

DRAFT
Weston Board of Finance
Debt Capacity Analysis Sub-Committee Agenda
Special Meeting
October 28, 2024, 4:00 p.m. ET

BOF Chairman Michael Imber called the meeting to order at 4:00 pm. BOF members Rone Baldwin and Chris Bryant in attendance.

Review draft debt capacity model. Mr. Baldwin reviewed the draft model for calculating debt capacity what was created by the BOF in 2022. Hypothetical assumptions were reviewed for the purpose of understanding how the model works. The subcommittee will talk about what assumptions are needed to develop. Mr. Baldwin reviewed the key assumptions for the model and discussed assumptions for operating budgets, capital expenses, bonding, paydowns, unassigned fund balance module, grand list growth. Review of the hypothetical town budget and tax levy/mill rate analysis 20 year projection was discussed. Review of debt service and how the model calculates bonded debt service discussed. Fund balance module reviewed. Discussion on assumptions needed to be made for what the growth of other revenue is. The model calculates ratios debt per capita, debt per household, total debt over revenue, adjusted debt services. Assumptions on what surplus should be for every year to maintain a fund balance percent. AAA ratings discussed and a review of historic capital budgets reviewed. Debt amortization discussed, new capex to be financed and payments Will need to include more separation of the capital budget growth rate for TOW and BOE. 5 year capital plan discussed, what is the current assumption of what's going to be funded annually and what will be funded through bonding. Adjusted operating budget tab, growth of maintenance budget, sinking funds discussed.

Subcommittee discussed a list of assumptions that will be developed:

- On the Key Assumptions page: Town & BOE operating costs annual percentage increase – will add getting input from the town. Mr. Imber wants to know what the long range number that the BOE and the BOS are comfortable with as a growth rate.
- 5 year capital budget – would like input from the TOW/BOE for baseline growth rates.
- Need input of the major capital projects
- Need an assumption on growth of other revenues.
- Need an assumption on tax collection rates.
- Surplus targets? forecasting?
- Growth rate on some baseline capital budget.
- Assumptions on how to grow the grand list (discussion with realtors?)
- Current median values

- Assumptions for 20 year bonding in concurrence from the debt policy subcommittee. Interest rates, get advice from Mark Chapman.

Discuss and prepare agenda for next meeting

No meeting on 10/31/24. Next meeting will be on November 7. Mr. Bryant will circulate the list of assumptions. Mr. Imber to circulate a list of realtors. Mr. Baldwin will make changes discussed to the model

Discussion/decision on approval of minutes from the October 11th and 17th meetings. No comments on minutes for October 11th and October 17th. Minutes approved.

Adjourn. Meeting adjourned at 5:13pm.

Respectfully submitted,
Shawn Amato