

Weston Board of Finance
Debt Management Policy Sub-Committee
Special Meeting
Meeting held remotely
October 21, 6:00PM

BOF Vice Chairman Jeffrey Farr called the meeting to order at 6:00pm. Attendees were Chris Bryant and Jeffrey Goldstein.

Discussion with Karl Kilduff, Town Administrator. Mr. Kilduff was not available during scheduled meeting time. Will be rescheduled.

Discussion of debt management policies reviewed to date:

Mr. Farr opened the meeting with an update that Mark Chapman, Munistat provided some additional town's debt management policies for review. Information was uploaded on the summary sheet for all to review. Mr. Farr noted that none of the credit ratings changed for any of the towns, but they are data points for use within a debt management policy. Mr. Bryant discussed some of the towns that stood out mentioning there were a lot of similarities when reviewing GFOA best practices, most had two metrics in them, debt service as a percentage of general fund expenditures and debt as a percentage of one of 4-5 different metrics around the grand list. He did not see any that had a debt per capita, a few had a range of metrics that they wanted their BOF to track but they were not part of their policy. Mr. Bryant drafted a sample policy to potentially use with a placeholder for metrics that are decided on. Mr. Goldstein found debt service between 8-10%. The outlier that was noted was Greenwich – (metric net debt) not to exceed .55% of the grand list at full market value. Mr. Farr discussed definitions of debt as a percentage of equalized grand list (full market value) and debt service as a percent of total expenditures. Mr. Farr noted that some of these towns have very different grand list components than Weston. Equalized net grand list across the state discussed, each town revaluation dates are different. Policy discussion continued with:

- Debt as a percentage of grand list
- Debt as a percentage of budget
- Possibly look at debt per capita

The first two metrics should be defined in the policy.

Subcommittee discussed that when reviewing other towns debt policies, they used additional factors when looking at a bond offering such as forecasting impacts (debt per capita) or 5 year look back, what the average was over those 5 years and additional scrutiny with preparing for bond issuance. Mr. Bryant noted these were not policy regulations they were suggested monitoring tools. Further discussion on creating policy vs. creating guidelines. Subcommittee will look at incorporating guidelines with policy. GFOA template to model. Discussed having another 1-2 meetings and vote on the metrics to include and if agreed to include guideline policy as well.

Discussion of table of fiscal metrics:

- Discussion of information reviewed to zero in and agree on debt management metrics to use. Will discuss what is the ratio? Is it 3%, 4% is it 2 ½ for debt as a percent of the

grand list? What is the percentage for debt service as a percent of expenditures? Mark Chapman felt 10% was a good number to stay below.

- Percentage of grand list – need more analysis before next meeting because there are four different divisors which will give a different number. Mr. Farr discussed grand list as being an area where our town differs from surrounding towns.
- Will compile metrics and then discuss why they should be less or more based on the circumstances we have and try to make a decision based on it. Mr. Bryant would like to hear another opinion how that difference might impact us from a debt management standpoint. Mr. Farr feels the Debt Capacity subcommittee would be in a position to look at what the impacts would be. Mr. Farr not in agreement with giving a specific percentage but would be comfortable with a range and would like feedback from debt capacity sub for analysis

Discussion on identifying questions for further research

- Future discussion around whether to allow variable rate types of instruments or use a fixed rate, general debt limitations etc.
- What are the maturities and how quickly to pay.
- Principle amounts to be paid down?
- Funding capital expenditures vs. having to wait for 20 years for debt to fall off before future capital expenditures.
- Straight line amortization.
- Process to issue debt needs to be looked at. Karl Kilduff may have a view on this.
- Fiduciary requirements of reporting each year.

Discussion/Decision on approval of minutes from the September 30th and October 7th meetings. Amended September 30th minutes, correction of special meeting dates and notation incorporating Mr. Bryant's comment relating to comparing other towns using comparable town's criteria. October 7th minutes reviewed. Motion made to approve September 30, 2024 and October 7, 2024 Debt Management subcommittee minutes. Motion made by Mr. Goldstein, seconded by Mr. Bryant. All in favor, motion passes unanimously.

Discussion/Decision on Agenda for next Special Subcommittee Meeting of 10/28:

- Invite Karl Kilduff, Town Administrator
- Discussion/Decision on table of fiscal metrics
- Discussion/Decision on policy layout/outline
- Discussion regarding debt maturity
- Discussion/Decision on Agenda for next Special Subcommittee Meeting, 10/28.

Motion to accept 10/28/24 meeting agenda made by Mr. Bryant, seconded by Mr. Goldstein. All in favor, motion passes unanimously.

Adjourn: Motion to adjourn by Mr. Goldstein, seconded by Mr. Bryant. All in favor, meeting adjourned at 6:41pm.

Respectfully Submitted,
Shawn Amato, Recording Secretary