



# **Town of Weston**

## **FY21 Annual Town Meeting**

Lisa V. Reitano  
Finance Committee Chair

September 12, 2020

# Finance Committee

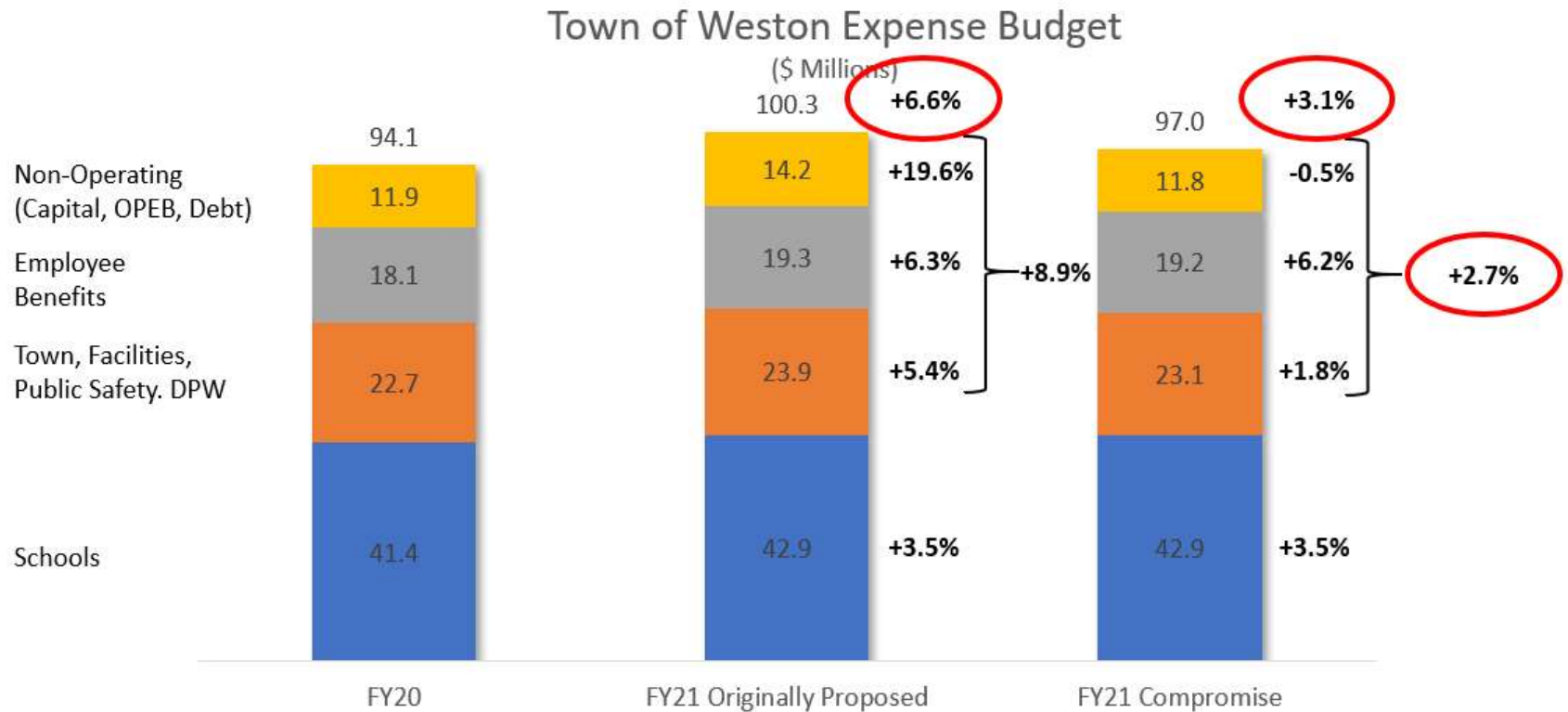
The Finance Committee is the official fiscal watchdog for the Town.

## **Article II, Section 10, of the By-laws of the Town of Weston**

The committee may consider all financial and other questions coming before the Town for action or affecting the interests of the Town.

# FY21 Compromise Budget

Compromise budget split the difference

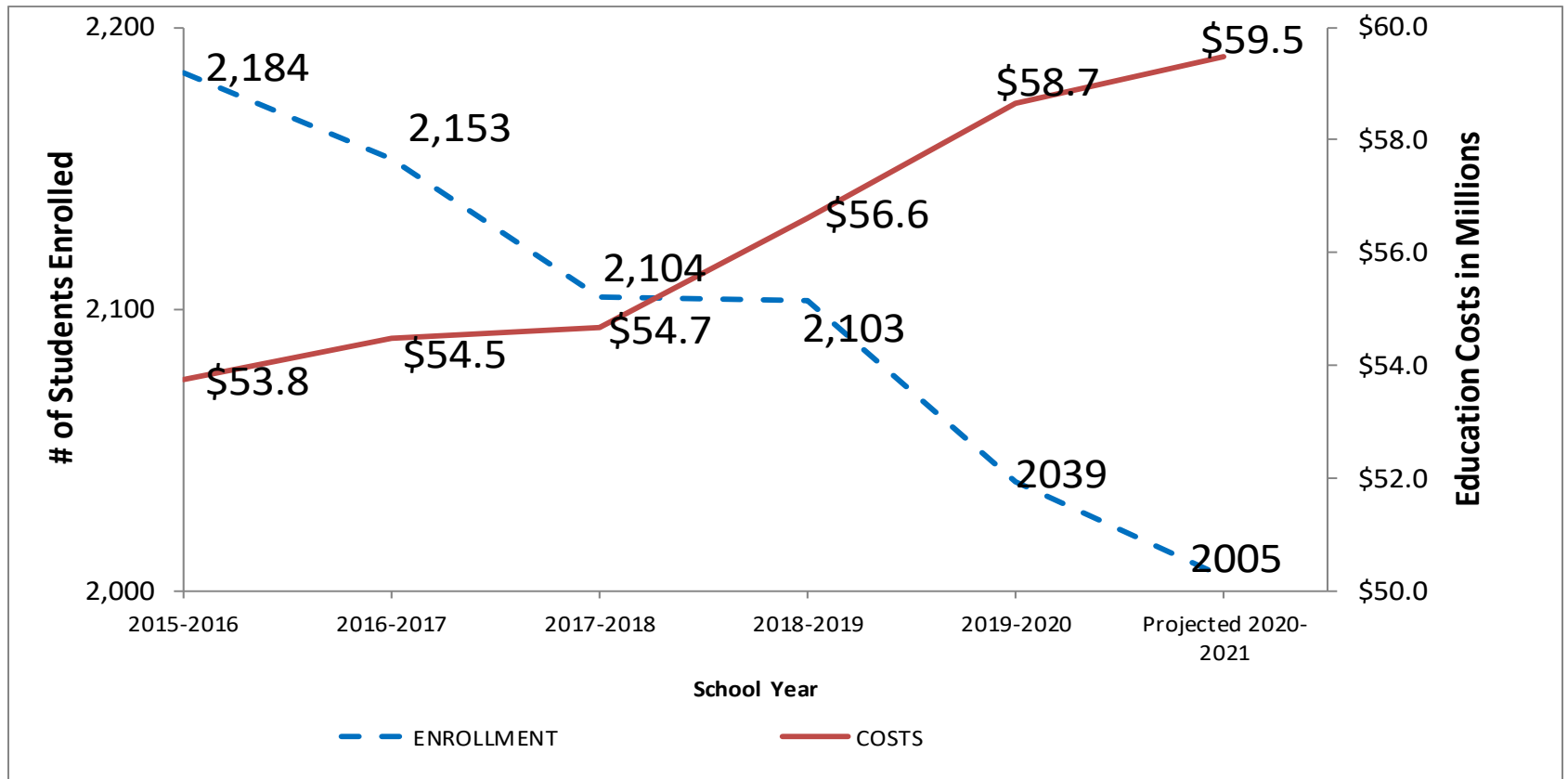


# Budget Highlights

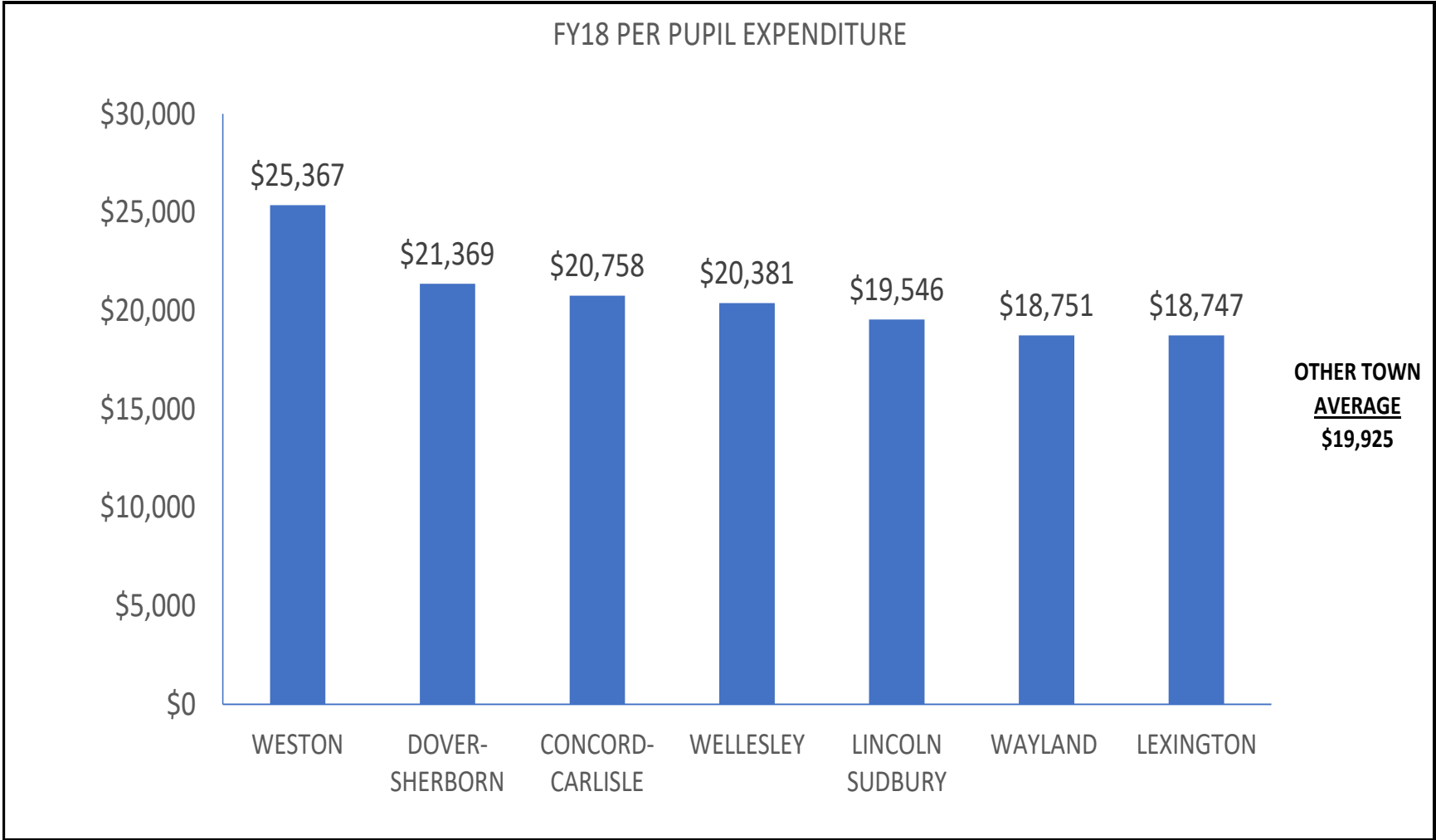
- Total budget reflects an increase of 3.1% over FY20:
  - Increase in School Budget (3.5% or \$1,465,418)
  - Increase in Health Insurance Costs (5.9% or \$658,314)
  - Increase in Retirement Costs (7.2% or \$380,765)
  - Decrease in Post Employment Benefits (53.8% or \$1,191,402)
  - Decrease in Road Maintenance (15.3% or \$268,000)
  - New Hires: 1 FT Firefighter, 1 FT Sustainability Coordinator, COA Program Coordinator increased hours, Assistant Town Planner to FT
  - New Growth in the tax base estimate of \$600,000

# School Budget Concerns

- Rising cost of education in a declining student enrollment environment

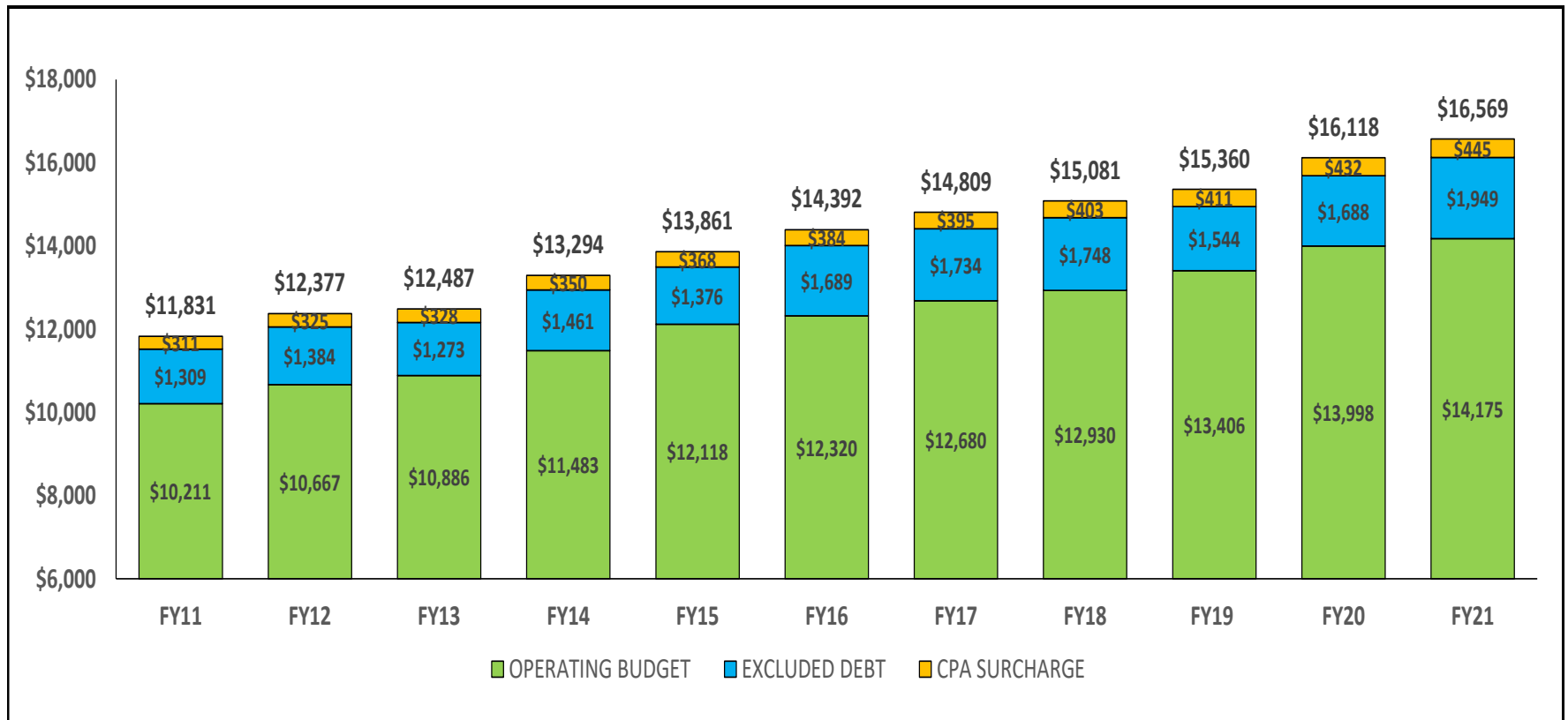


# Weston School Costs Higher Than Comparable Towns (FY18)



# Median Household Tax Bill Increase Since FY11

- FY21 estimated median home value is \$1,241,244



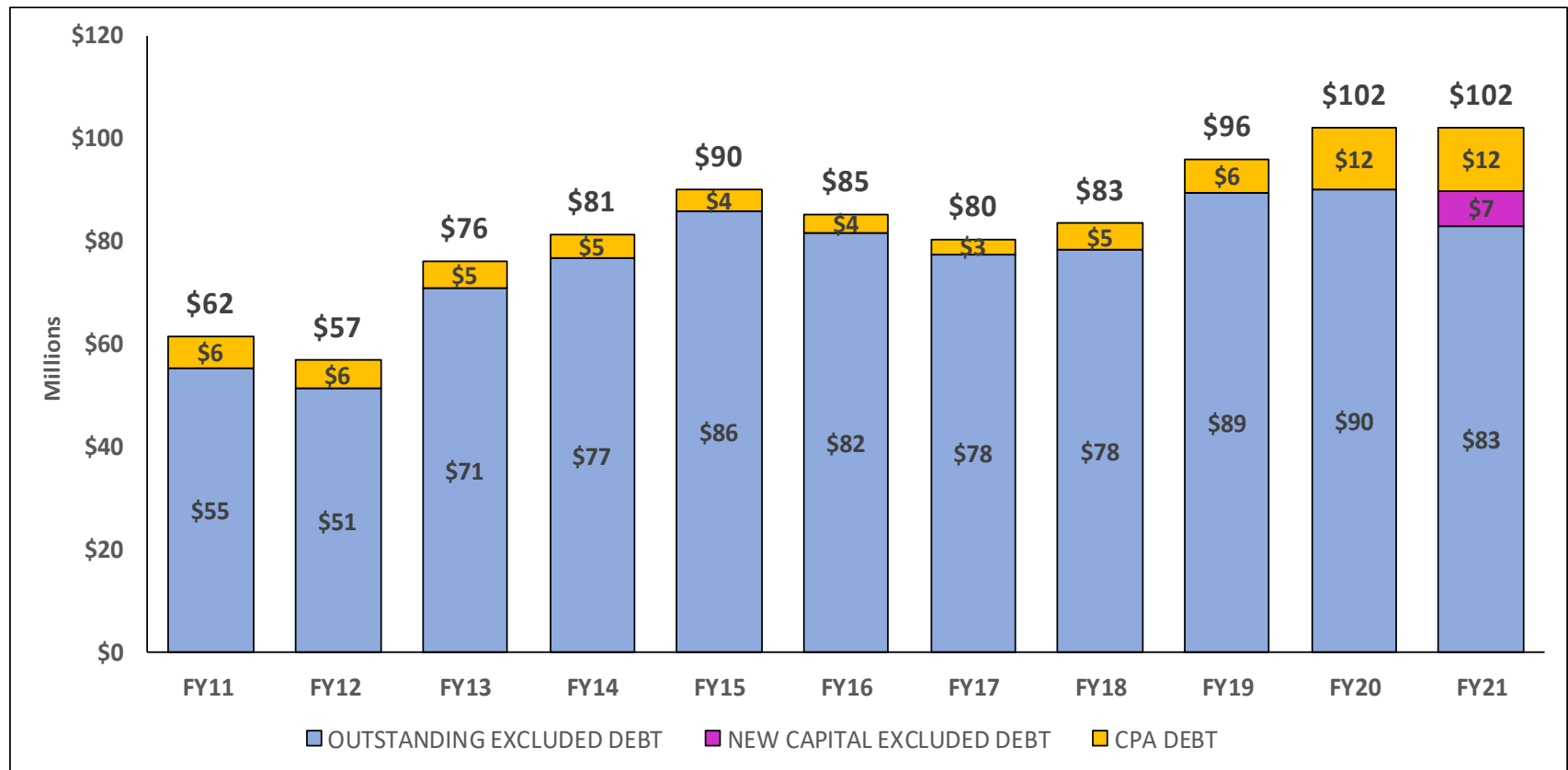
# Major Capital Projects Authorized Since 1998

Year	Project	Amount (millions)
1998	Middle School Renovation	\$ 10.8
1999	Middle School Renovation	\$ 3.5
2001	Town Hall	\$ 6.2
2002	Woodland & Country Schools	\$ 37.2
2007	Case Estates Land Acquisition	\$ 20.5
2010	DPW Building	\$ 14.5
2011	High School Science Labs	\$ 12.8
2012	Field School (Net of MSBA)	\$ 22.2
2014	Police Station	\$ 12.2
2014	Case Campus Master Plan	\$ 3.3
2017	Case Campus Roadways & Walkways	\$ 1.1
2017	Proctor Field & High School Field 1	\$ 4.6
2017	Weston Arts & Innovation Center (CPA)	\$ 4.5
2019	Case House Rehabilitation	\$ 7.8
2019	Town Center- Master & Burying Utilities	\$ 18.1
2020	500 Wellesley Street (CPA)	\$ 3.4
2020	Josiah Smith Tavern (CPA)	\$ 12.5
<b>Total</b>		<b><u>\$ 195.2</u></b>



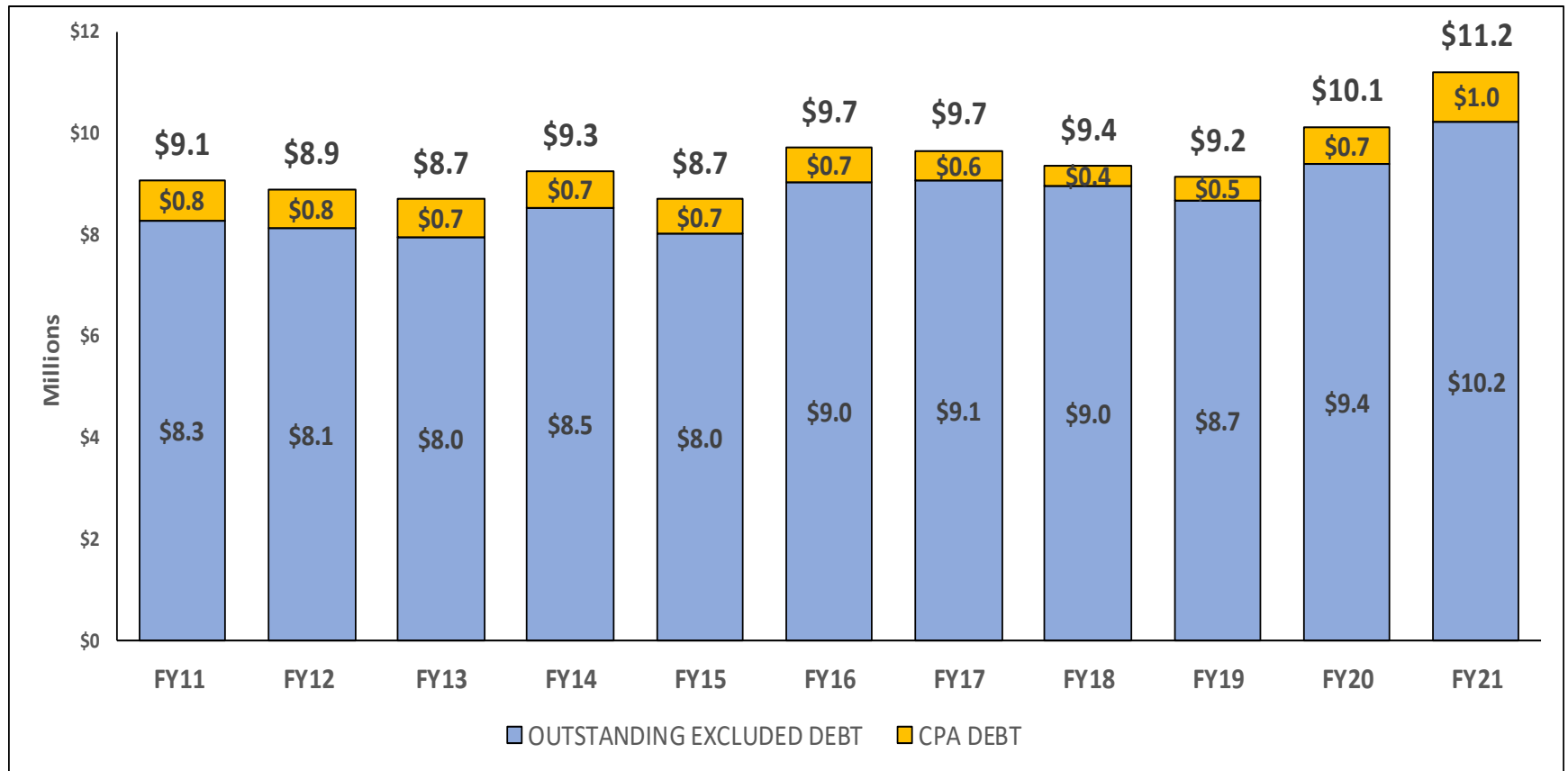
# Actual and Projected General & CPA Debt Outstanding – FY11-FY21

- Includes debt projects proposed for September 2020 Annual Town Meeting



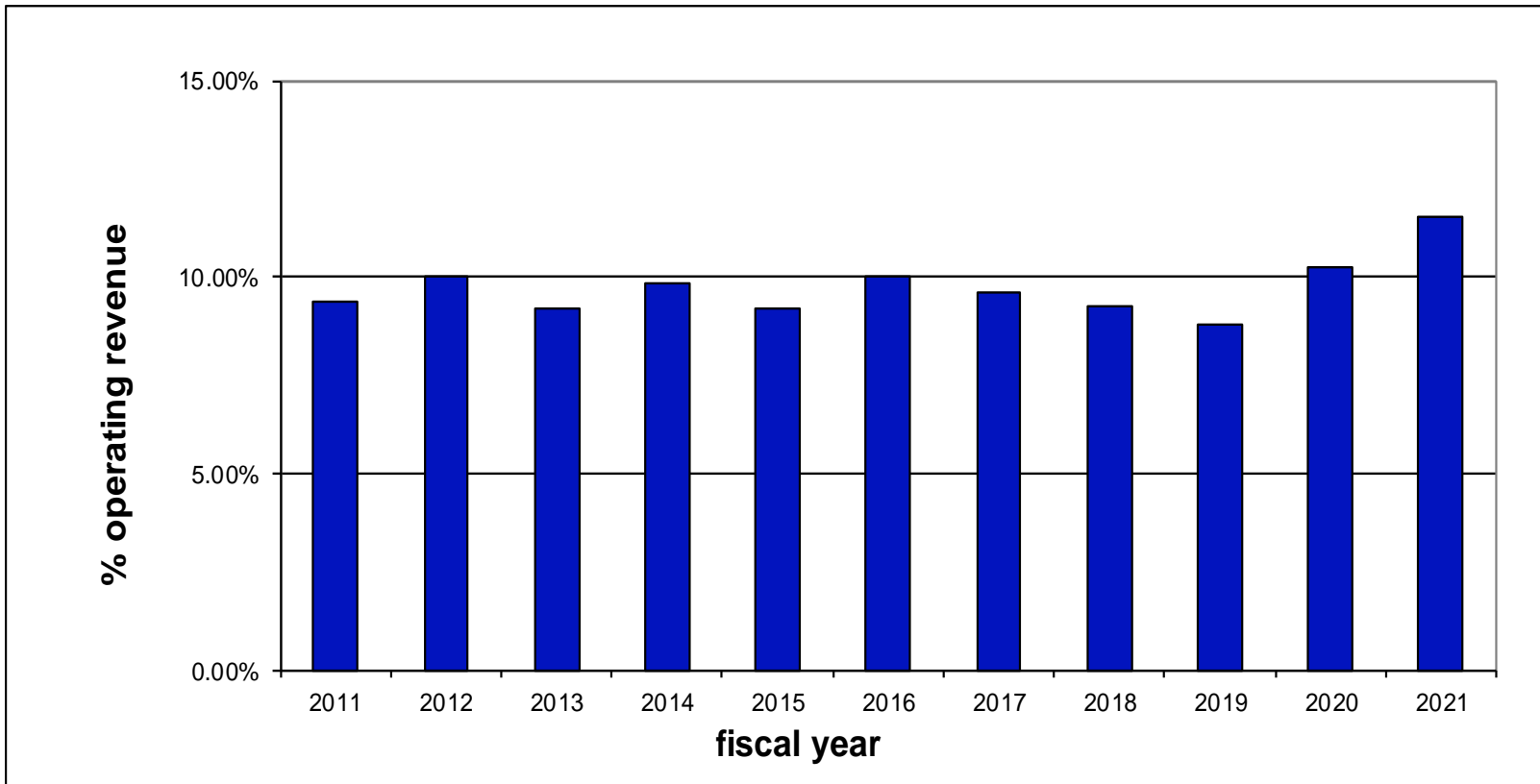
# Actual & Projected General & CPA Debt Service Payments- FY11-FY21

- Includes debt projects proposed for September 2020 Annual Town Meeting



# Debt Service per Operating Revenues

- 15% considered warning indicator by rating agencies



# Pension Liability

- Town belongs to Middlesex Retirement System
  - Pension is primary retirement vehicle for town employees as they do not participate in Social Security
  - Contributions by employees to pension range from 7% to 11% annually
- \$62.7 million (54%) currently unfunded
  - Unfunded liability must be funded by 2040. Middlesex Retirement plans to fund by 2035 with the assessments owed by the member communities and districts.
  - Expect MRS assessments will increase to meet funding deficit
  - Middlesex Retirement estimates assessments to increase by 6.5% each year through 2027, putting additional pressure on future budgets to remain within Prop 2 ½

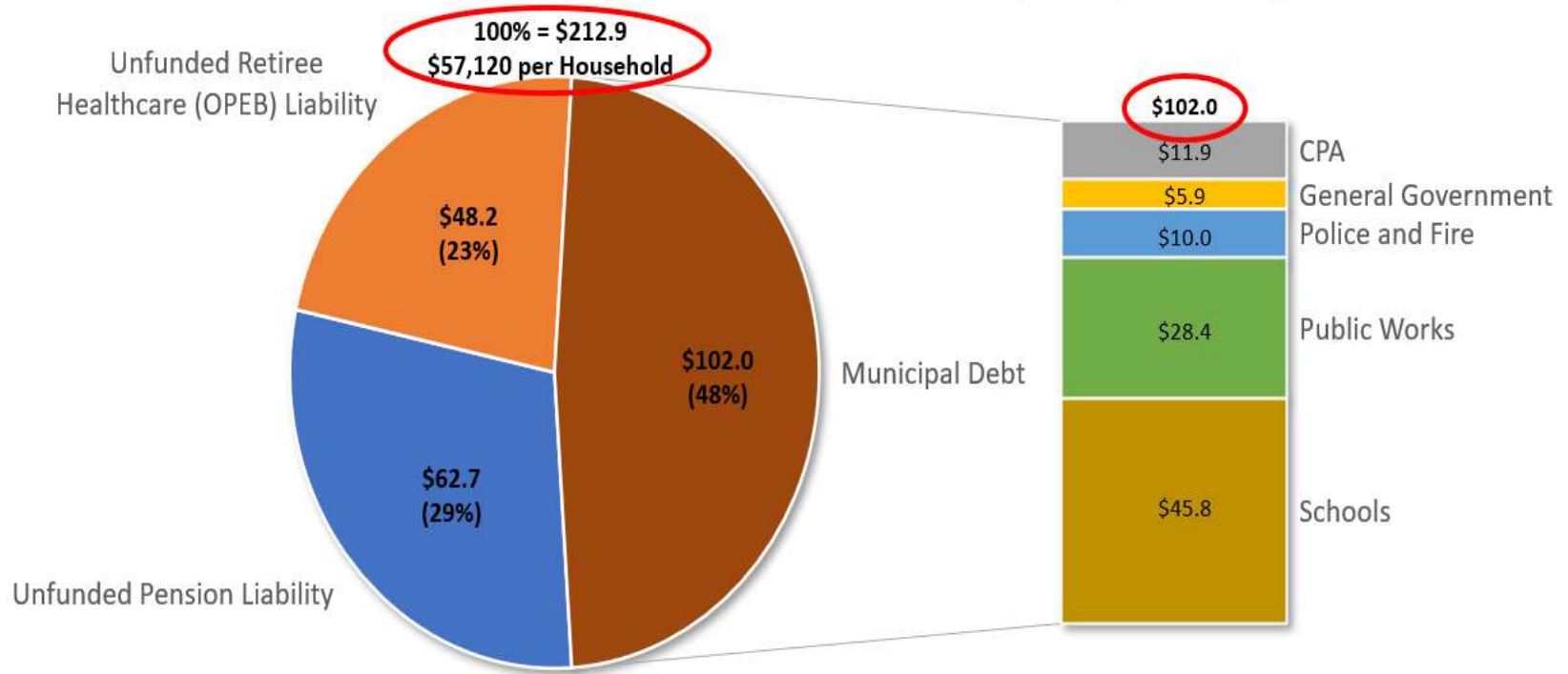
# OPEB – Other Post Employment Benefits (Retiree Health Insurance)

- \$48.2 million (72%) unfunded as of 6/30/2019 audited financial statements
- No legal requirement to fund, but fiscally prudent to do so
- Each year has 2 components:
  - Current year cost for retiree health insurance included in Operating Budget (FY21 of \$2.6 million)
  - Additional funding for long-term liability (Article 5 - \$1.02 million)
- Balance in OPEB Trust is currently \$22.2 million

# Long Term Financial Obligations as of June 30, 2020

Debt is less than half of our financial obligations

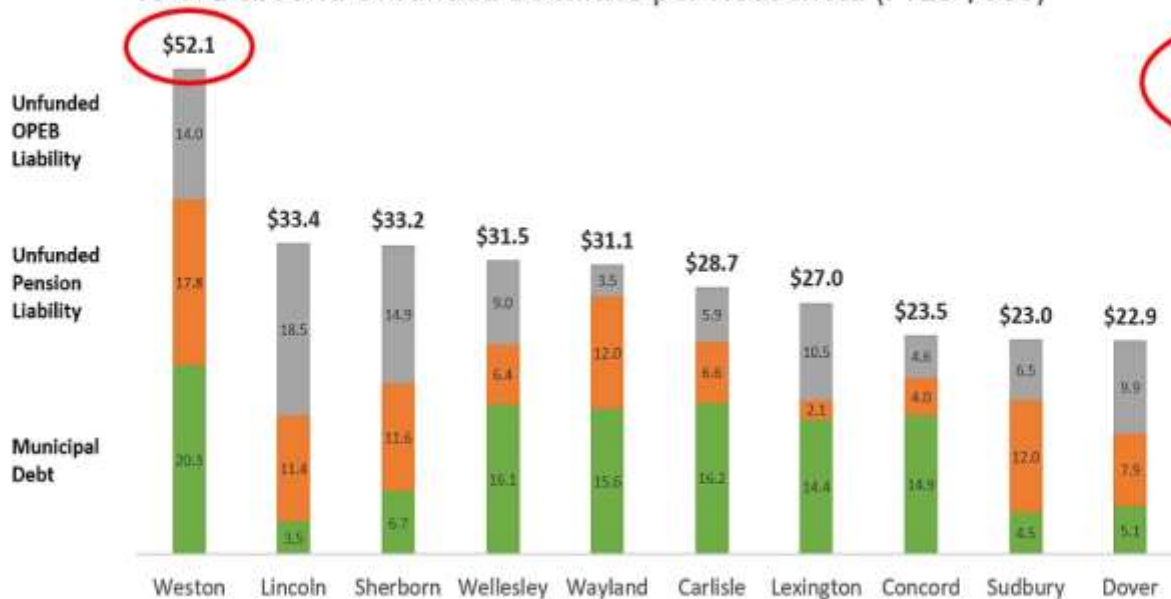
Weston Total Debt and Unfunded Liabilities (FY20 \$ millions)



# Long Term Financial Obligations Higher than Other Towns

These obligations far higher than other towns

Total Debt and Unfunded Liabilities per Household (FY18 \$000)



Average of Other Towns: \$28.3  
 Weston Difference: +\$23.8 (+84%)

	Weston	Lincoln	Sherborn	Wellesley	Wayland	Carlisle	Lexington	Concord	Sudbury	Dover	Other Towns	Difference
% of Total Budget	234%	252%	180%	176%	205%	176%	159%	157%	151%	132%	176%	+33%
% of Total Assessed Values	3.3%	4.0%	3.9%	2.4%	4.3%	3.4%	2.8%	2.6%	3.1%	1.8%	3.2%	+3%
% of Median HH Income	27%	25%	19%	18%	19%	17%	17%	17%	13%	11%	17%	+59%

