

Weston Finance Committee
Meeting Minutes
January 28, 2021

A meeting of the Finance Committee of the Town of Weston, which was duly called and posted in compliance with the laws of the Commonwealth of Massachusetts, was held virtually on Thursday, January 28th, 2020 at the Weston Town Hall. There being a quorum present the meeting was called to order at 7:03pm.

Present for the meeting were:

Finance Committee: Lisa Reitano – Chair, John McDonald, James Jarrett, Jim Philipkosky, Karen Meslin, John Sallay, Bharath Venkataraman, Lisa Schwallie and Paul Clark.

Also Present: Ripley Hastings, Town Moderator, and Susan Kelley, Finance Director.

Lisa Schwallie was appointed to serve as Secretary pro tempore and charged with keeping the minutes of the meeting. The meeting was recorded by Weston Media and is available online.

- 1) There were no resident comments.
- 2) The minutes of the meeting of January 7, 2021 were unanimously approved.
- 3) The content and format of town financial reporting was discussed, with a request to present actual expenses incurred by departments for the first half of the current year, as a data point to inform budget discussions for the coming year.
- 4) The budgeting process was discussed, with recognition that starting from level service, rather than benchmarked costs and outputs, pegs the budget to past performance without regards for how efficient or effective that performance may be. Additional recognition was given that the budget process and information flows create a bias towards incremental increases without top level cost overviews or controls. There is concern that town expenses and taxes have been growing faster than inflation, and discussion about how best to present matters to the Town.
- 5) Finance Committee representatives budget discussions with the School Committee and Town departments were summarized, as well as desired timing and invitations for budget reviews.
- 6) It was agreed that the Finance Committee representative who is serving as the liaison to each Town department will collect questions including data requests in advance, prior to the meeting between the Finance Committee and the relevant Town department. Each Finance Committee member will direct relevant questions to the appropriate liaison.

- 7) Work on subcommittee projects continues.
- 8) The meeting adjourned at 9:02pm.

Respectfully submitted,

Lisa Schwallie

FY2022

TOWN MANAGER'S RECOMMENDED BUDGET and FINANCING PLAN

Leon A. Gaumond Jr.
Town Manager

Susan Kelley
Finance Director/
Town Accountant



TOWN OF WESTON

January 26, 2021

FY22 Budgetary Goals

- * Deliver current levels of service efficiently and cost effectively
- * Reduce the amount of Free Cash used in the operating budget
- * Minimize increases in debt, where possible, by funding smaller capital items with cash
- * Plan for the Town's future financial stability by adding to reserves

FY22 Operating Budget Overview

FY21 Approved Operating Budget	\$85,709,241
FY22 Proposed Budget	\$88,270,143
Increase	2.98%

FY22 Budget Summary:

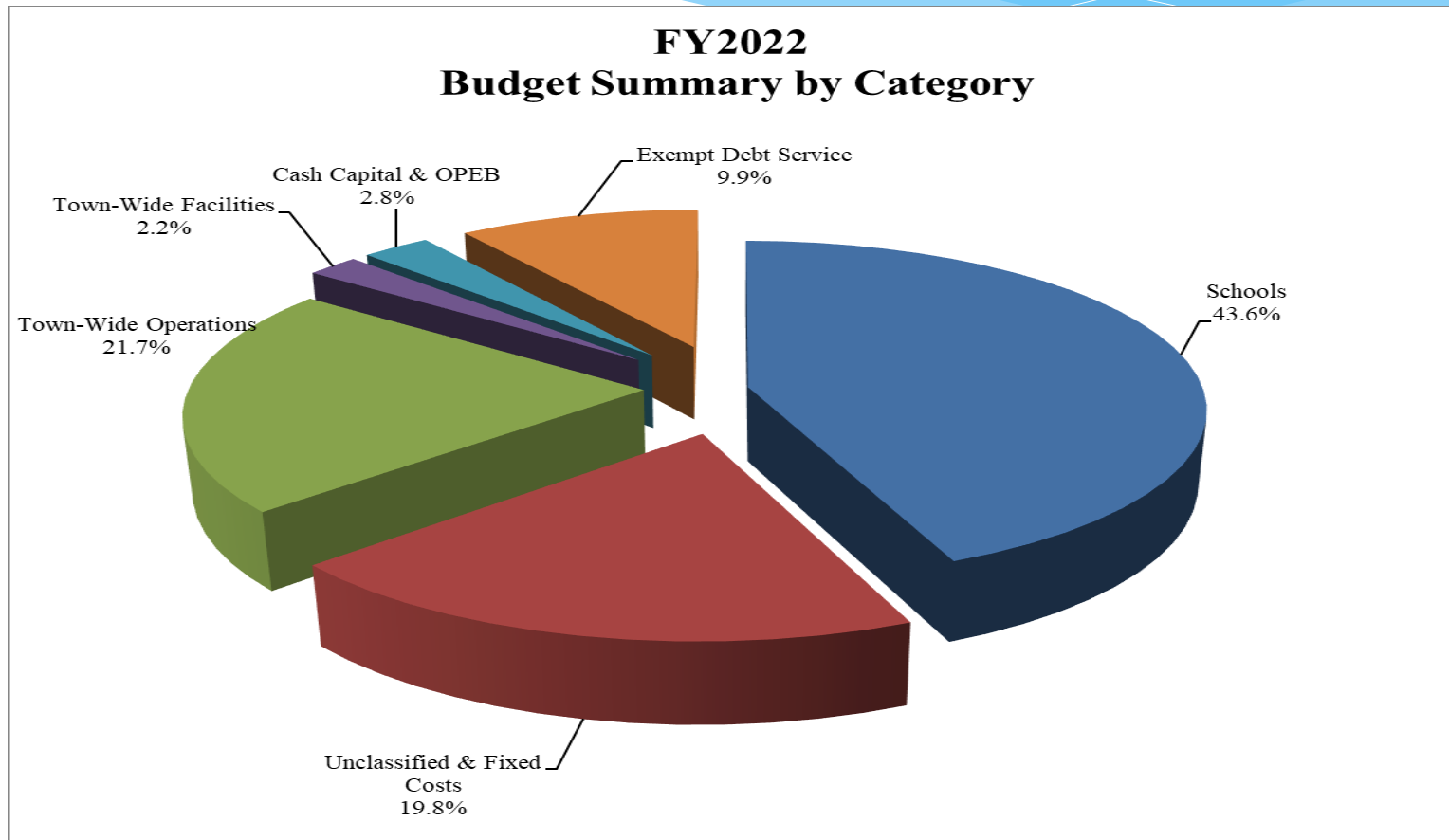
	FY21 Budget	Recommended FY22 Budget	\$ Change	% Change
Schools- Operations	42,906,809	44,104,630	\$1,197,821	2.8%
Unclassified & Fixed Costs	19,240,708	20,017,106	776,398	4.0%
Town Wide Operations	23,561,724	24,148,407	586,683	2.5%
Total Operating Budget	85,709,241	88,270,143	2,560,902	3.0%
Separate Articles (OPEB & Cash Capital)	1,023,254	2,859,491	1,836,237	179.5%
Gross Debt Service Exempt from Proposition 2 1/2	10,233,342	9,951,617	-281,725	-2.8%
Total Operating Budget, OPEB , Cash Capital & Debt Service	\$96,965,837	\$101,081,251	\$4,115,414	4.2%

FY22 Revenue Projection

TABLE I: FY2022 REVENUE PROJECTION SUMMARY

	FY2021 Budget	FY2022 Projected	DOLLAR CHANGE FY21- 22	PERCENT CHANGE FY21- 22
PROPERTY TAX LEVY-OPERATIONS	\$72,939,088	\$77,982,310	\$5,043,222	6.9%
STATE AID - CHERRY SHEET	\$4,386,513	\$4,400,415	\$13,902	0.3%
LOCAL RECEIPTS	\$6,152,522	\$5,452,050	(\$700,472)	-11.4%
PRIOR YEAR BALANCES/OTHER	\$4,486,093	\$4,273,593	(\$212,500)	-4.7%
TOTAL PROJECTED REVENUES	\$87,964,216	\$92,108,369	\$4,144,153	4.7%
REDUCTIONS IN REVENUES	(1,698,472)	(1,532,639)	\$165,833	-9.8%
OTHER REVENUES	466,751	553,904	87,153	18.7%
AVAILABLE FOR OPERATING BUDGET, OPEB & CASH CAPITAL	\$86,732,495	\$91,129,634	\$4,397,140	5.1%
PROPERTY TAX LEVY-DEBT SERVICE	\$9,981,289	\$9,830,640	(\$150,649)	-1.51%
DEBT SERVICE REVENUE OFFSET	\$252,053	\$120,977	(\$131,076)	-52.0%
AVAILABLE FOR EXCLUDED DEBT SERVICE	\$10,233,342	\$9,951,617	(\$281,725)	-2.8%

FY22 Budget Summary by Category:



FY22 New Budget Requests – Recommended

* DPW Roadway Maintenance	- \$318,000
* DPW Sidewalk Plow	- \$163,000
* Network Administrator Hours	- \$20,000
* Software Maintenance	- \$24,378
* Case Estates/Legacy Trail	- \$6,000
* Amazon Business Prime	- \$1,299
Total new recommended requests	\$532,677

FY22 New Budget Requests – Not Recommended

- * DPW Roadway Maintenance - \$200,000
- * New Firefighter - \$65,677
- * Additional Security Cameras - \$85,000
- * Police Body Camera Program - \$65,065

Total new requests not recommended \$415,742

General Fund

Recommended Capital Requests – Cash & Departmental Operations

TABLE II: FY2021 RECOMMENDED PROJECTS - FUNDING THROUGH DEPARTMENTAL OPERATIONS

		FUNDING SOURCE	FY22	Operating Budget	Free Cash/ Separate Articles	Retained Earnings
DEPARTMENT OF PUBLIC WORKS						
18-1	Roadway Improvements	Operating Budget	1,800,000	1,800,000		
18-2	Departmental Equipment	Operating Budget	488,000	488,000		
18-3	Sidewalk Reconstruction	Operating Budget	210,000	210,000		
18-4	Guardrail Improvements	Operating Budget	50,000	50,000		
18-5	Cherry Brook Culverts	Cash Capital	124,000	-	124,000	
18-6	Sherburn Circle Over Bogle Brook Culvert (Design)	Cash Capital	80,000	-	80,000	
			2,752,000	- 2,548,000	204,000	-
FACILITIES TOWN-WIDE						
18-7	Middle School RTU-3 Replacement	Cash Capital	350,000		350,000	
18-8	Town-Wide Facilities Improvements	Operating Budget	675,045	675,045		
			1,025,045	- 675,045	350,000	-
FIRE DEPARTMENT						
18-9	Shift Commander Vehicle	Cash Capital	80,000	-	80,000	
			80,000	-	80,000	-
POLICE DEPARTMENT						
18-10	Vehicles, Equipment & Maintenance	Operating Budget	174,000	174,000		
			174,000	174,000	-	-
SCHOOL DEPARTMENT						
18-11	School - Bus Replacement (3)	Operating Budget	284,160	284,160		
			284,160	284,160	-	-
TOTAL GENERAL FUND			4,315,205	3,681,205	634,000	-

General Fund Recommended Capital Requests – Debt Funded by General Fund

TABLE I: FY2021 RECOMMENDED PROJECTS - GENERAL FUND DEBT

PROJECT		AMOUNT FINANCED	DEBT SERV. YEARS	EST. BAN INT. RATE	EST. BOND INT. RATE	FY2021	FY2022*	FY2023	FY2024	FY2025	FY2026
17-1	Drainage Improvements	450,000	30	2.50%	3.50%	-	-	11,250	31,267	30,724	30,181
17-2	High School F-Wing Roof Replacement	951,600	20	2.50%	3.50%	-	-	23,790	83,390	81,637	79,884
17-3	Engine (Pumper)	750,000	10	2.50%	3.50%	-	-	18,750	109,583	106,667	103,750
PROJ. NEW LEVY SUPPORTED DEBT SERV.		2,151,600				-	-	53,790	224,240	219,028	213,815
APPROVED/ PROPOSED LEVY SUPPORTED DEBT SERV.						FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
<i>Subtotal</i>	Approved and Issued Levy Supported Debt Service					19,760	-	-	-	-	-
<i>Subtotal</i>	Approved and Unissued Levy Supported Debt Service					9,700	9,700	9,700	9,700	9,700	9,700
Summary	Approved Levy Supported Debt Service					29,460	9,700	9,700	9,700	9,700	9,700
<i>Subtotal</i>	Projected New Levy Supported Debt Service					-	-	53,790	224,240	219,028	213,815
TOTAL	PROPOSED LEVY SUPPORT DEBT SERVICE					29,460	9,700	63,490	233,940	228,728	223,515
APPROVED AND PROPOSED EXCLUDED DEBT SERVICE						FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
<i>Subtotal</i>	Approved and Issued Excluded Supported Gross Debt Service					10,233,342	9,951,617	9,422,620	9,081,130	8,534,090	7,808,327
<i>Subtotal</i>	Approved and Unissued Excluded Debt Service					-	-	-	-	-	-
TOTAL	Approved Excluded Debt Service					10,233,342	9,951,617	9,422,620	9,081,130	8,534,090	7,808,327
<i>Subtotal</i>	Proposed Excluded Debt Service (new capital items if approved in May 2021)					29,460	9,700	63,490	233,940	228,728	223,515
TOTAL	APPROVED AND PROPOSED EXCLUDED DEBT SERVICE					10,262,802	9,961,317	9,486,110	9,315,070	8,762,818	8,031,842

Enterprise Funds

Recommended Capital Requests – Cash & Departmental Operations

WATER ENTERPRISE					
18-12	Water Hydrant Rehab Program	Operating Budget	40,000	40,000	
18-13	Water Storage Tank Program	Operating Budget	7,500	7,500	
18-14	Large Meter Replacement Program	Operating Budget	17,500	17,500	
			65,000	65,000	- -
BROOK SCHOOL APARTMENTS ENTERPRISE					
18-14	Repairs & Replacements	Operating Budget	185,290	185,290	-
18-15	Capital Improvements	Retained Earnings	100,000	-	100,000
			285,290	185,290	- 100,000
TOTAL ENTERPRISE FUNDS			350,290	- 250,290	- 100,000

Enterprise Funds

Recommended Capital Requests – Debt Funded by Water Revenues

TABLE III: FY2021 RECOMMENDED PROJECTS - WATER DEBT

PROJECT		AMOUNT FINANCED	DEBT SERV. YEARS	EST. BAN INT. RATE	EST. BOND INT. RATE	FY2021	FY2022*	FY2023	FY2024	FY2025	FY2026
19-1	Water Main Rehab Program	401,000	30	2.50%	3.50%	-	-	10,025	27,863	27,379	26,895
PROJ. REVENUE (WATER) SUPPORTED DEBT SERV.		<u>401,000</u>				-	-	10,025	27,863	27,379	26,895
APPROVED REVENUE SUPPORTED DEBT SERV.						FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
<i>Subtotal</i>	Approved and Issued Revenue Supported Debt Service					617,068	671,442	661,412	637,437	628,227	524,899
<i>Subtotal</i>	Approved and Unissued Revenue Supported Debt Service										
Summary	Approved Revenue Supported Debt Service					617,068	671,442	661,412	637,437	628,227	524,899
<i>Subtotal</i>	Projected New Revenue Supported Debt Service					-	-	10,025	27,863	27,379	26,895
TOTAL	PROPOSED REVENUE SUPPORTED DEBT SERVICE					617,068	671,442	671,437	665,300	655,606	551,794

Planning for the Unexpected and for Financial Stability:

- \$ reserved in the free cash account – Meeting policy goals
- \$ balance in Stabilization Fund - Meeting policy goals
- \$ for Post Employment Benefits (OPEB) reserve – full amount of annual required contribution (ARC) – Did not meet policy goals for FY21. Will meet it in FY22.

Complete summary of reserves – FY22 Revenue Projection

How does the FY22 Budget Support the Board of Selectmen's Stated Priorities?

Accelerate roadway maintenance.

- *\$318,000 more in this budget*
- *Progress toward goal for all roads to receive a score of 70 or greater by 2028*

Design Improvements to Town Center.

- *Project in the construction phase*
- *Completion this Summer*

How does the FY20 Budget Support the Board of Selectmen's Stated Priorities?

Josiah Smith Tavern

- *Project in the construction phase*
- *Project completion this year*

Assist in progressing the Rte. 20 and Rte. 30 Transportation Improvement Plan projects through to obtain state funding.

- *The additional funds for the Traffic & Sidewalk Committee are there to support this effort.*

Improve cell phone service/coverage.

- *This project is in the study phase with consulting fees planned in the Selectmen's consultant line item.*

Revenue & Expense Variables

- Questions about union negotiations (while we feel confident we are within our targeted expectations this is still uncertain)
- Final State & School Aid (Summer?)
- Any additional COVID expenses not expected to be reimbursed by FEMA or other Federal/State sources?
- Rebound of our local receipts?

Financial Initiatives for 2021

- Departmental operating studies
- Beginning year two of a Performance Measurement program
- Financial Modeling
- More robust capital planning