

I want to start my remarks by making sure everyone knows what the library expansion cost and how we paid for it. Ald. Smith had a big hand in the rules: proposing a referendum that set a public cap of \$4.38M on the project, and our citizens passed that in 2016 by a 2 to 1 margin. Knowing that the Council at the time and the Library Board were at an impasse on the overall size of the project, I sat down with Mayor David in 2017 and proposed a compromise that was bigger than the Council's position but smaller than the Library's position. After that, Ald. Smith and I worked out a deal where the Library Board was free to raise all the money it wanted as long as we kept the public cap of \$4.38M intact. And we solidified that deal in a City resolution that came to the floor in 2018 and passed with a number of amendments.

So two of the papers you have in front of you are related to the expansion itself. One is the resolution the City passed. And the other is actual capital budget we used to build the expansion, and that's where I'd like to direct your attention for a bit.

Take a look at the Revenue side of the sheet. You're going to see a total available funds numbers – that's cash received or in the bank as of November 2021. And notice that City's contribution – the "Fund 5" contribution listed halfway down - is indeed quote unquote only \$4.38M. It's the minority of the funds raised. The majority of the funds raised were private donations from individuals, non-profits, foundations and kids and working families who cracked open their piggy banks to buy a brick or a sticker on the wall.

And now look at the right side of the sheet where the expenses are. Notice that it took about \$10M to build the library. You'll find that figure in the "Total Expense" section. I'm reiterating the \$10M figure because I was alarmed at last week's finance meeting to hear some of my colleagues play Bill Clinton and try to carve out "just the construction costs" or other nonsensical parsings of the actual \$10M cost it took to acquire the land, design the expansion, build the expansion, and equip the new library.

So let's put that down for a second, and move onto the piece of paper that has the City's Exhibit #8635. While we don't have official minutes from the meeting we held last week in the barn, I think it's safe to tell you that Finance Committee voted 3-1 to "ask" the library to batch up the money it has left over from brick sales and estate gifts, and send it over to the City.

I'm here to tell you that the \$200K request the we made of the Library Board last week would put the City in direct violation of Resolution 8635 which was passed by the City Council on June 5, 2018. Again, you have a copy of that resolution in front of you for inspection.

At the top of page 2, the first bullet of the resolution states that the City contribution shall be \$4,380,000 – exactly. Now there is a clause below it that would have reduced the City's contribution if donations were less than \$2,920,000, but that clause was not triggered because

donations actually totaled nearly six million dollars instead. And there is no clause in that resolution that allows the City to retroactively raid the donation fund.

Now none of us on the Finance Council are spring chickens, and we should have all know what the City Attorney authoritatively relayed to us upon inquiry: according to state law, the library remains in control of the funds it was endowed through donations.

Thus, our \$200K “request” becomes more of a threat: either do this, or we, the Council will make more cuts.

So let’s take a look at the cuts we’re already proposing to the library in 2026. I’ve provided a chart and graph of the library allocation for the past ten years.

The year column is what it says it is and the “Amount” is the amount budgeted by each Council for that year, including what we’ve forwarded from Finance. The “Library Fund 1 Allocations” graph directly below that shows that funding has generally remained flat from year to year but that we’re proposing the first actual cut to library funding in 2026. As relayed to your Finance Committee in memo and testimony, that \$40K cut will be absorbed through the elimination of two people’s jobs.

Now the next set of numbers I want to take a look at are the ones in the “Fund 1 Total”, which represents the size of each year’s Fund 1 budget, and the “Library/Fund1” column, which indicates what percentage of the Fund 1 budget goes to the library. As you can see, this figure drops from an initial high of 4.51% down to this year’s 3.73%. In between, you can also see the percentage generally drop down from year to year, which indicates that the library budget has not kept pace with the growth of the overall city budget.

And finally, I wanted you to see what the City’s contribution to the library looked like if we factor in inflation, as measured by the federal CPI. As measured in 2017 dollars, we are basically asking the library to do more in a larger building with \$120,000 less per year, which represents about a 20% haircut over the past decade.

So, if your goal is to trim back the library’s percentage of city revenues or its actual impact to the bottom line, congratulations: the \$40K cut we’re proposing continues to do the job nicely.

But before you leave this sheet, I want you flip back to the “Library/Fund1” column for a minute. That number hovers around 4% per year, which means that we’re spending 96% of Fund 1 on other things. Right?

Well that other 96% this is why no one believes us when we say that as a Council we are serious about reining in spending. There’s 96% of the Fund 1 budget that we’re NOT targeting with 5% cuts, like we’re targeting the library. And unless we get serious about tackling the big ticket

items in the Fund 1 budget, to paraphrase Margaret Thatcher, the Watertown City Council is going to be in trouble when we eventually run out of other people's money to spend.

To sum up. We have a \$200K Fund 20 to Fund 5 "ask" that would make us false witnesses to the previous agreement with the library. And make it seem like Council can't be trusted to balance the City's checkbook on our own.

And we have what appears to be a purely punitive and arbitrary request to further reduce our already waning support for the library by another \$25K, which would probably be a third person's job. That \$25K suggestion really doesn't move the needle on tax relief, and it, on the topic of spending restraint, provides the impression of posing for holy pictures while not actually having the courage to address the vast bulk of City spending.

So, I encourage you to leave the budget Finance passed and recommended to Council on Oct 27 intact, and quit picking on the library with these desperate budget gimmicks.