



Budget Transmittal Letter

Leon A. Gaumont, Jr, Town Manager

The Honorable Select Board and Finance Committee:

As required by the Town Manager’s Act, Section 2 (f) (ii) and Section 2 (j) (Chapter 80 of the Acts of 2001), I am hereby submitting the Town Manager’s Fiscal Year 2021 Proposed Budget and Financing Plan.

Budget Principles

The development of the Fiscal Year 2023 Proposed Budget and Financing Plan was guided by the following principles:

1. Current revenues should be sufficient to support current expenditures.
2. Debt will not be used to fund current operating expenditures.
3. Expenditures for capital items that recur annually should generally be included in the operating budget.
4. The proposed budget should include adequate reserves and contingency funds.
5. The proposed budget should include sufficient funds for building and other infrastructure maintenance to ensure that capital facilities and equipment are properly maintained.
6. The operating and capital budget will strive to maintain the core services currently provided. Periodic changes in service needs may require that additional resources be provided or shifted.
7. Use ARPA funds in a manner consistent with federal rules and not for recurring operational costs.

Proposed Operating and Capital Budget

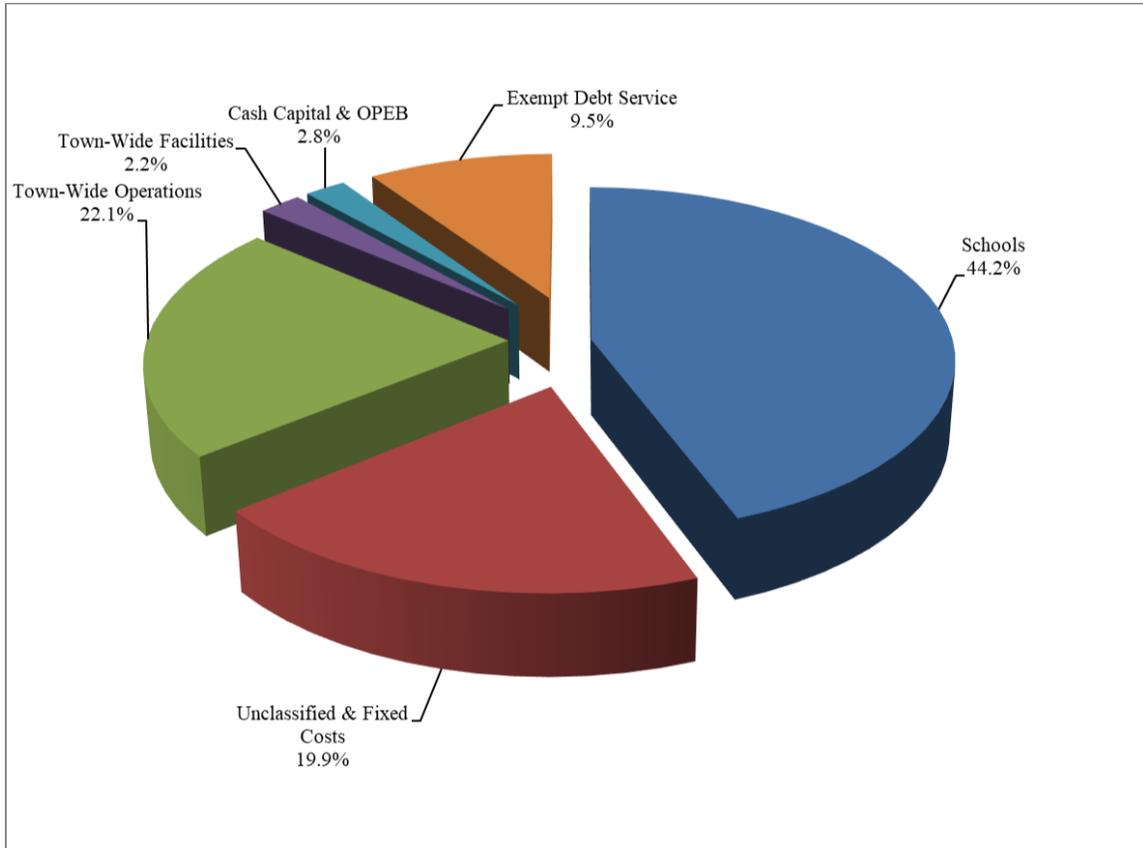
The Fiscal Year 2023 recommended budget for Municipal Departments, Unclassified expenses, Reserves as well as the Superintendent’s proposed School Department budget totals \$90,645,049 which is a \$2,617,538 or a 2.97% increase over the Fiscal Year 2022 appropriated budget.

The budget increase includes roughly \$1.5 million in additional school expenses, roughly \$354,000 in insurance/fringe benefit/non-excluded debt increases (i.e fixed costs), and roughly \$767,000 in additional town expenses. Please refer to the FY23 Town Manager’s Recommended Budget for the line item explanation.

Budget Summary

	FY22 Budget	Recommended FY23 Budget	\$ Change	% Change
Schools- Operations	43,817,917	45,314,393	\$1,496,476	3.4%
Unclassified & Fixed Costs	20,061,187	20,415,262	354,075	1.8%
Town Wide Operations	24,148,407	24,916,194	767,787	3.2%
Total Operating Budget	88,027,511	90,645,849	2,618,338	2.97%
Separate Articles (OPEB & Cash Capital)	2,859,491	2,167,262	(692,229)	-24.2%
Gross Debt Service Exempt from Proposition 2 1/2	9,951,617	9,596,490	-355,127	-3.6%
Total Operating Budget, OPEB , Cash Capital & Debt Service	\$100,838,619	\$102,409,601	\$1,570,982	1.6%

Budget Summary by Category



Proposed Revenue

Property taxes are the largest single revenue source for the Town and provides roughly 85% of total operating revenues. Property taxes are levied on real property (land and buildings) and personal property (equipment) used by Weston's non-manufacturing business firms. In accordance with State Law, the Town's Board of Assessors determines the fair market value of all taxable real property. As you probably know, the Town is heavily reliant upon residential taxes as a main source of the Town's revenues; usually in the 95% range. This highlights the need for addition commercial and industrial ventures in the community.

As the Town's primary revenue source, the Fiscal Year 2023 property tax levy limit is expected to be \$81,018,447, which is an increase of \$3,540,952 or a 4.6% increase over FY2022. We have certified that the total available for appropriation to be \$92,812,311 which is comprised of property taxes, state aid, local receipts, other revenue, and the utilization of 2,100,000 in free cash.

Exempt Debt Service

Exempt debt service is principal and interest payments on bonds issued for projects that have previously been approved by Town Meeting and voted to be excluded from the limits of proposition 2½. Fiscal Year 2023 net exempt debt service is projected to be \$9,507,179, a decrease of roughly \$323,000 or minus 3.3% over Fiscal Year 2022 net exempt debt service. Debt service on proposed capital projects to be considered at Annual Town Meeting is not included in the FY2023 budget; because of the expected timing of the borrowing, it will not be an impact on the budget until FY2024. Assuming approval of a debt exclusion question on the Annual Town Election ballot and approval of the proposed projects at Annual Town Meeting, the estimated amount of projects to be added to outstanding exempt debt in FY2023 is \$2,996,175.

Proposed Budget and Financing Plan

There are a number of aspects of this Plan that should be highlighted:

1. **School Department Budget** – Under the Town Manager Act, the School Department budget is submitted directly to the Finance Committee and, therefore, is not included in this document except in summary form. It is expected that the School Committee will approve its recommended budget in the next few months. In order to provide a general view of the overall Town and School budget, we have included in this document the Superintendent’s proposed budget, as submitted to the School Committee.
2. **Revenue Projections** – The Revenue Projection Table includes the Fiscal Year 2023 detailed revenue projections to support this proposed budget.
3. **Budget Summary** – The Budget Comparison Table provides a summary of budget recommendations for all Town departments. Detailed budget recommendations can be found as well.
4. **Level Service Budget Requests** – In Budget guidance from the Select Board, Department managers were asked to submit “level service budgets” for Fiscal Year 2023. A level service budget is that amount of funding required to deliver the same level of services in Fiscal Year 2023 as was provided in Fiscal Year 2022. Only increases for contractual, mandated or known additional costs were allowed.
5. **New Budget Requests** – Municipal department managers were asked to prepare a separate request for any additional staffing, services and capital budget items proposed. Recommended new municipal requests to address increased demands for service result in an increase of \$486,140. These requests are included in the budget narrative for each departmental budget and in the budget column labeled “Town Manager’s Recommendation-New Requests.”
6. **Reserve Policy** – This Proposed Budget and Financing Plan includes the continued implementation of the Reserve Policy updated by the Board of Selectmen in 2017. I am pleased with the efforts that Weston has made in improving reserves, which is especially important to bond rating agencies when evaluating the Town’s Aaa credit rating. I will note that the Select Board is working on updates to the Town’s Reserve Policy this year.
7. **Capital Requests** – Also included is the Fiscal Year 2023 Proposed Budget and Financing Plan include capital requests proposed by funding source. Capital requests are those items generally costing more than \$25,000 and having a useful life of more than five years. In addition, a five year projection of future capital projects is included.
8. **Debt Exclusion Consideration**– In prior years, the Board of Selectmen has placed before the voters Proposition 2½ debt exclusion questions for various capital projects approved or to be considered by Town Meeting. Included in the Budget Documents are those capital projects recommended for Fiscal Year 2023 that the Board of Selectmen will want to consider as debt exclusion questions.



Budget Initiatives

Every year there are additions to level service proposed because of increased demand for services, and Fiscal Year 2023 is no exception. Below are some of the new budget initiatives found in the Fiscal Year 2023 budget.

DPW – Town Center Expenses – \$199,500

As you know we completed the Town Center Improvement Project this past year. The new project has had a transformative effect for the Town for years to come. I would have brought forward a request to fund some of amenities and support for the project to the Fall (2021) Town Meeting however that meeting was canceled due to concerns about COVID. This line covers cost necessary to maintain and service the large Banner Poles (bucket truck and basic material costs), flags and poles for the flag mounts, the purchase of small banners and basic material costs, additional turf management costs for the new areas to be maintained and a few hours of overtime.

Facilities/Schools – Snow removal equipment – \$115,000

This piece of equipment will replace a 20 year piece of equipment used to remove snow on the school grounds. The proposed machine will have the ability to clear and remove piles of snow at the corners and intersections of the school campuses.

Fire Department – Additional Firefighter – \$98,000

This is the only personnel addition in my FY23 recommended Town Manager Budget. After several years of discussion and planning, I have included the funding necessary for an additional firefighter. The Fire Department has shown a need to increase the last of the four work groups to eight firefighters scheduled for each work group. With the addition of two firefighters four years ago and then a firefighter two years ago, this last firefighter will round out each of the four work groups to eight scheduled firefighters.

Information Technology – Software Services – \$44,600

COVID/remote work/Security concerns has seen an increase in demand for IT software over last couple of years. This request includes the Office 365 subscription (\$35,000) as well as Windows Server 2019 licenseing (\$9,600).

Police - TASERS - \$10,000

This year the Weston Police Department will join over 300 other Massachusetts communities who outfit their officers with TASERS. Police officers are constantly looking for training and tools to reduce the possible use of deadly force situations. TASERS provide our officers more options when attempting to deescalate a volatile situation.

Miscellaneous - \$9,040

There are a small handful of new requests totaling \$9,040 to cover library solid waste costs, emergency communications and a new expense line within facilities for sustainability purposes.

Other Budget Highlights

Salaries

The Town is beginning collective bargaining for new contracts for 5 contracts on the Town side of government and several more on the School side. Negotiations with unions are conducted by the School Committee for School unions and by the Town Manager in consultation with the Board of Selectmen for Municipal unions.

Benefits

The projected group health/life/medicare insurance budget for all employees is expected to be roughly the same cost for FY23. The increase for the Middlesex Retirement System is \$390,786 or 6.6%. Although the Town's pension liability is roughly 50% funded, according to the most recent actuarial study, Middlesex Retirement System is required to fully fund the liability by 2037 (recently changed from 2035). The Town maintains a Pension Stabilization Fund with approximately \$435,727 that can be used to smooth extraordinary increases in this appropriation, if needed. For OPEB, I am proposing contributing \$2,167,262 to the trust fund maintained for the purpose of funding this long term liability over 30 years for retiree health insurance.

Energy Savings

As a designated Green Community, Weston has taken a number of steps to make the operation of its buildings and facilities more energy efficient, thus saving energy costs. Of particular note is the impact of solar panels that were installed on the Town's landfill and also on the roof of the DPW building, which produced savings to the Town in electricity costs for Town buildings. The FY2023 recommended budget includes a conservative estimate of \$400,000 in anticipated savings as a result of the solar panels.

Capital Budget

Included in the Budget Documents is the Town's Annual Capital Budget and Capital Improvement Program (CIP). The table below lists the capital requests being made for FY2023.

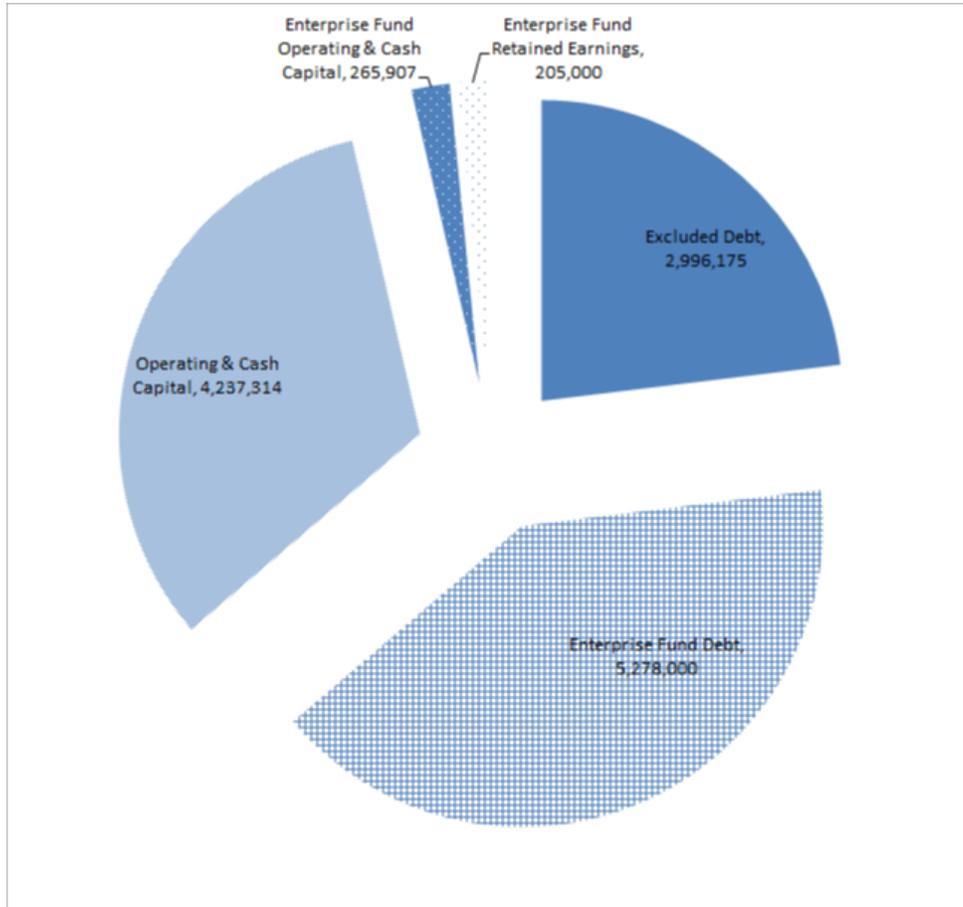
The recommended FY2023 Capital Budget totals \$12,982,396, of which \$2,996,175 will be proposed for borrowing with excluded debt, \$5,278,000 for borrowing with enterprise fund debt, \$205,000 from enterprise fund retained earnings, and \$4,237,314 from both general fund and cash capital. It should be noted that funding for all recommended FY2023 projects requiring borrowing must be approved through separate warrant articles that will be proposed at the Annual Town Meeting.



PROJECTS BY DEPARTMENT	FUNDING SOURCE	AMOUNT
DEPARTMENT OF PUBLIC WORKS		
Drainage Improvements	Excluded Debt	450,000
Route 20/Highland Street Intersection Improvements	Excluded Debt	413,400
Cherry Brook Culverts	Excluded Debt	825,375
Sherburn Circle Over Bole Brook Culvert	Excluded Debt	480,000
Roadway Improvements	Operating Budget	1,800,000
Departmental Equipment	Operating Budget	414,000
Banners	Operating Budget	48,000
Sidewalk Reconstruction	Operating Budget	260,000
Stone Retaining Wall Repairs	Operating Budget	10,000
Guardrail Improvements	Operating Budget	50,000
Monitoring Groundwater- Landfill	Operating Budget	30,000
Stormwater Permitting Compliance	Operating Budget	47,500
Traffic & Sidewalk Committee	Operating Budget	50,000
Cemetery Improvements	Operating Budget	13,500
SUBTOTAL		\$4,891,775
FACILITIES TOWN-WIDE		
Town-Wide Facilities Improvements	Operating Budget	715,548
Snow Removal Equipment	Excluded Debt	115,000
Asphalt Replacement Country School Bus Loop	Operating Budget	49,160
SUBTOTAL		\$879,708
FIRE DEPARTMENT		
Air Supply Van	Excluded Debt	325,000
Breathing Air Compressor	Operating Budget	40,000
Equipment & Apparatus	Operating Budget	20,000
Emergency Management	Operating Budget	2,000
SUBTOTAL		\$387,000
POLICE DEPARTMENT		
Vehicles, Equipment & Maintenance	Operating Budget	180,000
Tasers	Operating Budget	15,000
SUBTOTAL		\$195,000
INFORMATION SYSTEMS		
Computer Hardware/Software	Operating Budget	114,080
Capital Information Technology Update Phase II	Excluded Debt	387,400
		501,480
TOWN MANAGER		
Professional/Consulting Services	Operating Budget	80,000
Town Hall Equipment	Operating Budget	3,000
		83,000
SCHOOL DEPARTMENT		
School - Bus Replacement (3)	Operating Budget	295,526
SUBTOTAL		\$295,526
RECREATION DEPARTMENT		
Rack Body Truck	Retained Earnings	45,000
Tennis Court Resurface	Retained Earnings	60,000
SUBTOTAL		\$105,000
BROOK SCHOOL APARTMENTS		
Repairs & Replacements	Enterprise Fund Operating Budget	196,407
Capital Improvements	Retained Earnings	100,000
SUBTOTAL		\$296,407
WATER ENTERPRISE		
Water Hydrant Rehab Program	Enterprise Fund Operating Budget	40,000
Water Storage Tank Program	Enterprise Fund Operating Budget	12,000
Water Large Meter Replacement Program	Enterprise Fund Operating Budget	17,500
Paines Hill Tank Replacement	Enterprise Fund Debt	4,600,000
Water Main Rehab Program	Enterprise Fund Debt	678,000
SUBTOTAL		\$5,347,500
TOTAL FY23 CAPITAL BUDGET		\$12,982,396



Capital Funding Sources



How does the recommended budget support the Select Board's stated priorities?

How does the recommended FY2023 Budget support the Select Board's stated priorities?

Following are projects and priorities on which the Select Board is currently focusing that are addressed in the FY2022 budget:

1. Accelerate roadway maintenance; and B) Develop plan with resources required to improve roadway maintenance so all roads can receive a score of 70 or greater by 2028.
I am proposing an appropriation for roadway improvements to \$1,800,000 which will help us greatly achieve the stated roadway improvement goal.
2. Water master plan improvements
This proposes funds for the water tank replacement at Paine's Hill (\$4,600,000) and water main replacements/rehabilitation (\$678,000)
3. Josiah Smith Tavern (JST) Re-Use project.
This project is nearing completion in the construction phase. This budget includes costs to operate the JST until the Town finalizes its master lease agreement for the property.
4. Assist in progressing the Rte. 20 and the Rte. 30 Transportation Improvement Plan projects through to obtain state funding.
Consulting funds for the Traffic & Sidewalk Committee are there to support this effort.
5. Improve cell phone service.
This project is in the study phase with consulting fees planned in the Select Board's consultant line item.

Acknowledgements

Preparing a budget document with this level of detail is a significant undertaking. I would like to express my appreciation to all of the Town's department managers and board and committee members who contributed to the development of this budget. I would like to offer special thanks to Finance Director/Town Accountant Susan Kelley for coordinating and overseeing the budget process, working with Financial Analyst Charles Young, to prepare the budget spreadsheets, debt service and revenue projections, and other analysis. Assistant Town Manager/Human Resources Director Lisa Yanakakis prepared, analyzed and confirmed amounts needed for costs related to employee benefits and salary changes. Weston has a great team in the community and I am proud to work with them.



Conclusions

Due to concerns about a decline in some discretionary revenues lines, the budget being presented is certainly a conservative budget. Due to the financial strength of the Town, Weston has continued to maintain a Aaa rating; the highest possible rating that a municipality can receive. The Aaa rating is vital for keeping the long-term costs of voter-supported debt exclusions as low as possible.

Every year we strive to provide services to Weston residents in the most efficient and cost effective way possible, in order to minimize increases in taxes yet maintain the excellence that is expected. Weston's tax base is over 96% residential, and property tax bills are substantial. We appreciate the support of Weston taxpayers in funding the level of services currently provided and understand that increases in budgets must be carefully explained and justified in order to maintain that level of support.

Further, we recognize that Weston is well served by the partnership that exists between volunteers and paid staff to provide Town services. Without all of you, who spend countless hours of unpaid time for the benefit of the Weston community, we could not accomplish nearly as much. Thank you.

With warmest regards,

TOWN OF WESTON
LEON A. GAUMOND JR.
Town Manager

