

Town of Weston

Finance Committee Meeting Minutes

Thursday, January 24, 2019

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 on Thursday, January 24, 2019 at the Weston Police Station. There being a quorum present, the meeting was called to order at 7:00 P.M.

Present for the meeting were:

Finance Committee: Lisa Reitano – Chair, Gerard Jansen, John McDonald, Karen Meslin, Ellen Richstone and John Sallay.

Also Present: Leon Gaumond, Town Manager, Susan Kelley, Finance Director, Zoe Pierce- Treasurer/Collector. There were no resident comments.

1. Ellen Richstone was appointed to serve as Secretary pro-tempore and charged with keeping the minutes of the meeting. The minutes of the meeting of November 20, 2018 were unanimously approved.
2. Leon Gaumond, Town Manager, presented his recommended FY20 Budget. He noted at the beginning that he had not yet reviewed with the Selectmen and there might be some adjustments of the numbers after that meeting. A copy of the presentation is attached. Items to note from the review are below.
 - a. **Budgetary Goals** include: a) deliver current levels of service efficiently and cost effectively; b) address increased demand for service in some departments with additional staffing and roadway maintenance; c) minimize increases in debt, where possible, by funding smaller capital items with cash; d) plan for the town's future financial stability by adding to reserves.
 - b. **Financial:** FY20 Budget-current proposed is \$84,709,815 which is an increase of 3.8% over the prior year budget. Significant discussion was held including that this increase is higher than the current estimated inflation rate of 1.7%. Other key financial items:
 - i. FY 20 Revenue Projections: Property Tax Levy increase of 4.6%. Questions were raised as to how much of this will come from "new growth" vs. increases to the tax rate/bill for residents with no expansions to their home; State Aid assumption is growth of 2.7%. The State Aid number will most likely not be firmed up until the summer timeframe. The Committee asked for further review in detail of these assumptions and the need to evaluate the impacts on residents' tax bills.
 - ii. FY 20 Cost Increases for the Schools is \$1.5 million (3.7% but doesn't include "benefits" increase); and the General Town Government is an increase of \$1.8 million (8.6%).
 - iii. The increase in the General Town Government is driven mainly by the following key factors:
 1. Roadways- Maintenance:
 - a. \$500,000 maintenance
 - b. \$145,000 for a project manager to oversee roadway improvements
 2. Police:
 - a. Additional Officer resource for schools
 - b. Additional Police Cruiser for additional officer
 3. IT: Network Manager
 4. DPWL Engineering Stormwater Permitting Compliance

5. Conservation; COA; Board of Health: Part time support in each of these areas including additional nurse hours for the Board of Health
 - iv. The areas where new budget requests had been made to the Town Manager, but he had not recommended, were reviewed.
 - v. Recommended Capital Requests were reviewed which included those which would be included either in the Operating Budget or as Debt which will be funded by Water Revenues.
 - vi. Revenue and Expense variables were noted including: a) union negotiations upcoming and b) final state and school aid
 - vii. The projection of Future Budgets does indicate a shortfall of \$650,000 in FY20 and possibly \$1.3 million in FY21. The committee noted that more work may be needed to evaluate where Cost Efficiencies can help to reduce or eliminate these shortfalls.
 - c. Further discussion was held surrounding the expenses supporting the acceleration of roadway maintenance. The Town has a stated goal for all roads to receive a score of 70 or greater by 2028. The Committee asked that a review of “what this means”- and how is it measured and by whom- be added to the reviews.
 - d. Planning for the Unexpected and for Financial Stability was included in the review. Noted items included: 1) \$ reserved in the free cash account-which as of today stands at \$4.458 Million and a proposed amount recommended for May 2019 of \$3 Million.; 2) \$ Balance in Stabilization Fund; and \$ for OPEB reserve being financed at the full amount of annual required contribution (ARC).
 - e. Additional items were discussed including the upcoming Town reviews of: a) project to study how to improve cell phone service/coverage; b) improvements requested to the rail trail; c) construction funds for Josiah Smith Tavern pending a successful vote at the 2019 Fall Special Town Meeting;
3. Finance Committee Schedule of Meetings to cover the FY20 Departmental Budget Reviews was held. Department Budgets to be invited in will include (but not limited to): DPW; Facilities; Fire; Schools; Police; IT; Library, Brooks School. In addition, there will be a review of the Debt levels next week and will have a meeting to talk about what the Budget proposal means to the average taxpayer. On March 14, there will be a meeting to review Town Center Planning in preparation for the March 18th special Town Meeting.
 4. School Analysis work by several committee members was shared and the next steps were discussed. The analysis provided included:
 - a. Reviewing Costs of Weston Schools versus costs of Comparable Communities. In addition to the pure “per pupil expenditure” (Weston is the highest but ranks only #5 in Boston Magazine; and does not have the highest test scores); additional factors were provided including: Demographic Characteristics; Municipal Finance; Level of Development of the Town, etc. Additional information was also provided showing the College Matriculation of the High School Graduates to Select and Competitive Schools. This analysis shows Weston doing very well. It was however, noted that many factors cannot be measured including impact of “legacy”; ability to “full pay”; early decision, etc.
 - b. More work is to be done and the expectation is that we will have further discussions. It is well understood that our School population is declining, and our costs are rising- so the intent is to evaluate other aspects of this issue.

A motion to adjourn was made, duly seconded and the meeting was adjourned at 9:15pm.

Respectfully submitted,

Ellen B. Richstone

FY2020 TOWN MANAGER'S RECOMMENDED BUDGET and FINANCING PLAN

Leon A. Gaumond Jr.
Town Manager

Susan Kelley
Finance Director/
Town Accountant



TOWN OF WESTON

Winter 2019

FY20 Budgetary Goals

- * Deliver current levels of service efficiently and cost effectively
- * Address increased demand for service in some departments with additional staffing and roadway maintenance
- * 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

FY20 Operating Budget Overview

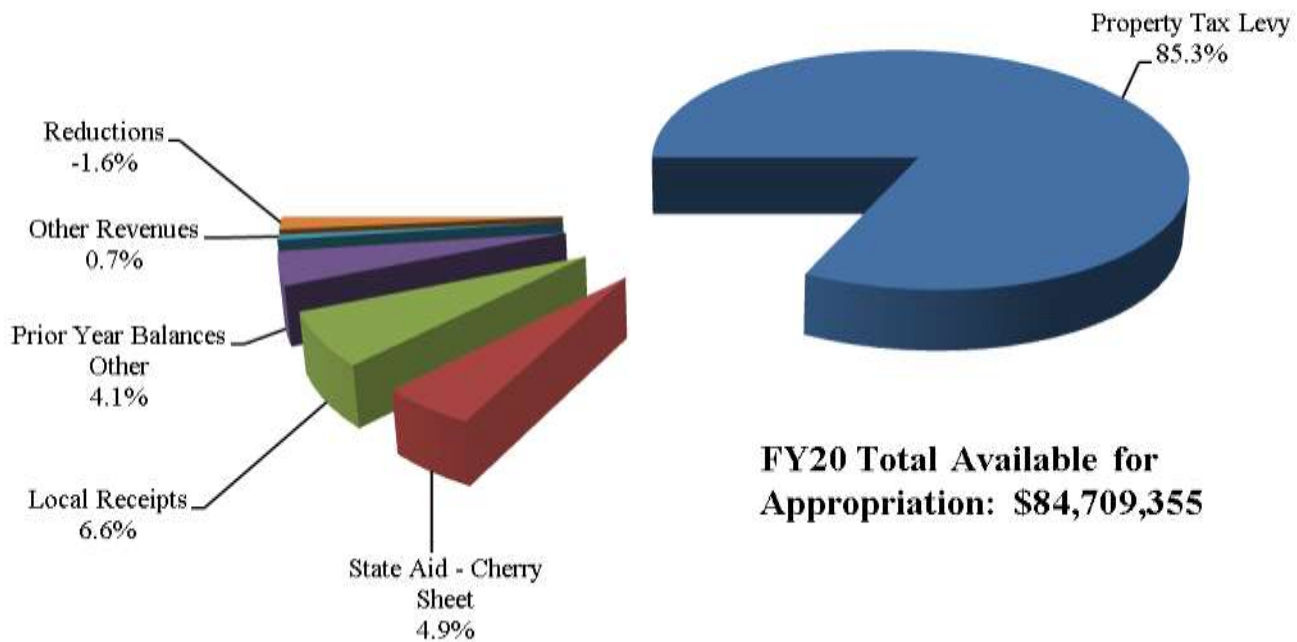
FY19 Approved Budget	\$81,587,969
FY20 Proposed Budget	\$84,709,355
Increase	3.8%

FY20 Revenue Projection

TABLE I: FY2020 REVENUE PROJECTION SUMMARY				
	FY2019 Estimated	FY2020 Projected	DOLLAR CHANGE FY19- 20	PERCENT CHANGE FY19- 20
PROPERTY TAX LEVY	\$68,960,194	\$72,118,034	\$3,157,840	4.6%
STATE AID - CHERRY SHEET	\$4,137,332	\$4,249,040	\$111,708	2.7%
LOCAL RECEIPTS	\$5,415,657	\$5,671,309	\$255,652	4.7%
PRIOR YEAR BALANCES/OTHER	\$3,865,336	\$3,498,500	(\$366,836)	-9.5%
TOTAL PROJECTED REVENUES	\$82,378,519	\$85,536,884	\$3,158,365	3.8%
REDUCTIONS IN REVENUES	(1,317,661)	(1,362,546)	(\$44,885)	3.4%
OTHER REVENUES	527,111	535,018	7,907	1.5%
AVAILABLE FOR APPROPRIATION	\$81,587,969	\$84,709,355	\$3,121,386	3.8%
AVAILABLE FOR EXCLUDED DEBT SERVICE	\$799,775	\$788,657	(\$11,118)	-1.4%

FY20 Sources of Revenue

FY2020 Funding Source by Revenue Type



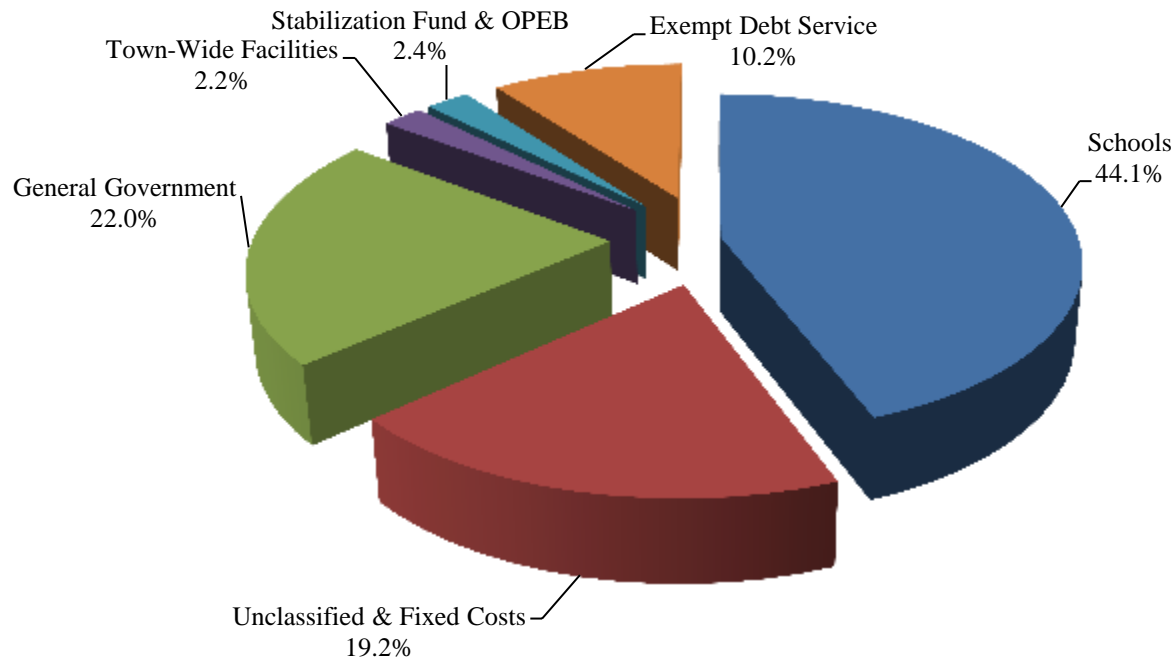
**FY20 Total Available for
Appropriation: \$84,709,355**

FY20 Budget Summary:

	FY19 Budget	Recommended FY20 Budget	\$ Change	% Change
Schools	40,099,468	41,599,864	1,500,396	3.7%
Unclassified & Fixed Costs	17,662,275	18,144,405	482,130	2.7%
General Government	20,944,592	22,750,430	1,805,838	8.6%
Separate Articles	<u>2,881,634</u>	<u>2,214,656</u>	<u>(666,978)</u>	<u>-23.1%</u>
Total Budget	81,587,969	84,709,355	3,121,386	3.8%
Gross Debt Service Exempt from Proposition 2 1/2	8,741,482	9,624,481	882,999	10.1%
Grand Total Budget	90,329,451	94,333,836	4,004,385	4.4%

FY20 Budget Summary by Category:

FY2020 Budget Summary by Category



FY20 New Budget Requests – Recommended

**Town of Weston
FY20 Town Manager's Proposed Budget**

**New Budget Requests - Recommended
(in dollar order)**

<i>Ranking</i>	<i>Departmental Budget Items</i>	<i>Amount</i>	<i>Cumulative Amount</i>
1	DPW-Construction of Public Ways/Roadway Maintenance	\$ 500,000	\$ 500,000
2	DPW- Deputy Director of Project Management (w/benefits)	145,014	645,014
3	Police- 1 School Resource Officer (w/benefits)	112,333	858,437
4	Info. Systems- Network Manager (w/benefits)	101,090	746,104
5	Police- 1 Police Cruiser for School Resource Officer	52,273	910,710
6	DPW- Engineering Stormwater Permitting Compliance	47,500	958,210
7	Conservation- Additional Staff (15 hours/wk)	17,940	976,150
8	COA- Part Time Office Assistant	5,000	981,150
9	Board of Health- Additional Nurse Hours (100 additional hours/yr)	4,550	985,700
Total New General Fund Budget Requests		\$ 985,700	
10	Recreation- Ice Skating Program	\$ 60,000	\$ 1,045,700
Total New Enterprise Fund Budget Requests		\$ 60,000	

FY20 New Budget Requests – Not Recommended

**Town of Weston
FY20 Town Manager's Proposed Budget**

New Budget Requests - Not Recommended

<i>Budget Item</i>	<i>Amount</i>
DPW-Construction of Public Ways/Roadway Maintenance	\$ 250,000
Fire- Two Additional Firefighters (w/benefits)	182,279
Police- 1 School Resource Officer (w/benefits)	109,012
Fire- Promoting 4 Firefighters to Lieutenants	37,523
COA- Part Time Office Assistant	19,319
Board of Health-Public Health Clerk (520 hours/yr)	11,763
COA- Additional Van Driver Hours (9 hours/wk)	10,000
Conservation- Part Time Conservation Stewardship Program Coordinator (3 additional hours/wk)	4,900
Conservation- Additional Staff (4 hours/wk)	4,784
Board of Health- Additional Nurse Hours (100 hours/yr)	4,535
Total	\$ 634,115

General Fund

Recommended Capital Requests – Cash & Departmental Operations

TABLE II: FY2020 RECOMMENDED PROJECTS - FUNDING THROUGH DEPARTMENTAL OPERATIONS

		FUNDING SOURCE	FY20	Operating Budget
DEPARTMENT OF PUBLIC WORKS				
18-1	Roadway Improvements	Operating Budget	1,750,000	1,750,000
18-2	Departmental Equipment	Operating Budget	416,000	416,000
18-3	Sidewalk Reconstruction	Operating Budget	250,000	250,000
18-4	Guardrail Improvements	Operating Budget	50,000	50,000
			2,466,000	2,466,000
FACILITIES TOWN-WIDE				
18-5	Town-Wide Facilities Improvements	Operating Budget	600,788	600,788
18-6	Equipment	Operating Budget	52,000	52,000
			652,788	652,788
POLICE DEPARTMENT				
18-7	Vehicles, Equipment & Maintenance	Operating Budget	209,092	209,092
			209,092	209,092
SCHOOL DEPARTMENT				
18-8	School - Bus Replacement (3)	Operating Budget	254,889	254,889
			254,889	254,889
TOTAL GENERAL FUND			3,582,769	3,582,769

Enterprise Funds

Recommended Capital Requests – Cash & Departmental Operations

WATER ENTERPRISE

18-9	Water Hydrant Rehab Program	Operating Budget	50,000	50,000	
18-10	Water Storage Tank Program	Operating Budget	10,000	10,000	
			60,000	60,000	-

BROOK SCHOOL APARTMENTS ENTERPRISE

18-11	Repairs & Replacements	Operating Budget	164,908	164,908	-
18-12	Capital Improvements	Retained Earnings	100,000	-	100,000
			264,908	164,908	100,000

GRAND TOTAL

3,907,677	3,807,677	100,000
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Recommended Capital Requests – Debt Funded by Water Revenues

**TABLE III: FY2020 RECOMMENDED PROJECTS -
WATER DEBT**

PROJECT	AMOUNT FINANCED	DEBT SERV. YEARS	EST. BAN INT. RATE	EST. BOND INT. RATE	FY2019	FY2020*	FY2021	FY2022	FY2023	FY2024
19-1 Water Main Rehab Program	207,000	20	3.50%	4.50%		-	7,245	26,315	18,550	18,100
19-2 Water Distribution Master Plan	160,000	20	3.50%	4.50%		-	5,600	17,200	16,750	16,300
PROJ. REVENUE (WATER) SUPPORTED DEBT SERV.	367,000					-	12,845	43,515	35,300	34,400
APPROVED REVENUE SUPPORTED DEBT SERV.					FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<i>Subtotal</i> Approved and Issued Revenue / Supported Debt Service					487,435	526,678	495,268	487,358	472,313	448,838
<i>Subtotal</i> Approved and Unissued Revenue / Supported Debt Service						25,729	141,550	137,088	132,625	128,163
Summary Approved Revenue Supported Debt ary Service					487,435	552,407	636,818	624,446	604,938	577,001
<i>Subtotal</i> Projected New Revenue Supported Debt / Service					-	-	12,845	43,515	35,300	34,400
PROPOSED REVENUE SUPPORTED TOTAL DEBT SERVICE					487,435	552,407	649,663	667,961	640,238	611,401

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) - Meeting policy goals

Complete summary of reserves – FY20 Revenue Projection –
Appendix 7

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

Accelerate roadway maintenance.

- *\$500,000 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.

- *Construction funds pending a successful vote at the 2019 Special Town Meeting*

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

Josiah Smith Tavern.

Construction funds pending a successful vote at the 2019 Fall Special Town Meeting

Finalize improvements to the Rail Trail.

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 (assumptions made on monies needed – will we need more???)
- Final State & School Aid – Summer?

Updated Projection of Future Budgets:

FY20: Previous Town Manager estimated a possible \$490,480 shortfall. Given our current budget requests we look at a nearly \$650,000 shortfall

FY21: Previous Town Manager predicted a possible \$1.3 million shortfall to meet future needs?

Future: Should we be looking at a operational override to support the operational budget of the Town?

