

**Weston Board of Finance**  
**Debt Capacity Analysis Sub-Committee Agenda**  
**Special Meeting**  
**October 11, 2024**  
Meeting Held Remotely

BOF Chairman Michael Imber called the meeting to order at 4:07 pm. Attending were BOF members Rone Baldwin and Chris Bryant.

**Discussion on Sub-Committee objectives and work product:** Objective is to quantify the impact on the town budget and taxpayers of various debt issuance scenarios that support existing and potential capital expenditure needs of Weston. Mr. Baldwin stressed the need to articulate debt capacity assumptions of the town under different scenarios. Discussion on the Debt Management policy subcommittee objectives was held regarding views of what they think the ratio should be that should guide Weston's view on levels of debt issuance. Differing debt issuance with implications of varying debt ratios that the Debt Management policy indicates we should abide by. Which committee (Mgmt or Debt capacity) articulates the view on ratios needs to be clarified. Comparable towns that should be reviewed was discussed. Mr. Imber discussed the collaborative process between the two committees. Mr. Imber discussed modeling of different scenarios noting, if/when the town wants to issue debt the debt capacity report will frame out the impact. Ultimate decision of debt that the town wants to take on is the decision of the taxpayer. Neither committee should be overly prescriptive. Agreement on comparable towns will need to be understood.

Broad assumptions to consider:

- Long-term projection of operating expenses for the town and the schools. Karl Kilduff is currently working on a 10 year model. What are the priorities of the town/BOE? Mr. Baldwin would like to see the draft projection model asap.
- Capital budgets (5 year) - need to consider further projection for consideration for ratio assumptions. Need to look at projected view on cap budget that the town is going to fund from the annual tax and mill rate and what is the capital that the town is looking to fund through debt issuance. Grand list growth and what will be the average tax etc.
- State of the municipal debt market – overlap with the Debt Management subcommittee on maturity structure, call provisions, interest rate environment.
- Community input.
- Projection model from Town Administrator – analytic framework.
- Amount of debt not to exceed? Analysis what does it mean to credit rating?
- Final deliverable will be a report highlighting impact of various scenarios and makes it clear what the assumptions of budget growth, impact on mill rate, impact on taxes etc.

**Discussion on information diligence:** Benchmarks discussed. AAA towns discussed. Operating assumptions in model blessed by BOE and TOW.

- a. Type of information – capital expenditure forecast for town and schools/priorities.
- b. Sources for information – Sam Nestor, Karl Kilduff, Rick Darling, Steve Ezzes, Lisa Barbiero, Phil Cross, community opinion input.
- c. Research responsibility assignments – Coordinating comps, reviewing model, running assumptions.

**Discussion on use of available experts** – Mark Chapman, Munistat Services, Karl Kilduff, Town Administrator, real estate experts.

## **Use of Board of Finance Group Outlook Resources**

Files: Sub-committee folders have been populated by Mr. Baldwin.

### **Discussion/Decision on scheduling future sub-committee meetings:** Topics to include:

TOW/WPS operating projection and leadership priorities.

TOW/WPS capital expenditure needs and priorities.

Muni debt marketplace (structuring parameters).

Grand list growth assumptions, Weston and Fairfield county real estate expectations.

Public listening session.

Moody's and GFOA Best practices guidance, Town Charter constraints.

Comparable town analysis.

Projection scenario discussion (two meetings).

Report drafting sessions (two meetings).

Meeting availability: target December timeline for final analysis but may need more time.

Subcommittee to meet weekly on Thursday's at 8:00pm.

**Discuss and decide Agenda for next Special Meeting:** Invite Mark Chapman, Munistat Services to discuss the municipal debt market place.

Model Adequacy: Discuss Karl Kilduff model format, possible review of model if available.

**Adjourn.** Motion to adjourn made by Mr. Bryant, seconded by Mr. Baldwin. Meeting adjourned at 5:10pm.

Respectfully submitted,  
Shawn Amato, Recording Secretary