

Board of Finance
Debt Capacity Analysis Subcommittee Model Output
Public Comment
February 26, 2025 8:00 pm
Weston Middle School Library

Drafts of the BOF Debt Capacity Analysis Subcommittee Presentation and Appendix are available at the BOF Public Comment Meeting. Selections and comments are not direct quotes of speakers. Meeting was livestreamed and recording can be found on the Town of Weston Website (<https://vimeo.com/westonct/videos>).

Present: Board of Finance Chairman Michael Imber, Vice Chairman Jeffrey Farr, Rone Baldwin, Theresa Brasco, Christopher Bryant and Jeffrey Goldstein. BOF Debt Capacity subcommittee members are Michael Imber, Rone Baldwin and Christopher Bryant. Approximately 15-20 attended in person. Board of Finance Public Comment meeting was called to order at 8:02 pm by Chairman Imber.

Introductory Remarks: Mr. Imber welcomed attendees and reviewed the process of the BOF meeting for the purpose of providing a review of the draft Debt Capacity Analysis model, discussing model constraints and welcoming public participation and contribution. Vice Chairman Farr commented on the importance of establishing guardrails around the amount of debt that TOW can take while maintaining AAA rating. Commentary was made that questions and comments from the public are important as the BOF deliberates and finalizes a policy. The purpose is to understand needs, and it is important to be heard and consider all viewpoints.

Presentation of the Debt Capacity Analysis Subcommittee Draft model output: Mr. Imber noted that the draft model consists of hypothetical scenarios and have not been approved. Findings were that the BOE proposal from last spring for a \$110m WMS will result in town debt and debt service burden would exceed the recommended limit for Moody's AAA rating. Mr. Imber reviewed the presentation noting that the output scenarios are hypothetical. The subcommittee's forecast model evaluates debt necessary to finance infrastructure projects and assesses the impact of varying levels of debt on the towns budget and tax burden. Model output includes 30 scenarios on operating growth rates, variations on capital expenditures and capital improvement plans as well as 20 and 30 year amortization scenarios. Operating growth rates and CIP scenarios reviewed for the model and key assumptions included for road paving, infrastructure and water projects. Other data included detailed various debt service ratios, output base case scenarios for low and high operating growth scenarios, debt and unused debt capacity. WMS renovation and debt service ratios reviewed for total amount that can be spend and the impact on mill rate and taxes.

Mr. Imber invited public comment:

Michelle Liguori Georgetown Rd - Discussed concerns of model expenses without having a project defined. Discussed expenses associated with the previous Tecton study as well as other studies and concerned this will result in more expenses and study in the long run. Alternative scenarios should have been looked at, TOW has not heard about any costs associated in academics.

Jasmine Kazakov, Old Field Ln - Recommends clearer presentation of what can be spent on schools and how much it will impact per household. Mr. Imber clarified this information is detailed in the tax levy median assessed home value vs. total debt service slide. Ms. Kazakov asked for information on the \$20m town infrastructure needs and asked why the town's surplus in the general fund can't be used. Mr. Baldwin discussed the fund balance committee's recommendation to maintain a 20% unassigned fund balance ratio which keeps AAA rating. Mr. Baldwin further detailed that to stay in the 20% ratio, in future years that unassigned fund balance needs to be maintained and discussed supplemental appropriations for unexpected expenditures. Discussion on the Ravenwood project expenses was discussed. Mr. Farr discussed the project maintenance and costs that is mandated by the court.

Travis Worrell, Birch Hill Rd - Discussed the presentation being incomplete and misleading. Presentation is missing longer term impacts over 10,15, and 20 years where tax increases are projected to skyrocket to 100 or 200%. Requests to know the full-term impacts. Also discussed the no debt scenario as not fully modeled long term in the appendixes and is excluded from the summary findings, doesn't include options like school closures which could significantly alter tax projections. No debt option should be compared along with debt scenarios. Also discussed no bias slide that shows a preference for borrowing, requests a no debt scenario included as well as school closure option or no debt option.

Mr. Imber discussed that a school closure option is a major policy decision beyond the BOF consideration. Mr. Imber discussed the BOF's mandate was to give the BOE affordability scenarios for the WMS. Mr. Baldwin discussed the purpose of the sub committee's focus on debt capacity and noted that year 5 highlight (FY2028) is because that is when the peak is for debt metrics and is the most stressed. What drives the increase in taxes in other years is the growth rates of the operating budgets. The subcommittee's purpose is to put parameters on what can be affordable.

Lisa Yountchi, Partridge Ln - Discussed that a "no middle school" is not an option. The building needs work and decisions need to be made. Discussed that it would be beneficial for subcommittee members to be part of the process to go back to the BOE and work together for time efficiency and come up with a fiscally sound plan. Colliers Plan for the \$55 mill repair is a concern, the cheaper option will cost more in the long run.

Aaron Burakoff, Norfield Woods Rd - Has concerns about the WMS, has heard that science labs sinks do not work. Spoke about assumptions of median home value and population and a

correlation between median home values and quality of education. Looking at 10, 20 years out, different levels of investment in education could impact the number of people who live in town. The investment made in the schools could impact some of these assumptions. Mr. Baldwin discussed that if a belief is to invest more in the schools then you have to be conscious of not over investing in one school and tying up all of the debt capacity. Focus on one school results in no debt capacity for another school so all schools need to be considered.

Andy Langlois, Tower Drive - Pointed out if doing a non-debt scenario, you would need to include in the scenario the capital and then funding it with tax raises in each of the years. That leads to an unstable tax situation for people looking to come into the community.

Peter Liguori, Georgetown Rd – Had questions on the 5% interest rate assumption. Mr. Imber clarified it is a 20 or a 30 year amortization at a fixed rate.

Martin Mohabeer, High Ridge Rd - Discussed concern over a 30 year amortization scenario, more borrowing comes at a cost. Requests other options. Mr. Baldwin discussed that overall it is less about the debt service and more about the operating budget or the gross budget. Looking over the life of projected model, the tax on a median house roughly doubles over 20 years, what drives it is the operating and tax levy, the impact is capped at 10%, it is not the debt service that is the driver. You cannot decrease the school budget year by year. It was noted that 77% of the budget is for the schools.

Annalise Ferrara, Lyons Plain Rd – Asked if anyone looked into cost of demolition and environmental concerns for the WMS and if so is it included in the \$110m cost.

Susan Baron, Old Hyde Rd – Asked if the CIP forecast will change and discussed that it is important for the town to tighten belts and look at operating costs and how to manage and do in stages. Discussed sidewalk project being a big expense and puts a burden on those who maintain it.

Jasmine Kazakov, Old Field Ln - Had questions on the historical context of renovation discussions. Mr. Baldwin discussed the historical 10 year facility studies and the context of the Silver Petrucelli 10 year capital study which looked at capital impact of 4 to 3 schools. Study revealed that the schools needed to spend \$70m over next few years. Certain projects were done but the question of the future of investment got comingled with what should be done with other facilities. Facilities committee looked at facilities and consulting studies done, discussed the Tecton study, looked at scenarios of a new WMS or renovating. The BOE then formed a committee resulting in \$110 mill proposal for school and the Colliers plan.

Adjournment: Meeting adjourned at 10:05 pm.

Respectfully Submitted,
Shawn Amato, Recording Secretary

