

**Board of Finance**  
**Public Comment Meeting**  
**January 15, 2025 8:00 PM**  
**Weston Middle School Cafeteria**

*Redlined drafts of the BOF Fund Balance Policy and Debt Management Policies are available at the Public Comment Meeting. Selections and comments are not direct quotes of speakers.*

**Present:** Board of Finance Chairman Michael Imber, Vice Chairman Jeffrey Farr, Theresa Brasco, Christopher Bryant, Amy Gare, Jeffrey Goldstein and Finance Director Rick Darling. Approximately 40-50 were in attendance. Public Comment meeting called to order at 8:02 pm by Chairman Imber. Excused absence noted for Rone Baldwin.

Mr. Imber welcomed attendees and reviewed the process of the meeting for the purpose of accepting public comments on the BOF Draft Fund Balance Policy and Draft Debt Management Policy. Mr. Imber discussed the future needs of large capital investment, infrastructure and WPS discussions. The purpose of the subcommittees is to establish policy to guide the BOF for a consistent approach to fiscal management for the current and future boards to come. Policies are about how to manage TOW debt, and how to maintain liquidity. The purpose of the debt capacity model is to generate different scenarios to create a framework and to see how it impacts the mill rate and taxes. The Debt Capacity models are not completed, they will be reviewed with the BOF and BOS before presentation to the public which will be approximately at the end of February.

Chris Bryant reviewed a presentation on creating a Debt Management policy. Discussed fiscal management, establishing guidelines for the issuance and management of debt. Policy promotes transparency and accountability. Policy supports community growth and sustainability so future taxpayers are not burdened. Policy provides a framework for minimizing debt service and issuance costs. Discussed how this benefits Weston by promoting fiscal responsibility, protects financial health by preserving our credit rating, and encourages transparency. Policy adherence will follow guidelines along with annual reviews.

*Mr. Imber invited the public for questions and comments on the Draft Debt Management Policy:*

Bob Fuhr, Deepwood Rd. Discussed Issuing Debt. Should assign the Town Administrator once a plan of finance is established. Town Admin should be tasked with reaching out to local banks, who they spoke to and providing them with information on issuance of debt, save the cost of issuance which saves taxpayer money. Refinancing is the only time you might need a negotiated sale. Suggests Issuing Debt item in draft be amended to have Town Admin to be the point person keep log of who they spoke to and keep the info for a bond salesperson.

Cheri McKenzie, Newtown Tpke. Do the voters get to vote on issuance of debt? Mr. Farr answered that debt offering by the town is ultimately up to the taxpayer, this would only pertain to the BOF voting to issue and in turn be turned over to taxpayers. Mr. Imber clarified the process starts with the BOS, BOF, then taxpayers.

Victor Escandon, Kettle Creek. Commented on assumptions – are covenants in the draft to allow for debt for the town for \$100 mill plus? Debt service annually should not be more than 10% of the budget. What type of governance checks are you going to consider because as written it does not achieve that. Mr. Imber discussed that the policy is how the BOF is approaching this, there are other checks and balances for the governance process, example would be the Town Charter. For issuing debt will look at what's the purpose, what's the need and what the impact be, the taxpayer is the final arbiter. Incumbent on the BOF to tell you affordability. Mr.

Escandon stressed that if it is incumbent on town, information needs to be disseminated to reach a broader audience.

Gregg Haythorn, Winthrop Hill. Discussed that a fundament of the policy is the presumption of need, it is the responsibility of the BOF to validate and verify. Commented that it is an issue with the debt capacity model being completed after the establishment of the policies. Discussed in the debt structure, the 30-year maximum maturity to pay debt, community cannot afford that. Mr. Haythorn also commented on the 10% debt ceiling – 6-8% is more fiscally responsible for TOW then the 10% based on school enrollment, over taxation of town, campus facility, engineering enrollment and spending, extra school building. Recommends that the BOF establishes and publishes demonstrated necessity for debt and Ethics oversight before issuing debt. Policy should have a functioning Board of Ethics. The policy should consider the lack of economic growth in Weston, limit of 8% not 10% debt ceiling.

Alex Staehely, Lords Hwy. Commented on informing town of debt decisions that should have been in place, long term forecasts, debt issuance, etc. Commented on the need for a long-term plan. Resources should be spent on how any debt impacts affordability and if decided that it is needed it should be unanimous across the board.

Brad Aron, Weston Rd. When considering debt issuance, BOF has an obligation to the taxpayer on what the impact to taxes will be you.

Jenn Haythorn, Winthrop Hill. Commented on meeting not properly recorded, lack of transparency. Public comment should have been livestream, recorded and slides available for viewing.

Susan Moran, Greenlea Ln. Asked about debt issuance, is the BOF offsetting budget by the amount of the debt or will we see an increase in taxes? Mr. Farr discussed that debt issuance is determined because we cannot afford to spend it out of tax dollars. There are needs in town to be addressed and the only option minus state grants and the use of any excess funds (land sale?), the only option left is to issue debt so that is the issue where we would do so.

Lynn Langlois, Tower Dr. - Asked if there is land, how much do we have to sell? Mr. Farr discussed that the purpose of the policy is to establish how much debt we can take on at any given time. If the policy has 10%, the town should not go over that limit. Mr. Farr discussed the need to have a little excess capacity and AAA status. Mr. Imber discussed that part of real estate impacts our schools and the need of a school that will function in 21<sup>st</sup> century, can we do a partial fix, do we need a new school? Part of the long-term exercise we can try to create a framework so people can understand what we are talking about.

Andrew Langlois, Tower Dr. Asked what is the current TOW policy and what is this replacing? Mr. Farr discussed that there is not a currently policy and discussed that at the beginning of the process the subcommittee looked at towns that already had Debt Management policies. 13 out of all the towns which were AAA or AA rated. In reviewing all the policies, it was viewed as being favorable to have a policy on the books that the credit ratings will look favorably on that.

Britta Lerner, Birch Hill Rd. Commented that public comment should have been recorded. Discussed differences between taking down a school vs. replacing and would like to see a third option – making repairs, as a less expensive option.

Jim Aselta, Laurel Lake. Asked about the debt affordability metric of 10%. Mr. Farr discussed 13 towns that already have a debt policy and this was a ratio that almost all of towns used in addition to others. 7.5-10% for other towns. Mr. Aselta suggested to add on debt affordability – financing shall not increase our tax rate by more than a certain percent. Tying a metric to our tax rate impact would be beneficial.

Lynn Kimberly, Broad Street. Had questions on supplemental appropriation approval amounts up to 2% of budget and asked if it is something that the BOF sees every year. Mr. Imber clarified that the 2% has to do with items not approved in the budget (ex: emergency need). If there is an immediate need for the fiscal year, the aggregate of appropriations cannot exceed 2%. If it does exceed 2% then it goes to a town meeting for approval. Mr. Imber further explained that the 10% debt service is completely different. It is for investing in a major asset that cannot be paid in one year – example a school building. Ms. Kimberely asked about the model – why is it not available for the public during the budget process? Mr. Imber explained that the model serves a different purpose and will be able to look at it in context and is not completed, what is seen in the long-term forecast is not necessarily what will be in budget year to year. Ms. Kimberly asked why the TOW is not going back to 3 schools instead of 4.

Kerry Quimey, Calvin Rd. Thanked the BOF for their time.

Mike Komar, Kettle Creek. Had questions on the 10% benchmark for affordability and wanted to know which towns were compared and were they taken into account when landing at 10%. Mr. Farr discussed that towns used multiple metrics. Metrics are used by Moody's for rating towns, and the subcommittee had discussions with TOW municipal advisor and the sense was that 10% was not out of bounds. Mr. Komar discussed that it might be appropriate for towns that can increase revenues over time, it may not be appropriate for Weston. Affordability metrics – when looking at the potential impact on our taxes vs. neighboring towns, we see what impact that has on properties. If tax rates increase too much relative to neighboring towns then we go into a spiral. Mr. Imber discussed financial benchmarks that we get from the state are from FY 22. Since June 30, 2022, 5 AAA towns have issued cumulative of \$200 million debt and will take a look at the offering of those towns, what was impact on the taxpayer.

Brad Aron, Weston Rd commented on taxes stating that Weston was 20% higher than Westport 20 years ago. Today we are 50% higher, due to a lack of commercial real estate as well as tax increases after building of school.

Gregg Haythorn, Winthrop Hill. Commented on issue of reasonable proxy and apples to apples benchmark when talking about policies and the need that it has to establish last resort for debt. Discussed FOC, and not looking into a plan for closing a school. Leadership has spent money without investigating a district of those that have closed (example Haddam Killingworth school).

#### Fund Balance Policy:

Mr. Imber reviewed the subcommittee work that was done following GFOA best practices. Moody's methodology was used for considering available fund balance which accounts for 20% of credit rating scores, as well as reviewed comps for other towns policies. A review of the 2011 existing policy was reviewed. A focus on the unrestricted fund balance was reviewed – resources on hand that are not committed, a rainy-day fund. GFOA gives guidelines, appropriate level, conditions for use and replenishment and what to do with UFB that is above the formal policy requirement. TOW UFB as of June 2024 is \$19 million, representing 23% of 2024 expenditures. BOF is looking at UFB as a percentage of the current year budget. Policy highlights and purpose is to minimize short term borrowing, UFB is not used for recurring operating expenditures. Target minimum is 20%. GFOA recommends as a bare minimum, 2 months of operating expenditures to have on hand. Of mention is that there are certain ratios we will never hit. AFB criteria is 35% min. TOW is around 23%. That's the way it is for most towns. If there is a need to go below 20% (emergency, ex. water system). How do you build back to the 20%. BOF will work collaboratively with BOS to replenish 20% over three years.

*Mr. Imber invited the public for questions and comments on the draft Fund Balance Policy:*

Susan Baron Old Hyde Rd. Asked where is the fund money and is it being invested? Mr. Darling answered that it is in various institutions, banks, short term investment funds, couple FI portfolios and it's earning money. Last year we were close to 5%, averaging 4% with idle funds.

Bob Fuhr, Deepwood Rd. Discussed the 23% level and wondering if committee would be agreeable to payoffs, paying maturity of the \$3 million road BAN that is coming in June, therefore issuing less debt.

Gregg Haythorn, Winthrop Hill. Debt issuance pertains to need. The fund balance governance needs to become more specific in establishing what is anticipated and unanticipated, especially with special appropriations.

Alex Staehely, Lords Hwy. Who has the discretion to use the fund balance? Does it go to a town vote? Mr. Imber answered that it is an off-budget cycle decision that starts from BOS or BOE for an emergency or unanticipated need or there is a need to put a deposit down (ex. firetruck). BOF follows procurement policies then looks at appropriation in respect to the 2% cap of special appropriation. BOF will then review if it can be put in the next budget cycle etc. Mr. Staehely commented that there needs to be more specificity – what's an emergency? Guidelines shouldn't limit to what's anticipated and not anticipated, being that it is already paid for in taxes. Ms. Brasco said there was a discussion to add in the policy that would put in a spend down. If it got above 20% would put a spend down provision, what's the right level. It's something under consideration. Most policies had a provision in it that it was for emergency provisions, TOW did not have it but when looked across the board we put in emergency in because it takes the flexibility away from wanting immediately.

Lynn Kimberly, Broad Street. Asked about surplus amounts from the BOE. Mr. Imber discussed legislation that was passed allowing schools to keep excess and establish non-lapsing accounts. Subsequent to legislation, BOF has established policy with the BOE that although they are legally allowed to have non-lapsing accounts, in the future any amount is anticipated to be returned. Waiting on formal confirmation from the BOE that this is what they will do. Ms. Brasco commented that as they were developing the policy that it was added that any positive balance in any BOE non-lapsing account must be fully expended before coming to the BOF for any amounts.

Akex Staehely, Lords Hwy. Commented on town surplus, it should go into a fund balance. Is the policy the place to establish if there is a surplus in any budget it gets returned? Mr. Imber discussed that there will always be capital expenditures, but do not want to get into habit of spending it down for operating expenses.

Jenn Haythorn, Winthrop Hill. Comparable towns to Weston operate on a 3 school system. Since we operate on a 4 school so many expenses go into items that do not go into the classroom. Discussion should be not \$100 million, it should be what can approximately \$35 million bring us. TOW has not seen those models of just simple updates or a 3 school model and would be fiscally responsible to see.

**Adjourn.** Meeting adjourned at 9:54 pm.

Respectfully submitted,  
Shawn Amato, Recording Secretary