



**TOWN COUNCIL
FINANCE SUBCOMMITTEE
WATERTOWN, CONNECTICUT**

**SPECIAL MEETING
MINUTES
FEBRUARY 24, 2026 - 7:00 P.M.**

**WATERTOWN TOWN HALL
TOWN COUNCIL CHAMBERS
61 ECHO LAKE RD.
WATERTOWN, CT 06795**

1. Pledge of Allegiance.
Chairman Jonathan Ramsay called the meeting to order at 7:00 p.m.
2. Call Meeting to Order.
Chairman Jonathan Ramsay led the pledge of allegiance.
3. Roll Call. (All members of the Town Council are members of the Finance Subcommittee)

PRESENT: Jonathan Ramsay, Chair
Michele McHugh, Vice Chair
Dan Cocchiola
Robert Desena
Carina Noyd
Robert Retallick
Rachael Ryan

ABSENT: Ken Demirs, Mary Ann Rosa

OTHERS PRESENT: Mark Raimo, Town Manager
Maria Guerrero, Finance Director

4. Review proposed FY 2026/2027 budgets:
 - a. Water and Sewer Budgets

Mark Raimo, Town Manager gave a presentation starting at a baseline for Water & Sewer 2026/2027 Budget process reviewing the Water and Sewer Operations.

Council questions:

Chairman Jonathan Ramsay asked do we underbudget the line item in years past or is this going from what we were paying to what we should be paying?

Mark Raimo answered we were never at a loss so we never underbudgeted but we were paying the rates, sewer was 6 years and water was 7. Using that average I felt gave us a great baseline to say okay we understand what happened. Three to five years is the amount you use as an average. With COVID, I don't know how COVID would have affected it so I vetted out the additional years. By people staying home, maybe they use more water I don't know without really digging into it. I took my best guess of the number from my perspective from the documents we have. Between our operating expenses and our revenue, we have a net high of approximately of \$15,000 on the sewer side.

Carina Noyd asked on the bond interest judgement payment that will come to you in October, how sure are we of that?

Mark Raimo answered we are very confident of the correct number. What I am not sure of is how much money we are going to be able to take from the current operating budget applied to that. My preliminary discussions with WSA is that I am hoping that with the budget freeze it is going to be able to pay that and not go back to the rate payers for that adjustment, that is the goal. I cannot promise it but we are not there yet.

Carina Noyd asked was that anticipated number lower when we went into the referendum and what not, I don't remember it being quite that high?

Mark Raimo answered it was a little bit lower because we were using bond premium to adjust that number. That is going to be a part of the bigger conversation so that number is definitely going down, I don't know by how much.

Carina Noyd asked the 765 number can you explain that again?

Mark Raimo answered when we convert to a bond in October of 2026 our payment up front is going to be interest only. The true effect of that bond version will not version will not hit the budget until 27/28. We will continue to update you the WSA and the rate payers as we truly understand given that we don't know what the interest rate is going to be. We can't put a finite number on at this point.

Michele McHugh asked are the commercial going to be handled any differently than retail? Are we to a point where we can project that yet?

Mark Raimo answered as far as rates, WSA has refused to accept the rates how the council suggested, we are not there yet. We are going to talk about that.

Chairman Jonathan Ramsay asked can you talk specifically relating to the bond?

Michele McHugh answered yes.

Mark Raimo answered we haven't got they are favoring a flat fee. It is safer for the organization operating that way. When we first started these discussions, it was not clear whether the council had authority over the WSA. I know based on the charter you do have authority over the WSA but the state statute gives them full authority under set rates. I asked this question quite a few months ago what happens if council wants to try to force WSA, it's up in the air right now.

Dan Cocchiola stated this is great in terms of this line because one of the things we talked about last week in our subcommittee was the position of Town Manager is actually the Chief Administrator of WSA. If I think about it that way that role of Chief Administrator. It can be an advisor to WSA would be somebody who is calling the shots and dictating the direction of the organization. I understand past practice and legal advice but it's an interesting WSA refuses to accept rates from the council which totally adheres to how WSA had great autonomy previously. I wonder if that is something that even state statute barrier between council to tell WSA what to do with the Town Manager sitting as Chief Administrator that you would have that role and function to make that happen. Do you think that is the function of the job role?

Mark Raimo answered I do not agree and the reason is if you look at organizational chart, we have the citizens who sit at the top of the chart and then the Town Council who is our elected officials from there you have appointed official that sit on our boards and commissions. From there you have the Town Manager. Everybody we are talking about trying to get to done something sits above me I don't have that authority. If you look at my authority as it relates to staff, I have full authority to direct staff to do anything within my legal powers to do but to do it to a sitting authority I disagree. I think that would have to be part of a bigger conversation, that is my opinion.

Dan Cocchiola stated there is some inconsistencies maybe between what the charter says to do one thing with the left and another thing with the right hand and they don't agree. The thought process that is how you are reading it.

Mark Raimo answered yes, I think they have full staff authority to set the rates but the charter does say you have clear authority over the authority, it is a dilemma. We haven't really identified what is right or wrong. I think one of the questions we asked the Town Attorney would the council have to sue the Water and Sewer Authority to get them to do something. I am giving my thought process, it doesn't mean I am right or wrong. You appoint the people that sit on that council and isn't that part of our democratic process doing the will of the organization. If you move them off that authority is that a process and I think that was the process was intended to do.

Carina Noyd asked this is towards the beginning of your presentation, you mentioned the budget booklet, that was is formulated in 2025. The WSA chose not to utilize it. Do you know why they chose not to and based on the answer to that question why would we chose to use them again, how much do they charge us for that study.

Mark Raimo answered I don't really have a definitive answer why they would use that rate study of 2025. I believe the Superintendent sitting there was trying to work on our infrastructure by building up that budget to feather in those infrastructure improvements. I would prefer not to answer because I really don't know what the true answer is. I don't know what the original cost was to me incurred about \$4,500 in additionally cost in working with that to kind of put this rate study in place. I would have to do some research to find out what the original was.

Chairman Jonathan Ramsay stated the sooner the rates go to the appropriate amount the better of we are, we have to kind of make up the 750 grand for the next budget through the revenue side and it takes from them time to go through the process those rates.

Vice Chair Michele McHugh asked in the budget it has \$30,000 for legal under sewer and \$30,000 legal for water, so we are looking at \$60,000.

Mark Raimo answered that is correct.

Rachael Ryan asked what is the status of finding a new Assistant Superintendent for WSA?

Mark Raimo answered on Feb. 20th the application closed we only have 3 people apply for it. Which is not surprising based on all the notoriety of our WSA. There is not a lot of people that are going to jump right in and like that. Jerry and I did

our best to get the notice out to people in the area to take a chance on the job. We are going to go through an interview process; we will put together a committee and move it forward from there. I feel very strongly with Jerry on the operational side and after everything we just gone through with this budgetary process anybody stepping into that position that they would be successful in it and we will put that information out there as we go through the process.

Rachael Ryan asked do you have any idea when somebody might be hired put in place, is there any time frame?

Mark Raimo answered maybe by early spring, I am hoping to this done and completed sometime in the month March. There is a lot of work on our plates, we are still digging out in finance, other projects that are going on. We are also going with our HR Directors that is another one, the goal is sometime in March.

5. Adjourn

Motion: Michele McHugh seconded by Robert Retallick: to adjourn the Special Meeting at 7:44 p.m.

Motion passed unanimously

Respectfully submitted,

Jonathan Ramsay, Chair
Watertown Town Council

Approved: _____
Susan King, Clerk

FY 2026--2027

**WATERTOWN WATER & SEWER AUTHORITY
BUDGET FRAMEWORK OVERVIEW**

TOWN COUNCIL BRIEFING & PUBLIC FORUM

AGENDA

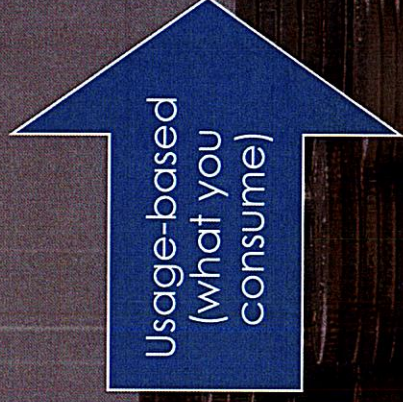
- ▶ Introduction: What Tonight Is (and Is Not)
 - Explains budget assumptions and structure
 - Provides context for future decisions
 - Supports transparency and public understanding
 - Not a rate vote
 - Not a service expansion proposal



WHAT IS THE
WATER & SEWER
AUTHORITY?

ENTERPRISE UTILITY - TWO TYPES OF CHARGES

- Funded by user fees
- Not supported by property taxes



WHY THIS BUDGET LOOKS DIFFERENT?

- **More Complete Cost Recognition**
 1. Updated supplier rates
 2. Normalized multi-year usage
 3. Debt service now entering operations
- **No change in service levels**

HOW THE NUMBERS WERE BUILT

➤ Multi-Year Historical Averages

➤ Water: 7-year average

➤ Sewer: 6-year normalized average



Why This Matters



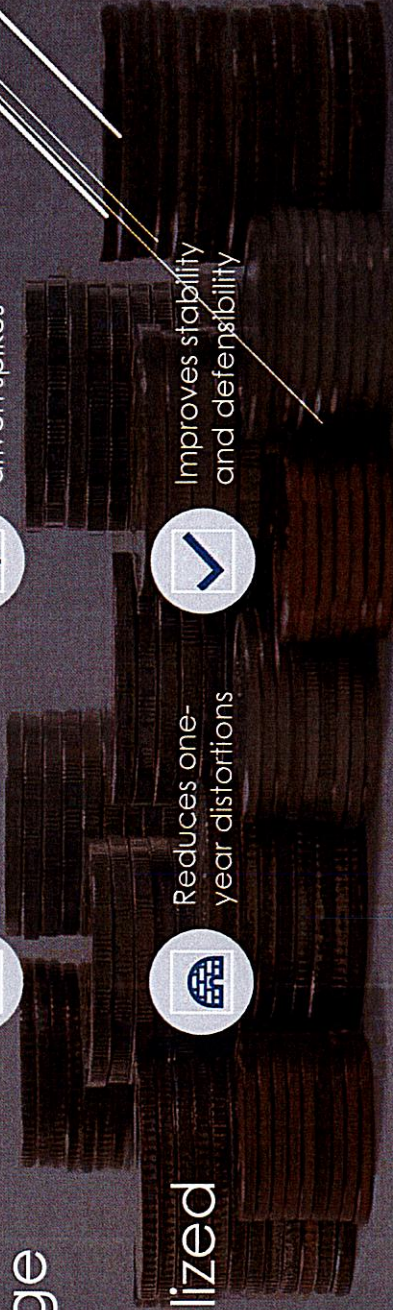
Avoids weather-driven spikes



Reduces one-year distortions



Improves stability and defensibility



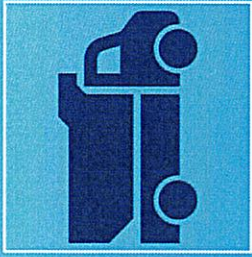
WATER OPERATIONS: COST FIRST

PURCHASED WATER = PRIMARY COST
DRIVER

- ▶ Based on long-term average usage
- ▶ Supplier rate applied uniformly
- ▶ Planning estimate only

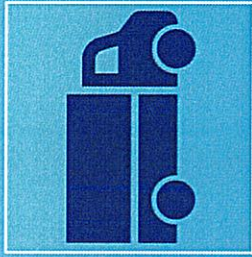
WATER OPERATIONS: REVENUE

- ▶ Conservative Planning Approach



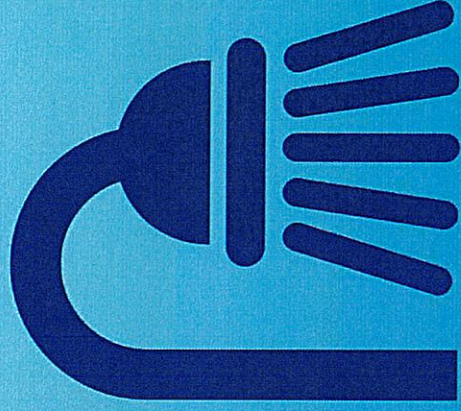
External Cost Driver

- Sewer disposal paid to Waterbury



Flow-Based System

- Costs vary by volume
- Normalized for planning



SEWER OPERATIONS ARE MORE
COMPLEX

SEWER COST ALLOCATION

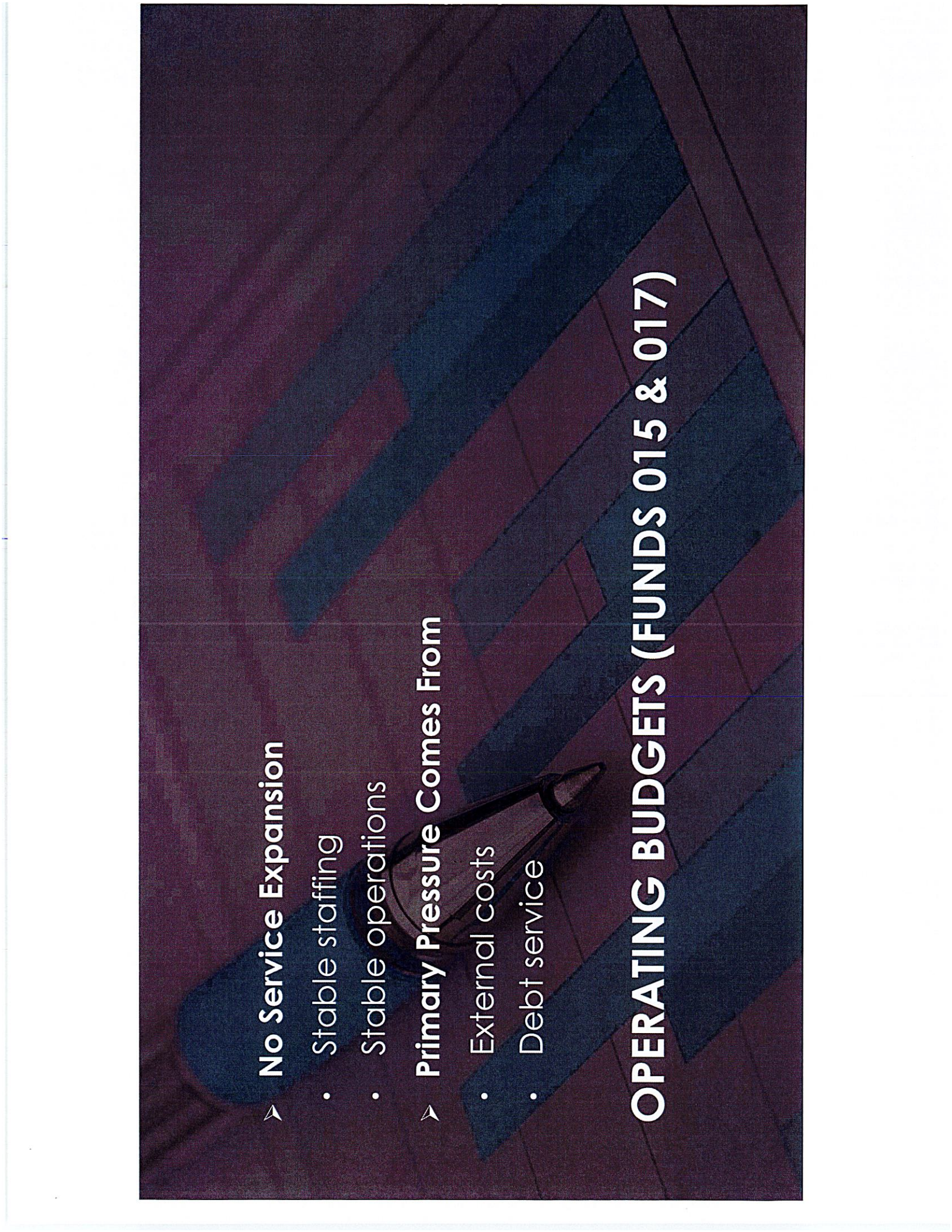
- **Two Customer Groups**
 - WSA Retail Customers
 - Watertown Fire District (Wholesale)

Based on Long-Term Average Flow

SEWER REVENUE STRUCTURE

- **Different Rates, Different Roles**
 - Retail customers: adopted retail rate
 - Fire District: existing contractual rate

Flat fees support fixed costs

- 
- **No Service Expansion**
 - Stable staffing
 - Stable operations
 - **Primary Pressure Comes From**
 - External costs
 - Debt service

OPERATING BUDGETS (FUNDS 015 & 017)



SEWER OPERATIONS FUND 015

TOWN OF WATERTOWN								
FINANCE BUDGET BOOK		- Revenue						
Account	Description	2024-2025 Adopted Budget	2025-2026 Adopted Budget	2025-2026 Received to Date	2026-2027 Estimated Revenue			
Sewer Operations - 015								
015-40600-400-0000-0000	INTEREST ON INVESTMENTS	3,000	66,336	-	-			
015-40753-400-0000-0000	LIEN FEES	-	1,200	20	100			
015-40760-400-0000-0000	SEWER CHARGES	4,190,413	3,072,000	2,201,755	0,721,190			
015-40761-400-0000-0000	SEWER INTEREST @ DELINQUENTS	35,000	35,000	24,968	35,000			
015-40763-400-0000-0000	MISCELLANEOUS	5,000	-	3,575	1,000			
015-40763-400-3104-0000	PERMITS, CONNECTION FEES, & INSPECTIONS	4,250	3,500	7,575	3,500			
015-4821-400-0000-0000	TRANSFER FROM W&S DEBT 019	-	-	23,042,723	-			
Sewer Operations Totals		4,237,663	3,178,036	25,880,617	6,760,790			

Account	Description	FISCAL YEAR 2024-2025		FISCAL YEAR 2025-2026		2025-2026		FISCAL YEAR 2020-2021		FISCAL YEAR 2021-2022		FISCAL YEAR 2022-2023		FISCAL YEAR 2023-2024	
		Actual Expenditures	Budget	Adopted Budget	Expended In-Date	Estimate	Department Recommended	Town Manager Recommended	Town Council Recommended						
015 - Sewer Operations															
501 - Personnel Services															
015-50110-074-0037-9015	BOOKKEEPER II	-	-	-	-	-	-	-	-	-	-	-	-	-	-
015-50110-074-0038-9015	BOOKKEEPER I	20,374	20,721	20,721	14,133	20,721	24,510	24,510	-	-	-	-	-	-	-
015-50110-074-0091-9015	WAGE BENEFIT ADJUSTMENT	-	8,200	8,200	-	8,200	-	-	-	-	-	-	-	-	-
015-50110-074-0259-9015	UTILITY MAINTAINER	104,198	108,200	108,200	33,049	108,200	111,790	111,790	-	-	-	-	-	-	-
015-50110-074-0720-9015	W & S SUPERVISOR	48,809	48,320	48,320	56,162	48,320	44,435	44,435	-	-	-	-	-	-	-
015-50110-074-1702-9015	ASST SUPERINTENDENT	5,407	-	-	-	-	-	-	-	-	-	-	-	-	-
015-50110-074-1784-9015	SUPT/ENGINEER	30,808	59,200	59,200	-	-	59,107	59,107	-	-	-	-	-	-	-
015-50110-074-2110-9015	ADMIN ASST	21,808	22,241	22,241	10,287	22,241	24,239	24,239	-	-	-	-	-	-	-
015-50110-074-3111-9015	OFFICE MANAGER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
015-50110-074-3160-9015	WSA CONTROLLER	35,015	35,718	35,718	21,327	35,718	37,525	37,525	-	-	-	-	-	-	-
015-50110-074-3103-9015	WSA BUSINESS ANALYST	-	27,094	27,094	-	-	27,094	27,094	-	-	-	-	-	-	-
015-50120-074-0043-9015	DIRECTOR OF PUBLIC WORKS - STIPEND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
015-50120-074-0077-9015	MINUTES SECRETARY	1,426	1,000	1,000	-	-	1,000	1,000	-	-	-	-	-	-	-
015-50120-074-0247-9015	CUSTODIAN	8,702	2,215	2,215	937	2,215	2,296	2,296	-	-	-	-	-	-	-
015-50130-074-0000-9015	PART TIME INSPECTOR	15,139	23,000	23,000	11,740	23,000	25,000	25,000	-	-	-	-	-	-	-
015-50133-074-0000-9015	OVERTIME	3,675	4,000	4,000	2,325	4,000	4,000	4,000	-	-	-	-	-	-	-
015-50140-074-0000-9015	STANDBY SALARIES	391	600	600	-	-	600	600	-	-	-	-	-	-	-
015-50140-074-1274-9015	UNIFORM ALLOWANCE	450	450	450	150	450	450	450	-	-	-	-	-	-	-
015-50210-074-0000-9015	SHOE ALLOWANCE - ORGANIZED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
015-50210-074-0000-9015	SOCIAL SECURITY	19,092	24,085	24,085	10,900	24,085	20,899	20,899	-	-	-	-	-	-	-
015-50220-074-0000-9015	MEDICARE	4,338	5,033	5,033	2,462	5,033	4,888	4,888	-	-	-	-	-	-	-
015-50230-042-0000-9015	EMPLOYEES RETIREMENT	11,259	27,271	27,271	6,401	27,271	10,262	10,262	-	-	-	-	-	-	-
015-50230-074-0000-9015	HEALTH AND DENTAL	-	91,185	91,185	52,261	91,185	104,803	104,803	-	-	-	-	-	-	-
015-50232-074-0000-9015	LIFE INSURANCE	1,750	1,105	1,105	933	1,105	1,395	1,395	-	-	-	-	-	-	-
015-50243-074-0000-9015	DISABILITY INSURANCE	510	600	600	238	600	600	600	-	-	-	-	-	-	-

015 Sewer Operations		
<u>Account Number</u>	<u>Account Description</u>	<u>Includes</u>
Sewer Operations		
<u>Account Number</u>	<u>Account Description</u>	
Sewer Operations		
<u>Account Number</u>	<u>Account Description</u>	
<u>New Line Item</u>	<u>Brand New Line Items Added in GI</u>	
	<u>Account Description</u>	
	<u>DIRECTOR OF PUBLIC WORKS - STIPEND</u>	



WATER OPERATIONS FUND 017

TOWN OF WATERTOWN FINANCE BUDGET BOOK		- Revenue										
Account	Description	2024-2025 Adopted Budget	2025-2026 Adopted Budget	2025-2026 Received to Date	2026-2027 Estimated Revenue							
Water Operations - 017												
017.40000.400.0000.0000	INTEREST ON INVESTMENTS	-	73,498	-	-							
017.40025.400.0000.0000	FUND BALANCE	-	714,730	-	-							
017.40066.400.0000.0000	TRANS FROM GEN FUND	-	-	-	-							
017.40750.400.0000.0000	WATER RENTS	2,772,004	1,975,324	1,111,849	2,823,734							
017.40751.400.0000.0000	WATER INTEREST @ DELINQUENTS	48,830	24,000	97,488	20,000							
017.40752.400.0000.0000	WATER A/R & MISC CHARGES	25,000	20,000	10,500	18,000							
017.40753.400.0000.0000	HYDRANT RENTALS	228,200	228,004	189,882	228,000							
017.40754.400.0000.0000	WATER APPLICATIONS	-	-	-	300							
017.40755.400.0000.0000	LIEN FEES	3,000	2,000	300	250							
017.40703.400.0000.0000	MISCELLANEOUS	-	-	-	250							
017.40703.400.3164.0000	PERMITS, CONNECTION FEES, & INSPECTIONS	4,250	4,000	6,125	1,000							
Water Operations Totals		3,081,584	3,044,156	1,416,194	3,091,734							

Account	Description	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	2-9-2020	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
		2024-2025 Actual Expenditures	2025-2025 Adopted Budget	2025-2020 Expended To Date	2025-2020 1 Year Estimate	2025-2027 Department Recommended	2025-2027 Town Manager Recommended	2020-2027 Town Council Recommended			
017 - Water Operations											
501 - Personnel Services											
017-50110.074.3103.9017	WSA BUSINESS ANALYST	-	27,094	-	-	27,094	-	-	-	-	-
017-50110.075.0038.9017	BOOKKEEPER I	20,374	20,721	14,133	-	20,721	-	-	24,210	-	-
017-50110.075.0091.9017	WAGE BENEFIT ADJUSTMENT	-	8,500	-	-	8,500	-	-	3,299	-	-
017-50110.075.0258.9017	UTILITY MAINTAINER/METER READER	-	-	-	-	-	-	-	111,790	-	-
017-50110.075.0259.9017	UTILITY MAINTAINER	104,199	108,500	51,649	-	108,500	-	-	-	-	-
017-50110.075.0720.9017	W & S SUPERVISOR	40,809	48,424	-	-	-	-	-	44,453	-	-
017-50110.075.1702.9017	ASST SUPERINTENDENT	5,407	-	-	-	-	-	-	-	-	-
017-50110.075.1784.9017	SUPT/ENGINEER	50,868	59,500	907	-	59,500	-	-	59,167	-	-
017-50110.075.2110.9017	ADMIN ASST	21,868	22,241	10,287	-	22,241	-	-	24,239	-	-
017-50110.075.3100.9017	WSA CONTROLLER	35,027	35,718	21,327	-	35,718	-	-	37,525	-	-
017-50120.075.0043.9017	MINUTES SECRETARY	-	1,000	-	-	1,000	-	-	6,000	-	-
017-50130.075.0077.9017	CUSTODIAN	1,420	2,213	977	-	2,213	-	-	1,000	-	-
017-50130.075.0287.9017	PART TIME INSPECTOR	8,702	-	-	-	-	-	-	2,296	-	-
017-50130.075.0000.9017	OVERTIME	14,978	25,000	11,751	-	25,000	-	-	23,000	-	-
017-50135.075.0000.9017	STANDBY SALARIES	3,075	4,000	2,325	-	4,000	-	-	4,000	-	-
017-50140.075.0000.9017	UNIFORM ALLOWANCE	391	600	-	-	600	-	-	600	-	-
017-50140.075.1274.9017	SHOE ALLOWANCE - ORGANIZED	450	450	150	-	450	-	-	450	-	-
502 - Employee Benefits											
017-50210.000.0000.0000	SOCIAL SECURITY - MEDICARE	398	-	319	-	-	-	-	-	-	-
017-50210.000.0270.0000	SOCIAL SECURITY - MEDICARE	93	-	75	-	-	-	-	-	-	-
017-50210.075.0000.9017	SOCIAL SECURITY	18,023	24,085	10,527	-	24,085	-	-	24,085	-	-
017-50210.075.0270.9017	MEDICARE	4,350	5,613	2,402	-	5,613	-	-	5,613	-	-
017-50220.075.0000.9017	EMPLOYEE'S RETIREMENT	11,257	27,571	6,351	-	27,571	-	-	10,202	-	-
017-50230.042.0000.9017	HEALTH AND DENTAL	-	91,185	52,704	-	91,185	-	-	104,803	-	-
017-50232.075.0000.9017	LIFE INSURANCE	1,750	1,165	523	-	1,165	-	-	1,393	-	-
017-50243.075.0000.9017	DISABILITY INSURANCE	310	600	258	-	600	-	-	600	-	-


➤ Why FY 26–27 Is Different

- Infrastructure financing continues
- Debt service flows through operating budgets
- Planned, additional debt service as it relates to the Waterbury v. Watertown litigation

DEBT SERVICE: THE STRUCTURAL SHIFT

- 
- **Clearer Baseline**
 - Better planning visibility
 - **Future Discussions Expected**
 - Rates
 - Capital priorities
 - Long-term sustainability

WHAT THIS MEANS
GOING FORWARD

- 
- **Independent Review**
 - Validates assumptions
 - Tests scenarios
 - Supports informed policy decisions

WHY UPDATE THE RATE STUDY

CLOSING & COMMENT

- ▶ **Purpose Tonight**
- ▶ Explain the “why” behind the numbers
- ▶ Invite questions and feedback
- ▶ Commit to transparency
- ▶ Show how we are working to manage costs and limit pressure on rate

THANK YOU

➤ WSA Team

➤ 860-945-5268

➤ Townmanager@Watertownct.org

➤ www.Watertownct.org