitalization plan that we're looking for a consultant for now, and then the plan for the streetscape work. We're gonna seek out a, engineering consultant in the next month and then work with that engineering consultant together to pick a landscape architect consultant because we want someone who's really gonna do great things with the landscape there. And so there's additional stabilization funding, towards that project in the budget as well. Less than in previous years, but still there. And then key investments, Watertown Square, as I said, 1,500,000.00 in stabilization. We continue to put 250,000 in the affordable housing trust and continue to put 1.25 to the acquisition of land fund, assisting with, budget policy guideline 2h. And then parks projects opening in 2025, Lowell playground, arsenal phase b, Saltonstall, and then starting in 2025, Howe Bemis and Victory phase 2. So we're continuing to try to go through that backlog of parks projects and stay on the schedule that was in the capital plan. On the strategy of organizational effectiveness, we put a series of changes in place in 24 and 25 that remain in effect, which make Watertown a stronger city with a government that's responsive to the council's priorities and the community's needs.

The efforts in 24 and 25 were really designed to structure specific responses to places where there were shortcomings. I think that, we ran a very lean

government, which made it tough to be as responsive to certain things that we needed to be responsive to, and we made those adjustments. We remain committed to the strategy to be an employer of choice where employees wanna come. I think there's a typo there. Employees wanna come to work and employees wanna give us their best work. And this budget, therefore, maintains several programs to facilitate these goals, including our interdepartmental activities where, me and my senior staff go visit departments and get feedback and work with them. Activities in the employee wellness program, the staff development budget, the employee wellness budget are both in this, account again in the HR account. In fact, we've moved some staff development money that had been the manager's office into HR so that HR can coordinate, leadership training and staff training together in a more effective manner. And then the wellness program, that began this year, we were only able to use about half of that money this year, but it's a program that we're continuing to evolve.

The budget, as we said, establishes the human services department, which will include the director, the LiveWell program, the food pantry, the wayside contracted programs, the coordination of our nonprofit efforts around human services, and additional changes that will be forthcoming once the director's on board and can really get into working with the plan. On the DPW side, there are a number of recommendations incorporated into the budget, and certainly having a new director who, is focused on leading us towards an operational standard of over many years evolving towards the American Public Works Association accreditation for DPW is we're looking at operational efficiency in a number of ways. So three of the equipment operators in DPW are proposed to be reclassified as heavy equipment operators. This is a slight budget bump to do that reclassification. It allows more interchangeable work at DPW. Sometimes you have a situation where you have a one heavy equipment operator and one equipment operator, equipment operator can't do the job because the heavy equipment operator is not there, and there are certain things that being an HEO classified person can do with their trainings that you can't otherwise.

So this is consistent with 2I and 2L of the budget, on improving the programs in public works. Four skilled craftsman positions will be reclassified as heavy equipment operators. The out the skilled craftsman title is somewhat outdated. It's sort of a kinda lost middle ground between the two equipment operator types. So our proposal is to, bump those four to the heavy equipment operator position. This makes the entire system more interchangeable. It makes it possible to shift people between divisions doing work. It makes it more efficient to be able to make that work go. And I'm sure Mr. Brady, our DPW director, can share a lot more details on this when he's here for his budget. But these relatively small changes are pretty

significant for operations. The position called assistant director of administration and finance is proposed to be reclassified as direct deputy director of DPW. There is a salary bump to do that. It falls both in the general government budget and the water in the SOAR budget. But with that bump up, I do think it's gonna make, Mr. Brady and his team's operations a lot more efficient in being able to do their day-to-day work. And then there was a unfilled part-time position called part-time recycling coordinator, that was it was created and never filled.

And then, as the DPW team has looked at, they've determined that, they would like to repurpose and retitle that to being a person working on communications, which is also consistent with budget guideline 2L. This is so that people are not surprised about construction going on around them, that they know the day, day, or the work happening around them. So it's still a part-time position. There's no budgetary impact to this whatsoever. It's the same salary, the same grade. It's just a title change to shift from an unfilled position that that wasn't quite what we needed to something that will, be a benefit for DPW. And then in public buildings, now if you look at the public building staff, you'll see that five positions appear in the Department of Public Buildings budget that were not in the fiscal year 25 budget. And that, at first, seems inconsistent with my statement that there are no new jobs because there are no new jobs. We're moving the library custodians into the Department of Public Buildings budget. We held off on doing that last year because we wanted to make sure that we get our credit with the mass library commissioners for having them work on the library even though they're in a different department budget. We've moved all the other custodians here.

It's just been illogical that they're sort of standing out there. We can do that. We figure out how to do that. We think it makes sense. And then three maintenance staff are moved from the school budget to the Department of Public Buildings budget. There were six maintenance staff, like plumber, electrician, key folks in the maintenance team. And, half of them were working for the schools and half of them were working for us. They're in different unions. They're following different schedules and different rules. I'm working very closely with the school union that agreed to kinda give them up into the city side union. We're gonna shift them over onto our side of the budget. And so those come on to our side of the budget at this point as a part of this budget. There were a number of additional staff requests that came out of the Department of Public Buildings, and we're there's funding to do a more in-depth assessment of the needs of the Department of Public Buildings. That's consistent with budget policy guideline 2K, because we do think that across the board, we need to have some answers. People have very differing opinions, for example, of how many custodians are new high school leads.

So kind of having a best practices look at that so that we don't overhire or underperform. When we have a moment to look at that, we're gonna take a closer look. On the public safety side, we continue to fund public safety at record levels at \$27,591,850. We've worked to fully staff the police and fire department ensuring vacancies are filled in the most efficient way possible. That, has become a lot easier on the police department side due to the, removal public, from civil service and some of the recruitment efforts that we've been doing on that front. Fire department, I think it's fair to say, and you've heard some comments on tonight, hiring and holding the paramedic positions is the greatest challenge on the fire department side, and we're continuing to work on that as we can. The budget fully funds the police body camera program as an ongoing budget item, and it funds, two additional requests, which you'll hear about from the department heads when they're here. It funds \$24,000 for the installation of the flock camera system for public safety, which is something the communities on each side of us have now done, which allows to do some tracking in public safety emergencies.

And then it funds a preventative medical testing program for firefighters at \$58,410. And, again, Chief Nicholson can share more about that when he's here. While the budget doesn't fund additional public safety positions, it warrants continued review of those requests. And we'll get to that in a minute. The school projects are on schedule according to building for the future on budget item 2e. The three elementary school project is complete in closing out accounts. The high school remains fully funded and on schedule to open in one year. The middle school feasibility study is underway. And next up beyond that, the senior center on budget policy guideline 2D. There's a feasibility study fund in this budget to find the right location. We've done some studies of doing it on-site. We wanna expand that. We'll look at downtown sites. We'll look at other sites that are out there. We'll look at the stair lumber site. We'll look at the existing site. So that's funding this budget. And then we're anticipated, if all goes well, to start setting aside stabilization funds for the senior center beginning in 2027. And although the 2027 budget has a, shortfall in the current version of the projections, and when you do that kind of the stabilization is sort of the easiest way to go to cut back if you end up in that circumstance, but I'd like to do it.

DPW staging area, while it still does not have a long-term solution, they now have the keys over at 148 Waltham Street at the Starett site, so that's giving them some leeway until we figure out our next plan for there. Watertown Square implementation, I've talked about the streetscape and the revitalization plan. Recreation center, we'll talk about, whether it fits or go separate from the senior center as part of that feasibility study. East End Fire Station, remains on that list, but we did put some capital money back in to keep on keeping up the current

building while we figure out the next steps on it. So clearly one part of the bigger question of what we are building for the future is the future of 148 Waltham Street. And as we continue to study the middle school, the senior center, the rec center questions, this will come up as a topic. But as I said, right now, it has become the escape valve for space for DPW and Department of Public Buildings, and we appreciate having it. And I appreciate the council's unanimous support to making that strategic, purchase. Additional budget requests this year. As I mentioned, we funded a very small list of them, and here's the whole list of what's funded.

126,000 to upgrade those 7 DPW positions, a hundred thousand for public buildings emergency repairs, the medical tests, shifting two librarian positions to full time, that's 58,000, reclassifying the vacant position in DPW and installing the flock camera system, and then a bunch of smaller ones that we can go through, recreation public, professional development, putting an office furniture line in one budget and keeping it there, \$7,000 for additional hours for park rangers, 6000 dollars for city clerk certificates, \$5,000 for engineering credentials, and \$3,000 to fund the civics academy, which we're funding out of the manager's budget this year, but we wanna make sure it keeps on going. And then here's the not funded list. You know, it's a very long list, and this is, you know, the budget does not create new positions. As I said, here are all of the additional well, most of the additional budget requests for new positions that we weren't able to fund. 8 firefighters to increase staffing on ladder trucks, one full time at emergency management, one community liaison at DPW, one heavy equipment operator, two equipment operators at DPW, assistant senior center director, administrative assistant for veterans, full time children's librarian, technical services assistant to library.

We just haven't been a place to do that. I do wanna highlight three things, though. Specifically, the request for eight firefighters to staff the new basic life, ambulance. Should say advanced life support ambulance. Sorry. I'm gonna fix the typos on this before I put it up. There are just a couple. But so that's an ALS ambulance service. That is a key part of this, that that that would provide the advanced life support on that second ambulance. Some of these costs are recovered through insurance payments for medical transport, and we look forward to continuing to work with the council on addressing the public safety benefits and the financial cost of this proposal. As you see, the budget number here is \$855,867. It is, one of the more significant cost additional budget requests. It is also one that, recovery of from insurance probably brings that number down. We think into the 4 to \$500,000 range. So, but it is an annual cost because you are hiring staff and maintaining that staff over time. So we wanna make sure that as we do this, that this fits into the annual budget going forward. The second is we

had a police request for five new patrol officers. I've had requests from police for new patrol officers before, which I haven't really escalated to the council.

But I do think it's worth having a conversation about this one as well because we are actually reaching the point where the police department would be fully staffed. And as that happens, we are seeing increases in calls, particularly in certain areas on the East End, and how they do call response, deserves some review as to kinda where this goes going forward. Again, we've been talking about the ambulance project, and I wanna continue focusing on that first. But I also think that, at the end of this budget process, a referral to discuss the police situation as well and that public safety investment is worthy of conversation. And then there were four new full-time and two new part-time requests in the public buildings department, that the administration's gonna continue to study on the city's facilities, before making any determinations on those consistent with budget policy guideline 2 k. And like I said, I wanna make sure we get, like, those custodian counts and trade counts exactly right and look really carefully at what can be done in house, what should be done as, consultant contractors. And we have a great director in our public buildings team and, appreciate that she's along for the ride for us to do this study and figure out where things go.

So these three, I kinda tag them as items for further review because I do think, there's some merit in digging deeper into them and figuring out where we're gonna go with them. So I wanna make sure, and I know councilor Piccirilli has been working with us on finding the next date on the meeting for that ambulance item, so I look forward to continued conversation on that. So where does that leave us with a budget overview? Revenues, taxes are about, as we said, 78% of the budget. State aid, local receipts, and other financing sources cover the rest. You know, you can dig deep into these numbers and look at the percentage increases and decreases, but what you basically see is real and personal property taxes, 4% increase. Two and a half percent is the baseline from two and a half. The remainder of it is, is basically the new growth. Total state aid up about 1.9%, across the board, local receipts, other financing sources. And then we get into and I have here details on some of the revenue lines. So as you look at that, new growth, as I said, \$2,500,000. The governor's proposed state aid, essentially, a one just about 2% increase. Local receipts and other financing sources are largely flat compared to fiscal year 25.

And the budget includes an allocation of 2,000,000 from free cash towards capital items as we do every year. So you see 2,000,000 on the revenue side coming into free cash, and you see an additional 8,900,000.0. So you see a total of 10.9 in free cash. That 8.9 is directed to the middle school project. When you look at the

expenditures budget as a whole, as you see, this is split up into many categories. Again, that education, 27%, I think, really doesn't do it justice. I think it's more than half of the budget when you add up all of the other pieces, including debt service for schools and everything. But it's a big piece. You know? You also look public safety, 12%, insurance and employee benefits, 11%, general government, and that 8.6% or so. And we'll dig into each and every one of these lines as we go through the budget, in the coming weeks, And, just kinda to give you a highlight of some of the items here, education expenses increased 3.7% with the 3.5% plus the \$100,000 for the universal pre K, insurance and employee benefits up 16.4%, total debt service, up \$921,000, capital projects funded directly from the budget at 2,500,000.0 or so. Council reserve, we set this year at 3,900,000.0, which is higher than last year's number.

That's for accessible funding in case of unanticipated needs and to implement collective bargaining agreements, which expire this June. 1.25 to the acquisition of land, 25 250,000 to the affordable housing trust, and 1.5 to the Watertown Square stabilization fund, which will increase the total net fund to \$6,400,000 as we start into design work. Enterprise fund budgets, essentially, the major driving force of the enterprise fund budgets is the, MWRA rates as they pass them along to us. But just kind of as a baseline, the water budget is a little over a 2% increase, across the board, which is really good, actually, that we can hold the water budget there. The store budget is just over 6%. And, you know, as we set water store rates, we'll keep an eye on retained earnings where they are in an effort to try to keep those rate increases down and keep us working on the capital projects on the water and sore front. A word about the future, your forecast. So as we always do in the budget, we forecast out three years. So we have fiscal year 27, 28, and 29 in the budget beyond this year, and we look kind of across the board. We keep adding two and a half percent. New growth, which we did at 2,500,000.0 this year, we did at 2.25 for fiscal year 27, at 2.75 for fiscal year 28, back to 3,000,000 at fiscal year 29.

You don't see any of those 6,000,000 and 10,000,000 new growth years in this budget like we had a few years back just because that's essentially where we are until the, life sciences market starts to pick up again or until we can, grow do significant housing growth in Watertown Square. One of those two things needs to give in order to really be able to make a shift in the new growth numbers in the budget. So we're being conservative. Now that said, when we're conservative, we follow the patterns of doing the increases the way we would. We increase the general government budgets two and a half percent. We increase schools at three and a half percent. We plugged in those pension and OPEB numbers that you saw earlier. We calculate our debt based on our capital plan. We calculate out the city

capital projects. This budget does lay out continued funding for a couple of the stabilization accounts, includes the acquisition of land continuing. It establishes the senior center fund, which again, if, like, the middle school needed more, you could shift back or you can make an adjustment there. It anticipates a million dollars to Watertown Square in fiscal year 27, but then stops.

It assumes the rest of the Watertown Square funding is borrowing, and that stabilization fund doesn't continue beyond that date. And, when you wrap all of that up, it puts council reserve back at three and a half in fiscal year 27. What you find is that beyond this balanced fiscal year 26 budget, you find deficits. You find \$3,400,000 deficit in '27, a 2.8 in 28, and a 4,600,000.0 in 29. And my worry is that even though that trend kinda dips a little and then goes back up again, I think as you end the Watertown Square stabilization account, I do worry that that deficit is a continuing trend beyond that if our new growth numbers stay low. So, what we need to do is we need to keep an eye on what the strategy is if we are in the two and a half to \$3,000,000 new growth numbers in future years, which basically means about 4% budget growth, kinda what that means across the board if we're across the board at 4% budget growth, especially if we're across the board 4% budget growth and 12% health insurance growth. Like, those numbers start to break apart in three or four years. You know, the good news is you can stop spending as much into stabilization and keep things going. But, I like the evolution of city government to the ability to bring new programs forward, and it does become more difficult to do that.

So that is where we're focused. That's why it is a budget built on uncertainty, but stability, I do think that there's a lot of, a lot of good pieces here and a lot of things still to discuss, and I look forward to diving into it. And I have just a few a few closing thoughts that I wanted to share with the council and with the community as we put this together. This has been a long slog of a process to kind of get this done and get this right and get this before you tonight. And it seems that, you know, I really do appreciate one of the things I appreciate about Watertown is that there's a lot of folks in the community who have a lot of thoughts and wanna share their thoughts and wanna be a part of this process. And, you know, I look to the council to build this off the policy guidelines and look to the community as a whole to continue to work with us, and give the council guidance as we do this. And I just I wanna share two thoughts that are very kind of shouldn't be unexpected at all to the council. The first is that the goal of the administration and all the city departments to provide the highest level of service to the residents of Watertown while using the taxpayers' dollars in the most as efficiently as possible.

Its budget focuses on achieving the long term goal of sound financial management and fiscal stability while reflecting community values and implementing community goals and policy priorities as illustrated in the charter preamble, the council's budget policy guidelines, the city council CIP conceptual recommendations, the comprehensive plan, the city manager's leadership strategy. Now that first bullet there may seem familiar to a lot of folks who've been doing this a while because that is a traditional solid straightforward point that my predecessor in this job made for many years about the importance of how you build a budget. The second is my own. It's the one I've used for the last three years, and I think it has typically for me been kind of the way to close the discussion around the budget, which I would normally do. But there's just a few other things I wanna share this evening as I've been reflecting on this process at this moment in time, which I do think is important to look at just as we frame where we are as a community and a country and a world, as a nonpolitical city manager trying to, work with an elected council and a very active community on where we go next. And the first thing is that things remain uncertain, if I haven't said that enough yet.

Development of this budget was informed by national and local economic challenges that continue to impact Watertown's ability to meet its obligations, to provide superior service to city residents. And as we build this budget, the word I've heard most often in government policy and planning circles is uncertainty. There's uncertainty about federal policy, about potential tariffs, about federal funding for core industries in Massachusetts, about federal tax policy, about immigration policy. And as a city manager building a government, budget, my primary responsibility is to build a budget that not only reflects our community values and policy goals, but also provides a dependable long-term strategy. And that's more difficult when certain things around us are uncertain. But Watertown has strong budget fundamentals. We grew the city budget outside of other financing items to taking out those ups and downs of the free cash by 4.7% in last year's budget and 3.6% in this year's. So if you listen, you may hear about other communities and some of the challenges they're having about the conversation about how Boston is dropping their growth from 10%, two years ago to 4.5 this year, our growth actually has been lower than them in those years.

I know some there was some sharing and discussion about my colleague in Cambridge warning that Cambridge needed to slow its growth and slow its, kinda slow its budget a little bit. Cambridge is an interesting community to compare us with. It runs a city that has one and a half times the land area of Watertown, three times the population of Watertown, and a budget that's about four and a half to five times the size of Watertown. They have a lot of services in their budget that

we don't have and that I don't think we will ever reach the point where we have the capacity to provide. They also have stratospheric free cash numbers. So even as they're contracting, it's definitely a sign that we have to be careful where we go, but they're contracting from a different place than we are. They're starting in a different place than we are. When I started and put in the 2024 budget some adjustment and right-sizing to staff for the purpose of, addressing the council's requests and the community's needs, it was starting from a position, where this was a much, much leaner city governments than many folks around us. So we've made strategic investments in our buildings and our people. Without an override, we adjusted the size of government to match the council's expectations, and that's now done.

Going forward, we have decisions to make, particularly about public buildings, about public safety, and about the future of the human services functions. In each case, we have to balance the internal growth against the alternatives to see what makes the most sense. Especially the human services budget, there's a whole discussion to have. You know, we've had a lot of real success with human services that have been offered outside of the city government. Maybe we need to fund them better. Maybe we do need to bring something in-house, but where our nonprofit partners are doing things well, we wanna do our best to help them do them well. It's that would be a potentially and possibly a more sustainable form of support. So we need to look in each of these circumstances and kind of see where things go. We will continue to strive to be an employer of choice. I wanna become a place, as I said, where people wanna come to work and where they wanna give us the best work they've ever given us. We filled vacancies, particularly in place like DPW and police that have been difficult to fill for many years. And when I hear concerns about our maintenance of roads, of parks, of trees, and I have a DPW director that wants to build up a system where full staffing with operations manuals could be accredited by American Public Works Association and will address, like, a maintenance system for the city to a level that we haven't yet been able to do.

I'm excited about wanting to make sure that we can get there. And the key to that is remaining an employer of choice and not having significant staff turnover, not having people get frustrated working with us. You know, having that across the board. I mean, even throughout all of our departments, we need to look at what we can do to do that. We want people to be able to come to work and give us their best work. You do that by having a good compensation system. You also do that by having a good working environment that invests in our employees. That includes professional development programs. That includes our employee wellness programs. That includes our employee recognition programs. They're an

important part about what we do to be able to provide the residents the services that they need and deserve, and I appreciate the council's continued support for those programs. They aren't big dollar items, but they're really important, to the organization that we're building here. We'll continue to ensure the compensation and contracts are competitive with peers. That means that we don't base pay on what else we're doing. We base it on what's a fair wage for comparable work.

I continue to welcome ongoing negotiations that we are diving into with our collective bargaining agreements, based upon data and comps. I sometimes get asked, you know, why could we buy Parker and Walker and Starett, but we can't give people big raises? It's not really the right question because if you go to the core of our budget policy, it talks about separating the one-time revenues and one-time expenses. Then we got additional free cash this year mainly because interest rates were high. If interest rates drop, that free cash isn't gonna be there. If we use free cash to start plugging the budget and then use that to fund long-term staff, it doesn't work. If we use new growth to fund long-term staff, that can work because you can build some confidence that that's gonna happen. This point, I'm not even sure I wanna use state aid to build opportunities for new staff because I'm not sure that's gonna be there the following year as much as I am that when new growth comes in, you know that that money is in the long run for the budget. So, one-time money is for one-time issues. If we don't do this right, we're going to end up in a position that some of our neighbors are in. There are a number of neighboring communities around here, and I'm reluctant to call them out by name.

But you see just look at the headlines of failed proposition two and a half overrides of long term structural deficits and budgets of, at least one community I know of that was plugging holes for the last four or five years with free cash while refining their revenue numbers year after year to make sure to capture as much as you can in the revenue budget. If you do that, the free cash disappears. And then next thing you know, you're laying off 20 or 30 teachers. That is not a situation I ever wanna find us in, and we do that by making sure that we're balancing what we're putting where. We keep ahead of this when we continue to budget successfully, and I look forward to continuing to work with the council to do that because I think it's really important, that we address those particular issues. But finally, I've been reflecting a lot on where Watertown fits into the world right now, and I'm just one opinion on this. You know? Obviously, the nine members of the council and the members of the community may have opinions as well, but there is a lot of discussion going out there right now about the government, particularly about more government or less government.

Not the first time we've had this debate back when I was in public administration grad school when Clinton and Gore were in office downsizing the federal bureaucracy and reinventing government. Part of what a lot of those conversations about what that means. We're once again seeing circumstances where we're having conversations about the size of federal programs. Really, seems to be a backlash against federal programs, policies, staffing, regulation. This one definitely different than the early nineties and faster and more intense. But as that goes on, I do believe that local government can be different and should be different. We're closer to people. And as you know, we're the place where residents come in to pay their taxes, talk to us about a neighborhood concern, call 311 about a pothole to be fixed, visit my office because they're worried about something going on in their neighborhood. And at the local level, there's still a lot of debate and discussion about government, but it seems to be most of it here is about how quickly we change. I think some worry that things are changing too fast, and others worry that with the changes going on around us that we're not changing and adapting fast enough.

I've always said things are going to change regardless of whether we change or not, and how we navigate between these two views is difficult. I think the most important thing is to be aware that things are gonna change and be able to respond to change. But I think that the best thing that we can do, the best thing we can focus on as a government is competency. We won't hit the mark every day. We won't be in a we will be in a process of continuous improvement towards a goal, like the way we have an accredited police department, and we'd like an accredited DPW, and I'd like an award winning budget, and I'd like to be able to get more performance indicators in government, and I'd like to be able to have 311 have a clear rate on see click fix that goes faster than it can possibly be. But we're working in continuous improvement towards that goal. And through that process, I look forward to working with the council and the community to build budget policy guidelines. And certainly, folks who wanna have their opinions in that, know how to call their counselors or participate in meetings, we'll work with the council to find ways that government can participate in moving forward.

I think improving Watertown Square, which is based on a well-vetted community plan with the most significant community outreach process that I've ever participated in, is one step towards doing that. I think building new regulations that our staff is working on writing on that are well written, that involve collaboration with the community, that can be easily implemented without extensive deed for regulatory staff and process, I think that helps as well. I think this budget document itself pulls towards continuous improvement even with transparency in the way we describe our professional development lines. But even the

administrative code, which may not sound too exciting to most people, but to me, it proves that we are focused on best practices. That this is our example of how our culture of best practices and continuous improvement leads to a regulatory system that's easy to read, easy to understand, and easy to implement. So in this time of uncertainty, where a lot of folks seem to wanna be pulling towards radical change, and others wanna hold on to where we are now, I believe that maybe it's the most radical change of all, but maybe it's the most continuous move towards the right direction, is moving towards competent government.

Competent government means working with the council and residents to understand the needs of the community, to identify the role of local government, because we in local government, we cannot and should not serve every need. But in meeting those needs that we can and finding the most effective and efficient way of implementing solutions, I think that's the way we get where we need to go. So I look forward to working with the council to set the standard for performance excellence, responsiveness, and collaboration, just as we wrote on that slide. An inspiring government that can set the standard for performance excellence, responsiveness, and collaboration. Those words are from our city charter. That is what guides us. That's what we do and what I wanna work to do every day. I look forward to continuing to work with this council and everyone in Watertown towards achieving those goals. I appreciate the opportunity to bring this budget before you. I just wanna call out a thanks to the budget team, to Mark Lang, Megan Langan, Steve Magoon, Emily Monet, Melissa Morrissey, and Ari Sky for assisting me in putting this together, and I look forward to continuing to work with you. So thank you.

SIDERIS - Thank you. We'll give you a minute to catch your breath. First of all, thank you to you and your team, the auditor, and everyone involved. Very, very, very well thought out presentation. I assume that this will also be placed on the website for people to look at?

PROAKIS - Yes. If it hasn't already, it will be, and I'll correct the three typos I found as we went through it as well.

SIDERIS - Thank you. I think it's important that people get to see what was presented this evening as well as the document itself. This is actually a couple of weeks early than we've been used to, so we have some flexibility. We'll be the manager, and I will be working to schedule the budget public hearings that we have for the departments, and we'll do like we've done in years past. We'll focus mostly on some of the newer initiatives instead of going over and having big presentations. We'll just focus on some of the things that the department heads wanna focus on in the future. So I'll work with the manager. We'll get out of

schedule as soon as we possibly can, but we do have a little more flexibility than usual because we're early. So again, thank you. And I guess we can move on. To, the next item, which is a demolition delay ordinance. I'll let you start, and then I can take over from there. Just the manager.

PROAKIS - Sure. Thank you, Mr President. This is in response to a request that you provided to us. There is a seven-page memo along with some backup information provided by the planning staff. Actually, 8 page. On page 8 of that memo is a suggestion of 11 potential measures to consider related to the demolition delay ordinance and some of the concerns that you brought up and that I've spoken to a few members of the council about. A few of them involve, for example, doing some neighborhood survey work. One involves having an on call consultant for the historic commission, to provide some technical advice. There are five of them that involve amending the ordinance and one that involve amending the regulations as it relates to this. So, I, appreciate the chance to communicate this back in response to you. And, if you see fit to send this to committee, we can discuss it further. Thank you.

SIDERIS - Thank you. And I have spoken to the manager at length about this request because it seems like we've had some some potential issues and some things that we maybe have overlooked. So this is, I think, a case of good government responding and saying, well, there's a few things that we might have made a mistake on. Let's revisit it. So the manager I've requested the manager to come prepared to the economic development and planning committee, which is where the original historic ordinance went, to provide some guidance as to how we can update the ordinance. The manager has agreed to do that, so this is going to committee on economic development and planning for that discussion, and the manager and his staff will present, some items that are related to items on page 8. 0, my. Can I get a motion to send this to Economic Development and Planning, please?

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second.

SIDERIS - Yes. Thank you. Mr Manager, the grants update.

PROAKIS - Thank you, Mr President. I had asked a few weeks back and, Mark Lang, our, management and grant specialist, in the March put together a list of the update on city grant activity. I provided that to each of you. I'll also make sure it gets attached with minutes and packets for this particular meeting. I just wanted

to make sure you have that. I have two interesting updates on grants. One, which I mentioned a little bit in my presentation, receiving a somewhat frustrating update from the library about the library grant that's mentioned on the third page of Mark's memo, or second page, the, Citizenship Corner grant, it appears came through the Massachusetts Board of Library Commissioners, and, and that funding comes through the Institution of Museum and Library Services, which the president, through an executive order, eliminated federal funding for.

So, it appears that is likely to put a hold on this grant or a stop on this grant, and those are things that we are concerned when this happens, and we're keeping an eye on it. We also had a concern about the safe streets grant that we had received, but it appears that in a rather surprising turn of events, the, Department of Transportation has actually put out a call for next year's round of grants on that program, and it looks like they're actually going to move forward with this year. So I'm cautiously optimistic that that one may actually go forward. So, again, uncertainty is the keyword when it comes to grants, but I just want you to know we're working at chasing them and holding them and getting agreement signed as we can, and just wanted to provide that update for you. Thanks.

SIDERIS - Thank you. The next item is a Berto update.

PROAKIS - So, as you know, the last meeting you referred back to us, the Berto ordinance and some instructions on what to do with it, which included doing some community outreach. So I just wanted to give you a quick update on where we are because we've been a little quiet, but we've decided that in order to determine what we're doing next on the draft ordinance, we need a little bit more data. So we're working on setting up relationships with independent representatives of some of the significant buildings in the city, particularly like a large lab building, a large retail building, a large condo building, a large residential building. We got some leads on that from some of the folks who came to the meeting. And what we're gonna do is with the assistance of Silas Feiler,

Our, energy manager at the Department of Public Buildings, we're reaching out to, work with those representatives to actually lay out what a Berto, implementation strategy would be for each of them under the Berto as written and some alternatives to kinda look at what the impact would be on each of those. Once that information is created, we are gonna do a community meeting for every anyone who's interested can come and provide comments and feedback as we look at that in the ordinance and regulations and then draft adjustments and bring them back. So I just I do ask for some patience as we go through that process first. We're working to do it as quickly as possible, but I just want folks to know we're working on the Berto. I've been working on the budget. We have been busy, but, I

know there's a lot of folks interested in this, and we are doing our best to get this together as quickly as we can.

SIDERIS - I did also ask the manager to include the people that developed 66 because they recently got an award as the most sustainable building in Watertown, and it referenced some of their, some of the things they've done. And I do think that they would be a very important member of this to be part of this discussion because there's an example of the an effect for somebody that's already gone, is a real long way, how it's going to affect someone and the dates that we have that were in the initial proposal. So I think bringing all of these people to the table with the administration is the goal of getting, Alberto that we can all be comfortable with and move forward with. So thank you for that, mister manager. Thank you. Continue.

PROAKIS - Yes. I only have one other announcement this evening in front of me. Let me just make sure this is my last one just by making sure there isn't something I lost here. But, yes, this is my last announcement of the evening. I have a staffing announcement. I have an exciting staffing announcement. You may know we've been without a procurement director since November, although we've had some great opportunity to fill in and work through that department. The committee on city personnel organization met on December 17 to discuss desired qualities and qualifications, and we conducted a wide-ranging recruitment and got quite a few applicants. We conducted several rounds of interviews, and we have made a selection for that position. And Julie Knight will be starting as our new procurement director on April 28, I believe. She has worked in procurement at multiple levels since 2015. She's most recently the director of finance administration for the Department of Public Works in Somerville. The interview prep panel was impressed by Julie's skills, knowledge, and desire to apply best practices in Watertown.

I will share that despite the fact that the deputy manager and I both worked in Somerville before we were here, Julie arrived after we left, and the first time either of us ever met her was in her interview. And while we certainly had a lot of common stories to share about the Somerville experience, we didn't have the experience of working together. But, now we will. Julie has, I do know that that is a busy office. She has a great background, and I think it's hopefully not jumping too far to say it's a testament to her skill set that at least two of our former colleagues have reached out and complained to us that we're stealing her. So I think that's a good sign even though we didn't work with her and don't know her work. I do think I do have to say, during the transition, the city relied on Ray Santillia, a retired chief procurement officer from North Andover who worked part time as an interim. And

the existing staff, Pamela Goldrick and Shannon Keller, stepped up tremendously, working as a team, with Ray. They have moved policies, practices, and a whole host of projects, through the procurement process, and the entire organization really appreciates their support, and look forward to having them continue to work with Julie when she starts here at the end of the month. So thank you very much, Mr. President. That's all I have today.

SIDERIS - Thank you. I'm kinda liking you sitting there so you can Uh-oh. So we can see you when you're talking to you. We might have to make a change in the seating arrangement here. We'll think about it. Request for information. Any request for information. Councilor Feltner.

FELTNER - Thank you, Mr. President. I was wondering when we could expect a draft tree protection ordinance. Secondly, I can't find the developers community meeting report from February 5 regarding 75 Spring Street redevelopment project. Thirdly, I'm wondering when we can expect proposed zoning ordinance updates for items identified during Watertown Square zoning discussions, such as, definition and requirements for open space. Thank you.

SIDERIS - Are there any other requests for information? Let me just say that, Doug and Brendan have been working on a, sheet that we will be refer using for request for information. We just went over a draft again this evening. We should be getting that out. So going forward, we'll be able to have, a formal submission on a piece of paper that can be tracked and responses and everything will be available on the website. So I wanna thank them for working with us to getting that done.

Announcements. Any announcements?

Oh. Seeing none, public forum. Sorry. Oh, I'm sorry. Councilor Beltner.

FELTNER - Yes. I just wanted to it's been well publicized, I think, and on the website, for my annual individual councilor meeting, which is tomorrow evening at 05:30 in our, new space at the, Parker Annex. It should say new space in that the it's the IT training room, a very nice space. So I invite everybody to come. It is a hybrid meeting, so Zoom option is available as well.

LIBBY SHAW - RESIDENT - Thank you. I'm, speaking at the at the end of this, long, very impressive presentation as president of Trees for Watertown, we really, really appreciate the fact that there is a specific priority in the budget for fiscal, '26 to for an aggressive tree planting program. But it's really important to emphasize that simply planting trees is not a farsighted plan. What you really need to do is plant trees and make sure that the sites are prepared so the trees that you plant are gonna have long, healthy lifetimes. Ideally, in the perfect world that we want

Watertown to be in the future, we will have a healthy tree canopy over many of our neighborhood streets like the canopy that I remember when I moved here back in 1970. We should have a future like that. It's really gonna help us, as the as the climate warms, if we do this for ourselves as a city.

So I just wanna emphasize that we need to do much more than plant trees. We need to make sure that they're plant that we prepare sites for them as we're planning our streets around Watertown Square. We need to plan them for long, healthy lifetimes for our trees. And the other thing, I thank you very much, Councilor Feltner, for asking about the draft pre protection ordinance because another thing we need to do is be, doing everything we can to encourage private landowners, homeowners to protect the existing healthy trees they have. If Watertown is anything like Cambridge, about 80% of our tree canopy is in private yards, and we know that we're losing that pretty fast. And we need to be doing everything we can both, in individually and as a city to try to protect those trees. Thanks. I just wanted to get in my oar here. Thanks very much.

SIDERIS - Is there anyone else in public forum here or at home that wishes to be heard? Seeing none, I close the public forum and ask for a motion to adjourn.

PICCIRILLI - So moved.

SIDERIS - Is there a second?

FELTNER - Second.

SIDERIS - Yes. Thank you. Have a good evening, everyone.