

AGENDA

FINANCE AND WARRANT COMMISSION

NOVEMBER 2023 MEETING

WEDNESDAY, NOVEMBER 15, 2023

REMOTE MEETING – ZOOM WEBINAR

7:00 P.M.

Pursuant to Chapter 2 of the Acts of 2023, on March 29, 2023, Governor Maura Healey signed into law An Act Making Appropriations for the Fiscal Year 2023 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects. This Act includes an extension, until March 31, 2025, of the remote meeting provisions. This meeting will be conducted via remote means. Members of the public who wish to access the meeting may do so by using the Webinar link below. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings in real-time, via technological means. In the event that we are unable to do so, for reasons of economic hardship and despite best efforts, we will post on the Town website an audio or video recording, transcript, or other comprehensive records of proceedings as soon as possible after the meeting.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/81956151066?pwd=S2JIR1RXSXV1QmllQUUpUZkdNWXdrRQT09>

Passcode: 797042

Or One tap mobile :

+13017158592,,81956151066# US (Washington DC), +13052241968,,81956151066# US

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

+1 301 715 8592 US (Washington DC), +1 305 224 1968 US, +1 309 205 3325 US, +1 312 626 6799 US (Chicago), +1 646 931 3860 US, +1 929 205 6099 US (New York), +1 346 248 7799 US (Houston), +1 360 209 5623 US, +1 386 347 5053 US, +1 507 473 4847 US, +1 564 217 2000 US, +1 669 444 9171 US, +1 669 900 6833 US (San Jose), +1 689 278 1000 US, +1 719 359 4580 US, +1 253 205 0468 US, +1 253 215 8782 US (Tacoma), 877 853 5257 US Toll Free, 888 475 4499 US Toll Free, 833 548 0276 US Toll Free, 833 548 0282 US Toll Free

Webinar ID: 819 5615 1066

International numbers available: <https://us02web.zoom.us/j/kpkessKQK>

-
- I. Call to Order at 7:00 P.M.
 - II. Grant permission to Westwood Media Center to live stream and videotape the meeting.
Ask if anyone else wishes to record this meeting.
 - III. Welcome all remote participants including members, presenters, and members of the public and press.
 - IV. Pledge of Allegiance.
 - V. **Member Roll-Call.**
 - VI. Chair's Introductory Comments-
 - VII. Summary of Special Town Meeting 2024 Warrant Articles/ Financial Update

Presenter(s): Marianne LeBlanc Cummings [Select Board Chair], Christopher Coleman [Town Administrator], Stephanie McManus [Asst. Town Administrator/Finance Director], Town Staff, Peter Frazier [Town's Financial Advisor]

VIII. Overview for FY2025 Budget Issues

Presenter(s): Robert Gotti [Long Range Financial Planning Committee Chair]

IX. Chair's update –

- Next meeting will be IN PERSON on 12.06.23

X. Vice Chair's update -.

XI. Other business that may properly come before the board not previously anticipated by the Chair-.

XII. Old Business - Approval of 10.10.23 Minutes.

XIII. Public and Press -.

XIV. Adjournment – **Roll-Call Vote.**



2024 Special Town Meeting
Article Review
November 15, 2023

Select Board
Finance and Warrant Commission

Select Board 1 – Fire Station Design and Bid Document Funding (\$2,100,000)

This article is intended to see if the Town will vote to raise and appropriate and/or transfer from existing funds the sum of money to pay the costs associated with designing, preparing, and obtaining construction bid documents, for a new Fire Station (Station One), at the existing location of 637 High Street, Westwood and to renovate, refurbish and/or construct temporary quarters at 90 Deerfield Avenue, Westwood, or to take any other action relative thereto.

Purpose	Amount	Funding Source
Fire Station Design and Bid Documents	\$1,400,000	American Rescue Plan Act (ARPA) Funds
	\$2,100,000	Free Cash
Total	\$3,500,000	

Select Board 2 – Debt Housekeeping – Fire Department Multi-Purpose Vehicle (\$400,000)

This article is intended to see if the Town will vote to abandon the purchase of a Fire Multipurpose Vehicle, for which \$400,000 was authorized to be borrowed under Article 12 of the Warrant at the Annual Town Meeting held on May 3, 2021, and then transfer those funds to another approved capital project, or to take any other action relative thereto.

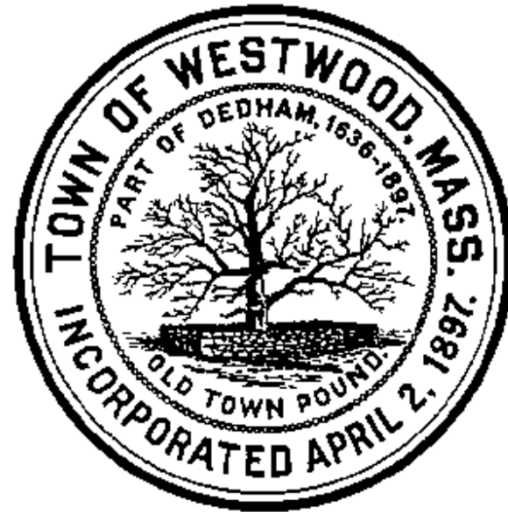
Miscellaneous Article – 1

This article serves as a placeholder to insert an article in support of Town Government that may come up before the official Warrant is approved.





WESTWOOD, MASSACHUSETTS



Presentation to the Finance Committee

November 15, 2023

Peter Frazier, Managing Director

Lisa Driscoll, Senior Vice President

Massachusetts General Laws



- Chapter 44
 - Section 7: Inside the debt limit; Tax Supported (Building, Land Acquisition, Equipment, etc.)
 - Limited to a maximum of 5% of EQV
 - Section 8: Outside debt limit; Revenue Supported (Water, Sewer, Electric)
- Chapter 70B (Previously Ch.208, Act of 2004 – ‘MSBA’)
- Special Acts
- Determine allowable borrowing purposes
- Determine maximum borrowing term – useful life
- Determine repayment structure
 - Level principal
 - Level debt service



To borrow short or long term

- Interest rate environment
- Size of the project
- Spending schedule
- Budget constraints



Borrowing Alternatives

- Conventional General Obligation Bonds and Notes
- Massachusetts Clean Water Trust
- Massachusetts Water Resource Authority

Bond Ratings



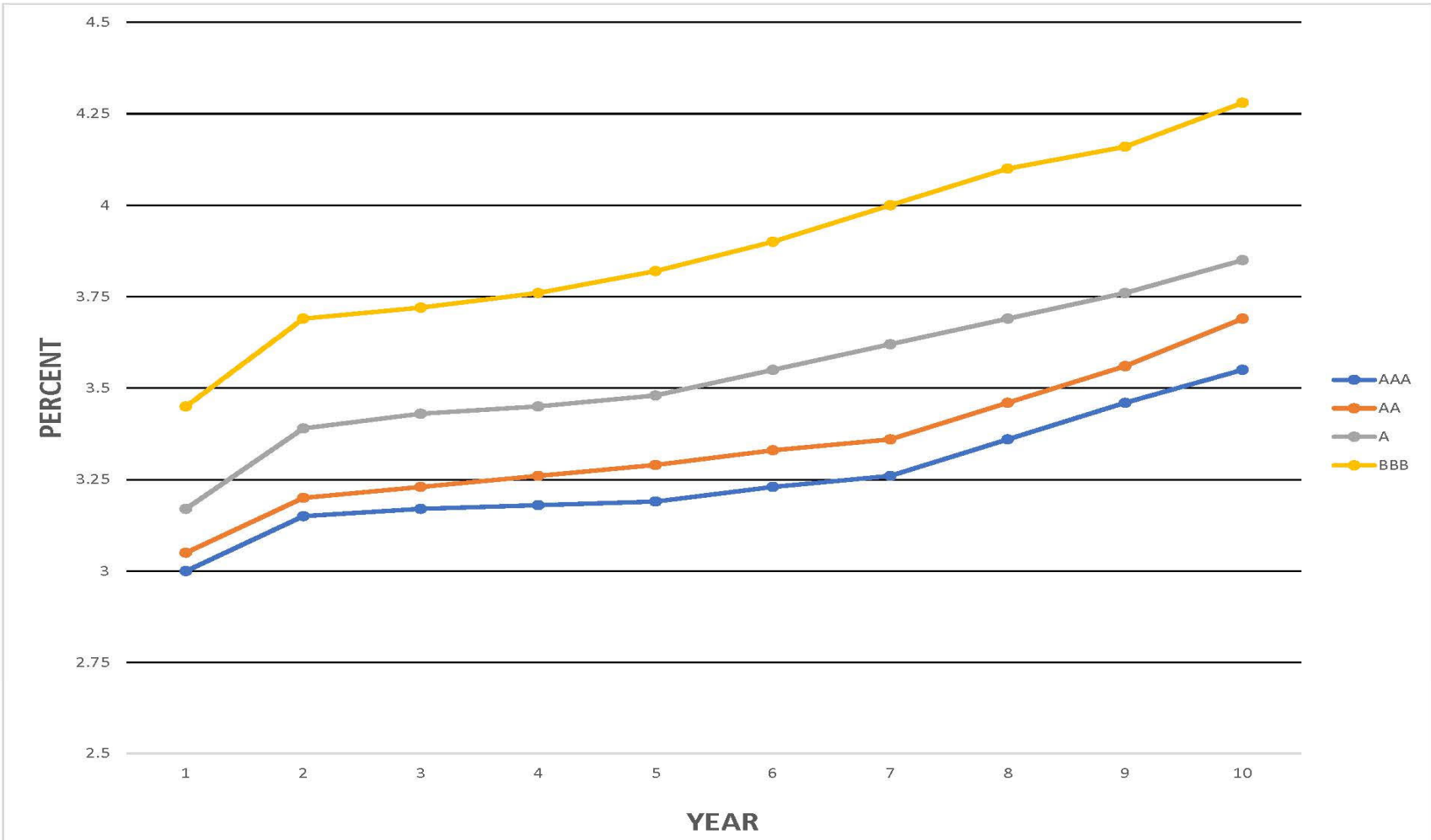
Moody's	S&P Global Ratings
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-

Major Credit Factors



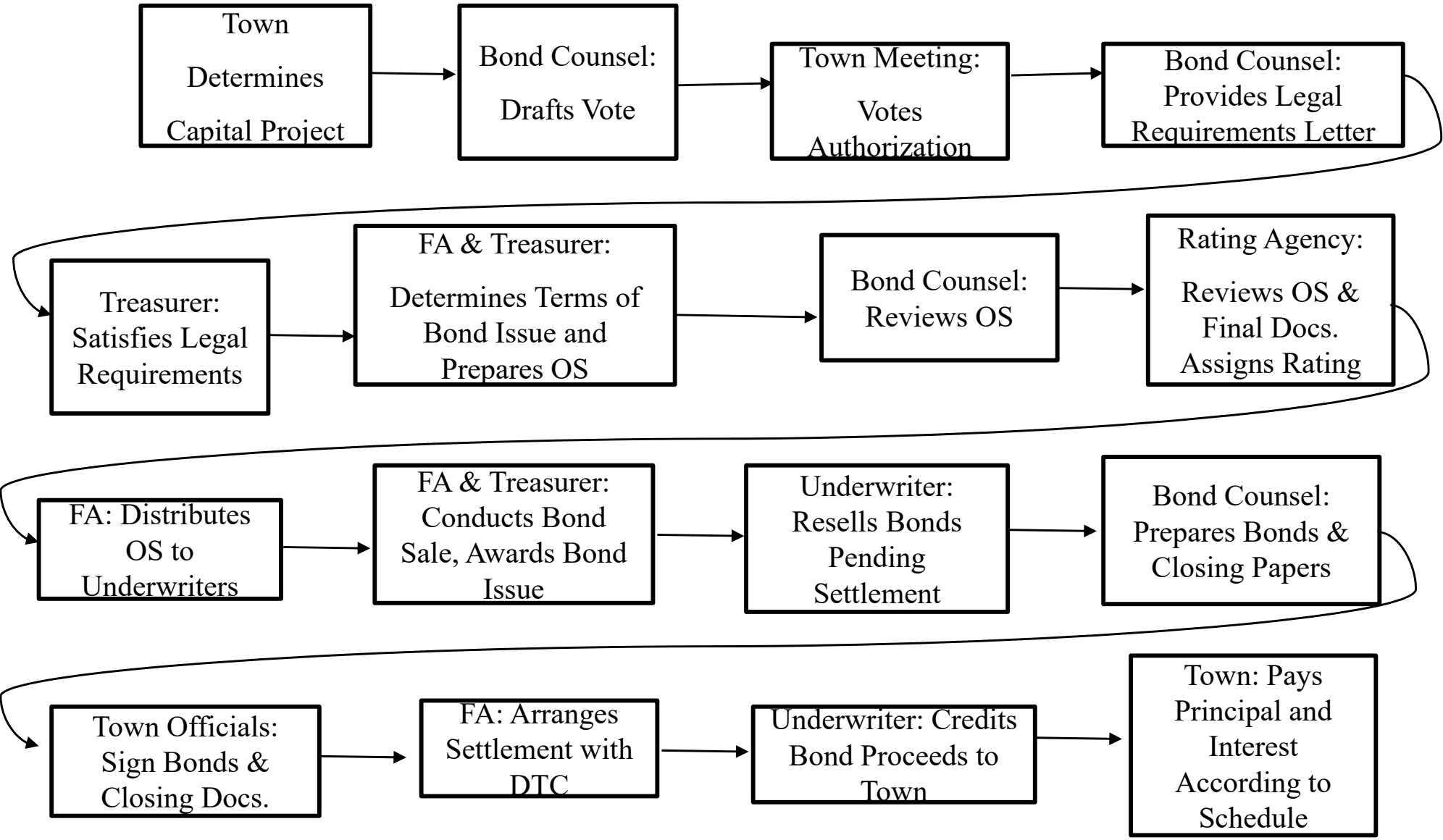
- Economy & Institutional Framework (40%)
- Management (20%)
- Finances (30%)
- Debt and Contingent Liabilities (10%)

Yield Curves By Rating





Municipal Borrowing Flow Chart





Peter Frazier

Managing Director

54 Canal Street, Suite 320

Boston, Massachusetts 02114

Tel: 617.619.4409

Peter.Frazier@hilltopsecurities.com

Lisa Driscoll

Senior Vice President

Tel: 617.619.4405

Lisa.Driscoll@hilltopsecurities.com

Disclosure

This communication is intended for issuers for educational and informational purposes only and does not constitute legal or investment advice, nor is it an offer or a solicitation of an offer to buy or sell any investment or other specific product or service. Financial transactions may be dependent upon many factors such as, but not limited to, interest rate trends, tax rates, supply, change in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of such changes in such assumptions may be material and could affect the projected results. Any outcome or result Hilltop Securities Inc., or any of its employees, may have achieved on behalf of our clients in previous matters does not necessarily indicate similar results can be obtained in the future for current or potential clients. Hilltop Securities Inc. makes no claim the use of this communication will assure a successful outcome. This communication is intended for institutional use only. For additional information, comments or questions, please contact Hilltop Securities Inc.



Financial Update Presentation to FinCom November 15, 2023

Stephanie McManus
Assistant Town Administrator/Finance Director

Financial Policies - Highlights

- Structurally balanced budgets
- Quality financial reporting
- Annual audit by 3rd party plus Audit Committee review
- Ongoing operating expenses supported by ongoing recurring revenue sources, not one-time funding sources
- Annual appropriation to an operating reserve fund for unforeseen or extraordinary expenses throughout the year
- Maintain adequate working capital to provide for sufficient cash flow
 - Free Cash policy
- Reserve Funds - Stabilization, Capital and Meals/Hotel
- Nonexempt debt policy – not to exceed 8% of net general fund revenue
- Total general fund debt not to exceed 10-12% net general fund revenue
- Invest in capital assets by maintaining 3% of operating budget for base capital

Free Cash

- DOR Certified Free Cash as of July 1, 2023 is \$10,959,301.
- Disciplined use of free cash balance.
 - Not used to fund ongoing operating expenditures or budget shortfalls.
 - Keep available fund balance by not using full amount.
 - Adhering to Financial Policies, the available amount continues to be used for capital needs, not operating budgets.
 - Positive FY23 budget to actual results, appropriate amount for year end operating budget turn back
- FY24 current budget was funded by \$3,833,250 of free cash:
 - \$2.3M for school and municipal capital
 - \$125K for Stabilization
 - \$405K for Fincom Reserve Fund
 - \$393K for Town Meeting Article 2 Transfers

MA Dept. of Revenue definition: Free cash is a revenue source that results from the calculation, as of July 1, of a community's remaining, unrestricted funds from its operations of the previous fiscal year based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent amounts in departmental budget line items for the year just ending, plus unexpended free cash from the previous year. Cities and towns generally use free cash to support current-year operations or to provide a revenue source for the ensuing year's budget. However, free cash is not available for use until after the accountant, auditor, or comptroller submits a prior-year balance sheet to the Division of Local Services (DLS) and the Director of Accounts certifies the free cash. The DLS certification protects communities from relying on free cash that might not materialize due to inaccurate local estimates. Under sound financial policies, a community strives to generate free cash in an amount equal to three to five percent of its annual budget. This goal helps deter free cash from being depleted in any particular year, which enables the following year's calculation to begin with a positive balance. To do this, the community would orchestrate conservative revenue projections and departmental appropriations to produce excess income and departmental turn backs.

Free Cash Use

Certified Date	July 2023	July 2022	July 2021	July 2020	July 2019	July 2018
Amount	\$ 10,959,301	\$7,772,702	\$7,264,563	\$6,124,816	\$6,637,200	\$5,854,683
Planned Use:						
Fincom Reserve	\$ 405,000	\$405,000				
Stabilization	\$ 125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Capital	\$ 3,000,000	\$2,372,500	\$2,373,250	\$2,321,650	\$3,383,900	\$3,163,500
Articles	\$ 2,500,000	\$393,000	\$1,335,000	\$181,000	\$350,000	\$0
Total Used	\$ 5,625,000	\$3,295,500	\$3,833,250	\$2,627,650	\$3,858,900	\$3,288,500
Unallocated	\$ 5,334,301	\$4,477,202	\$3,431,313	\$3,497,166	\$2,778,300	\$2,566,183

- Unallocated free cash target per financial policies is 4% of general fund operating budget net of debt service (FY24 \$100,012,818)
 - For FY24, that amount is approximately \$4M
 - This is an important component of the credit rating
- Additional free cash beyond target has been used for
 - Base school and municipal capital
 - Extra capital, snow and ice, one time needs
- Unallocated balance provides protection for the Town

Reserves

- Adhering to financial policies, shall maintain reserve accounts at a minimum of 8% of general fund operating revenues, net of debt service
 - For FY24, the amount for net general fund operating revenues is \$104,976,705
 - Total target of 8% is \$8.4M
 - 4% in general fund
 - 4% in stabilization fund
- Stabilization Fund
 - Target amount in fund for FY24 is \$4.2M
 - Current balance \$3.9M
 - Provides temporary financing for unanticipated or unforeseen extraordinary needs of an emergency nature
 - A key component in the Town's AAA credit rating
- Capital Improvements Stabilization Fund
 - No current annual appropriation into account – last one time appropriation was FY18
 - Current balance \$1.5M
- Meals/Hotel Special Purpose Stabilization Fund
 - Main use to provide funding for Town-wide capital assets supplemental of the ongoing capital budget process
 - Current balance as of 9/30/2023 \$1.3M

Tax Revenue

FY23 Total Revenue Budget - \$113.6M

- Taxes are approximately 80% of revenue - most important component of financial stability
- Proposition 2 ½
 - Limits total property taxes a community can raise – can increase 2.5% plus new growth
 - Calculation not applied to individual tax bills
 - Town Meeting can approve a debt exclusion which allows for additional property taxes to be levied in an amount equal to the debt service payments associated with the project
- Overrides
 - A town may choose to override these limits with a Town Meeting vote
 - Two options:
 - General Override
 - Additional funds for any purpose
 - Permanently increases the levy limit
 - Debt Exemption
 - Pay for capital projects – annual debt service added to tax levy
 - Not permanent – taxes end when bond ends

General Debt Overview

- Authorization
 - Town Meeting authorizes borrowing of any funds for a specific project
 - State law governs items allowed to be borrowed and term of borrowing (MGL ch. 44)
- Issuing Bonds
 - Official bond statement prepared
 - Town credit rating from rating service (Moody's)
 - Town Treasurer conducts a public bond sale (bids), Select Board approves the bond
 - At completion of sale, Town receives money and enters into a repayment schedule
 - Schedule of all current bonds issued – updated annually
- Debt Service Repayment
 - The debt service for the bonds, including principal and interest, is included in each year's operating budget
 - Current Repayment Schedule – updated annually
 - Only debt service scheduled to be repaid will be included in that year's budget
- Debt Management
 - Prudent use of debt financing as part of the Town's overall fiscal planning
 - Responsible positions on what purpose to borrow, when to scheduled debt-financed projects and how long for the repayment schedule

General Debt Overview

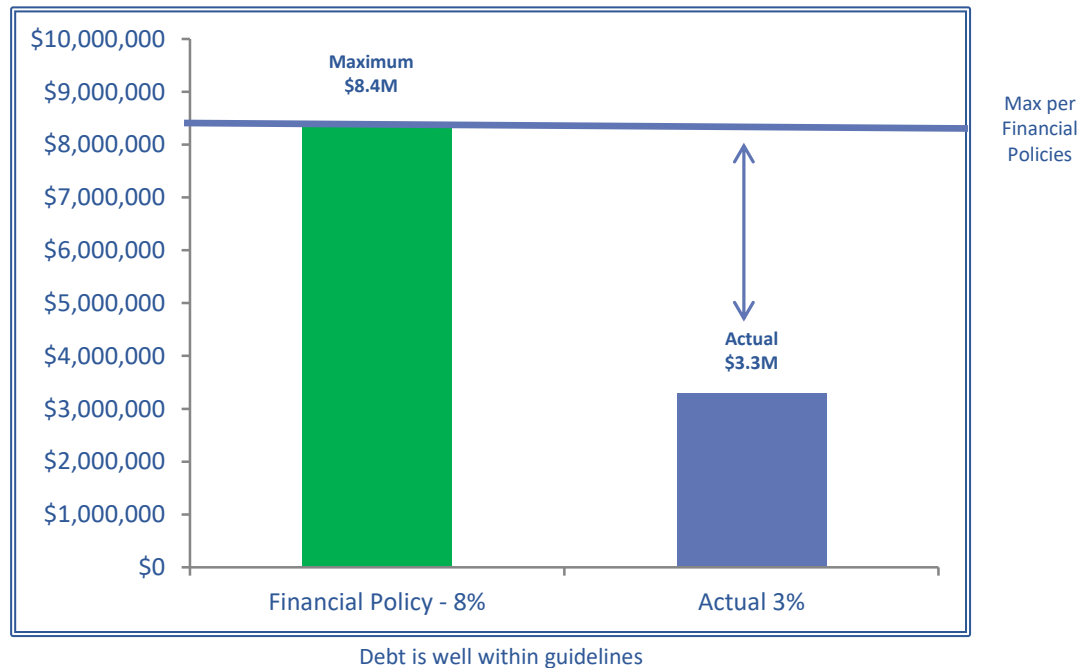
- Options for borrowing - Short-term vs Long-term
 - Short-term debt classified as borrowing through the issue of notes in anticipation of either paying them off or permanently financing the debt
 - Long-term debt is permanent financing through municipal bonds
 - All debt (except sewer enterprise) is issued as general obligation debt. This means that the full faith and credit of the Town is pledged to the bondholder.
- Debt Service Budget
 - Repayment of debt service is through general fund revenues
 - Principal and interest payments included each year in annual operating budget
 - Includes both exempt and non-exempt debt
 - Exempt Debt
 - Debt exclusion – added to the level limit
 - Additional tax revenue raised to pay the debt service until the debt is retired
 - Exact amount of debt cost, net of state school reimbursement, is raised in taxes
 - When bond ends, exempt taxes end
 - Non-exempt Debt
 - Tax revenue funds set aside as part of the annual operating budget
 - Debt within Prop 2 1/2
 - Target new debt sold to replace old debt dropping off
- The Town has capacity limits which prevent us from using debt to finance all capital projects

Debt Capacity is Governed By:

- Legal Debt Limit – GL ch 44
 - Debt authorized for certain capital purposes cannot in total exceed 5% of the most recent Town equalized valuation (EQV), or exceed 10% of the EQV if approved by the Massachusetts Municipal Finance Oversight Board (MFOB)
 - The current EQV for Westwood is \$5.48B – 5% is \$274M
- Town Policies
 - Nonexempt debt should not exceed 8% of net general fund revenue
 - For FY24, 8% is \$8.4M
 - Total general fund debt should not exceed 10-12% of net general fund revenue
 - Need to balance total debt costs and tax implications with other services
 - For FY24, 12% is \$12.6M
- Budget
 - Increased debt service for non-exempt debt places stress on the operating budget
 - Non-exempt debt does not have a dedicated tax revenue debt service
 - Need to also provide appropriate funding for other Town services
- Impact on Taxpayers
 - Cumulative effect on tax bill of multiple exempt projects

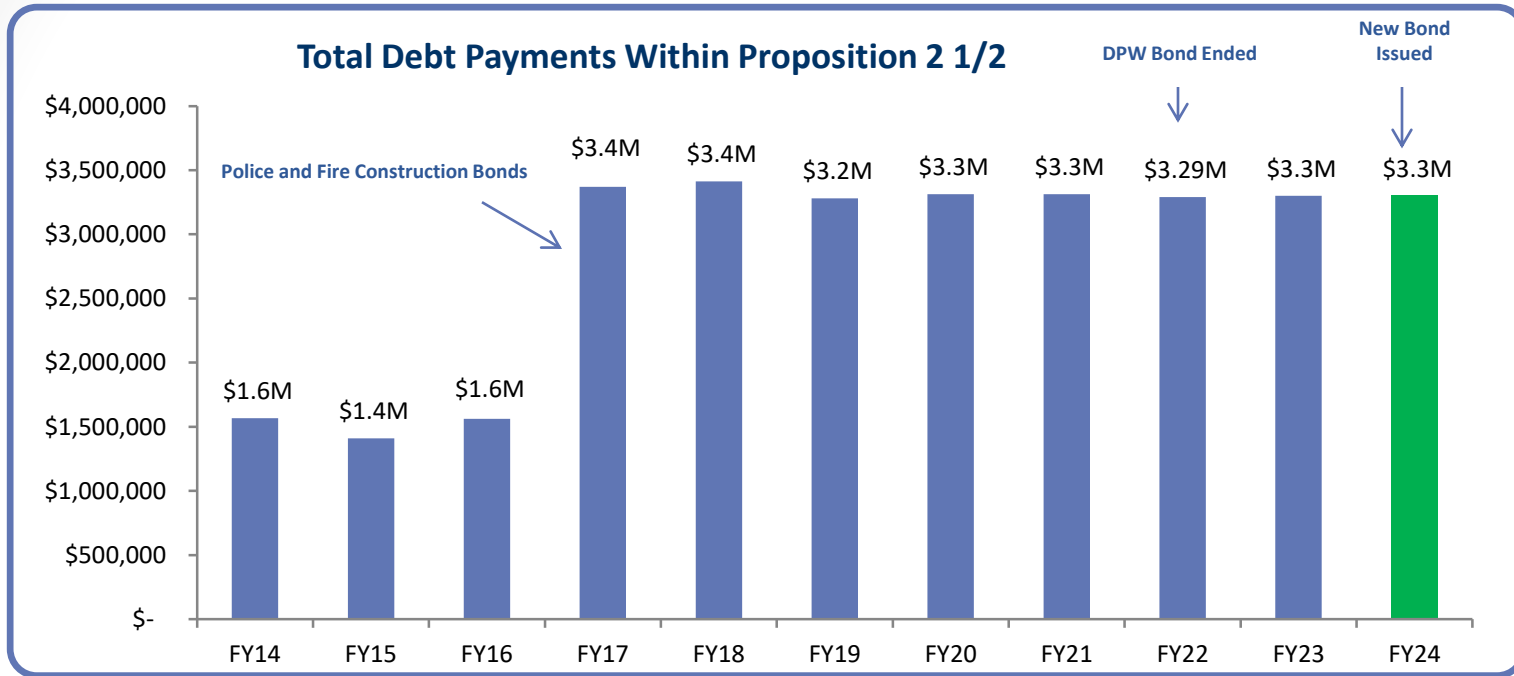
Debt Management Within Prop 2 ½

- Financial Policies – annual non-exempt debt payments should not exceed 8% of net general fund revenue
 - Current debt level is well within guidelines
 - FY24 total debt payments within prop 2 ½ - \$3.3M
- Whenever possible, new debt payments are issued as prior debt rolls off
 - Keeps the debt budget at the approximate same level



- The debt service budget for non-exempt debt also needs to fit in ongoing capital equipment needs

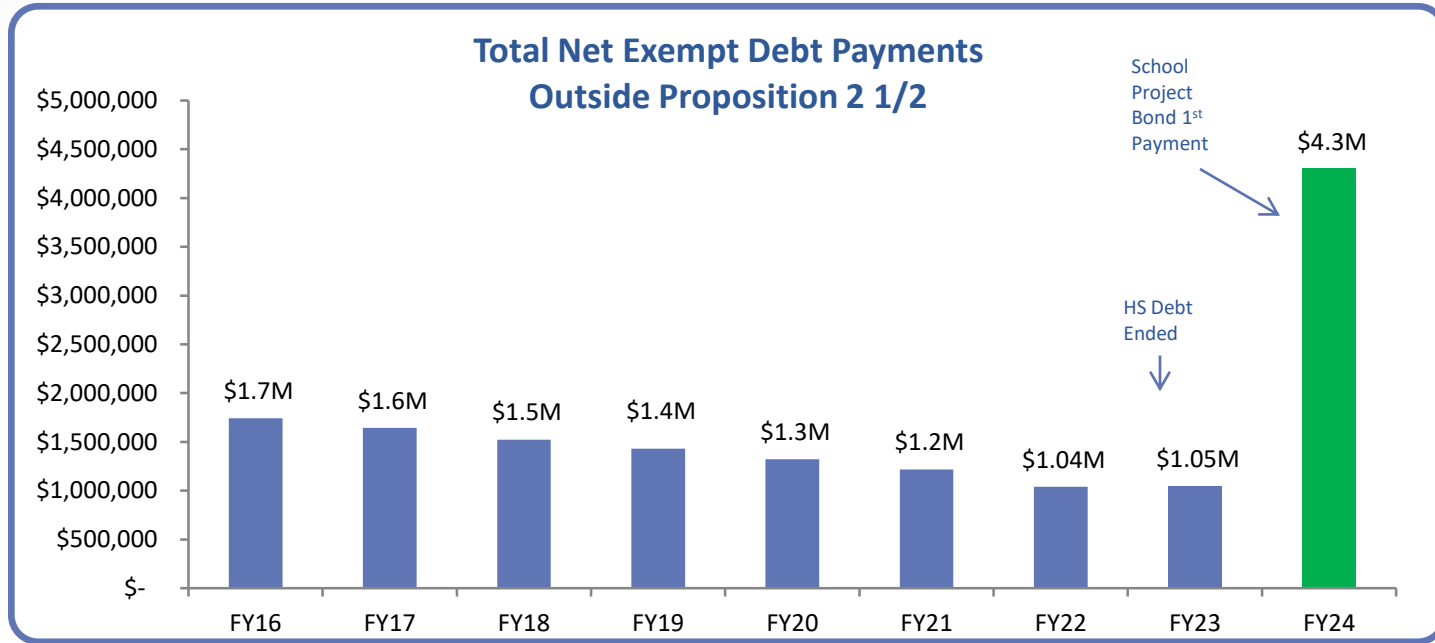
Total Non Exempt Debt – Within Proposition 2 1/2



Debt within Proposition 2 ½

- Debt drop off FY23:
 - \$4.6M, 10 year DPW bond for Roads and Equipment issued in 2012, was completed in 2022
 - Provided space to issue new \$4.65M road bond approved at 2020 Town Meeting within Proposition 2 ½ .

Total Net Exempt Debt – Outside Proposition 2 1/2



Debt outside of Proposition 2 ½

- Principal and interest payments for projects approved outside Proposition 2 ½.
 - High School, Library Bonds and Elementary School Bonds
- FY22 Payments: High School \$485K, Library \$563K.
- High School bond ended in FY2023
 - Debt rollover helped with Elementary School Project – excess capacity absorbed some of the impact
- Library ends in FY2031
- Library refinanced in April 2021
 - Total savings \$759K - Will now raise \$759K less in taxes
 - Approximately \$75K per year savings for remaining life of bond

Debt Service Schedule - Total Principal and Interest Payments

Outstanding as of 6.30.24	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31-53	Total FY24-FY53	
Debt Outside of Proposition 2 1/2											
HS Construct (Exempt)-Refi 3/12	0	1,807,650	0							\$0	
Library Construct (Exempt) 4.21	2,745,000	547,600	533,600	519,350	499,850	480,350	460,850	446,350	426,600	406,850	\$3,773,800
New Hanlon Sch Feas/Design (Exempt) 3.22	1,708,500	94,854	89,119	87,619	91,119	99,369	97,119	94,869	91,119	2,017,563	\$2,667,894
New Hanlon Construct (Exempt) 8.22	56,565,000	0	3,746,823	3,406,675	3,409,175	3,409,175	3,406,675	3,411,425	3,408,300	78,167,825	\$102,366,073
Debt Within Proposition 2 1/2											
High School Completion 8/08	0	135,330	0								\$0
Middle Sch Modulars 2009. Refi 4.21	655,000	181,250	174,500	167,750	156,000	149,500	143,000	136,500	0		\$927,250
DPW Roadway 12/12	0	0									\$0
School Roof 12/12	0	0									\$0
DPW Equipment 12/12	0	0									\$0
DPW Drainage 12/12	0	0									\$0
DPW Equipment 12/12	0	0									\$0
DPW Roads 5/14	0	31,275	30,675	0							\$30,675
DPW Drainage 5/14	0	62,550	61,350	0							\$61,350
DPW Equipment 5/14	0	52,125	51,125	0							\$51,125
Fire Station Design 8/15	510,000	62,369	60,244	58,119	55,994	54,400	53,338	52,169	50,894	278,482	\$663,640
Fire Station Construction 8/15	5,190,000	634,694	613,069	591,443	569,818	553,600	542,788	530,894	517,919	2,833,957	\$6,753,488
Street Lights LED upgrade 8/15	100,000	58,750	56,250	53,750	51,250	0					\$161,250
Cemetery Expansion 8.15	0										\$0
Deerfield Rd/Parking 8/16	400,000	232,000	224,000	216,000	208,000	0					\$648,000
Land Purchase 8/16	170,000	104,000	100,400	91,800	88,400	0					\$280,600
Police Design 8/16	720,000	57,694	56,294	54,894	53,494	52,094	50,694	49,994	49,294	623,751	\$990,508
Police Construction 8/16	9,350,000	718,781	701,781	684,781	667,781	650,781	633,781	625,281	616,781	8,461,750	\$13,042,718
Islington/Wentworth Hall 4.21	1,545,000	153,850	149,100	144,350	139,600	134,850	125,100	120,600	116,100	1,111,500	\$2,041,200
Road Improvement Bond 4.21	625,000	128,550	124,050	119,550	115,050	110,550	106,050	101,550	97,050	87,550	\$861,400
Road Improvement Bond 3.22	3,606,500	726,486	705,325	680,325	655,325	630,325	605,325	580,325	551,825	646,250	\$5,055,025
New Debt - Budget Adjustment		0	182,541	182,541	182,541	182,541	182,541	182,541	182,541	0	\$1,277,787
Total General Fund Long Term Debt	83,890,000	5,789,808	7,660,245	7,058,947	6,943,397	6,507,535	6,407,261	6,332,498	6,108,423	94,635,478	141,653,783
Total Non - Exempt Long Term Debt	22,871,500	3,339,704	3,290,704	3,045,303	2,943,253	2,518,641	2,442,617	2,379,854	2,182,404	14,043,240	\$32,846,016
Non - Exempt BAN Payments			49,000								\$49,000
Total Non - Exempt Debt		3,339,704	3,339,704	3,045,303	2,943,253	2,518,641	2,442,617	2,379,854	2,182,404	14,043,240	\$32,895,016
Change in non- Exempt Debt		44,666	0	(294,401)	(102,050)	(424,612)	(76,024)	(62,763)	(197,450)		
Total Exempt Debt Payments	61,018,500	2,450,104	4,369,541	4,013,644	4,000,144	3,988,894	3,964,644	3,952,644	3,926,019	80,592,238	\$108,807,767
Exempt BAN Payments		29,111	0								\$0
Total Exempt Debt		2,479,215	4,369,541	4,013,644	4,000,144	3,988,894	3,964,644	3,952,644	3,926,019	80,592,238	\$108,807,767
Change in Gross Exempt Debt		24,922	1,890,326	(355,898)	(13,500)	(11,250)	(24,250)	(12,000)	(26,625)		
Total all short and long term debt payments		5,818,919	7,709,245	7,058,947	6,943,397	6,507,535	6,407,261	6,332,498	6,108,423	94,635,478	\$141,702,782.62
Net annual Exempt Debt		1,059,561	4,369,541	4,013,644	4,000,144	3,988,894	3,964,644	3,952,644	3,926,019	80,592,238	108,807,766.54
Change in total Exempt Debt		10,741	3,309,980	(355,898)	(13,500)	(11,250)	(24,250)	(12,000)	(26,625)		

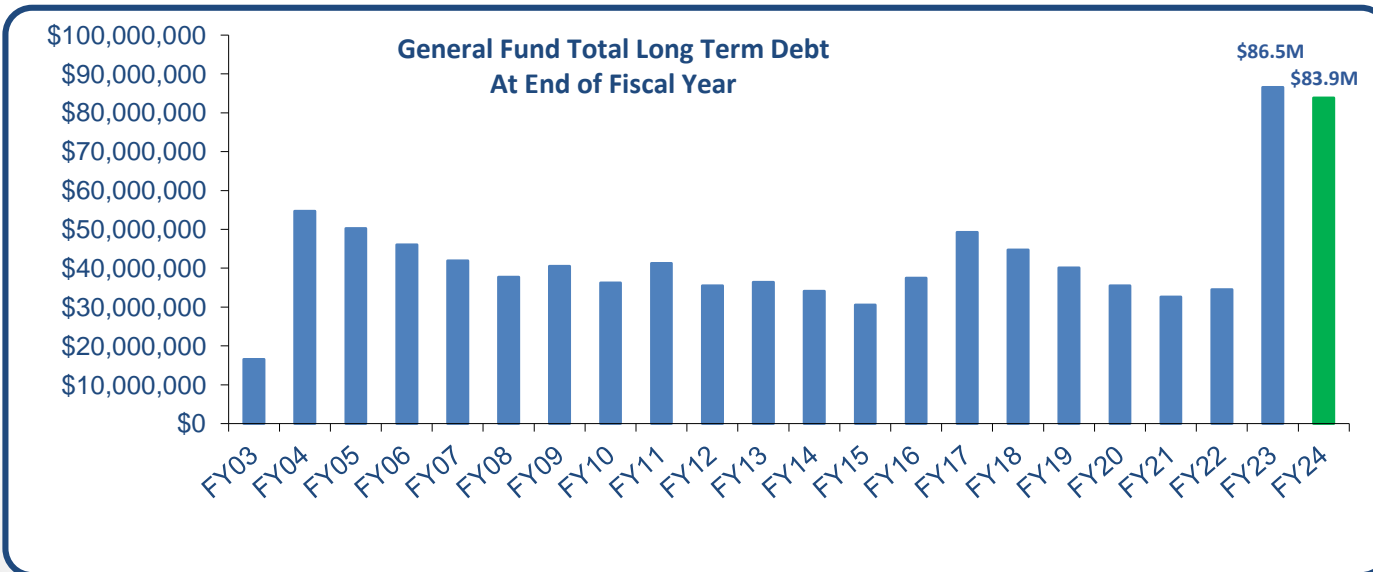
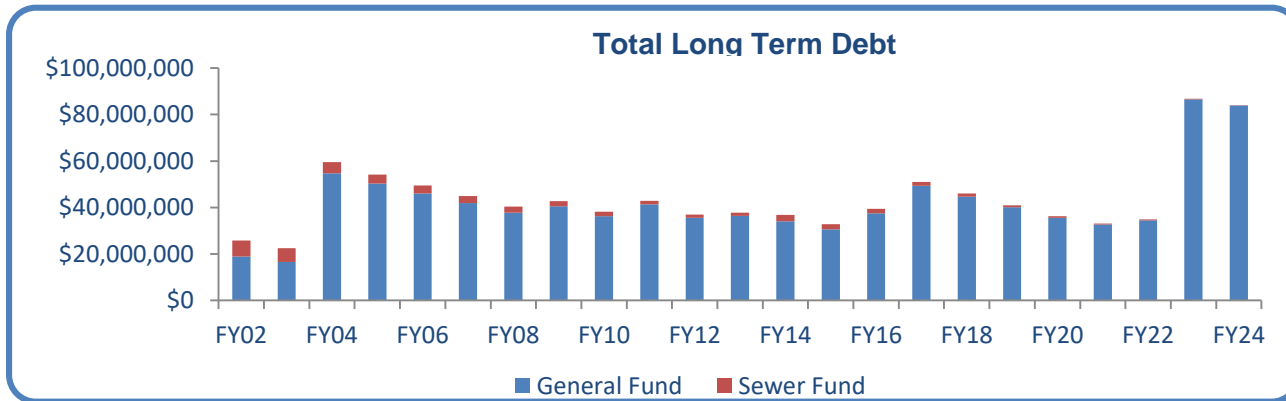
Long Term Debt Outstanding

Description	Net Rate of Interest	Date Issued	Maturity Date	Amount Issued	Tot Outstanding 30-Jun-24
Outside of Prop 2 1/2 - Exempt					
High School (2003) Refinanced 3.12	1.63	3/2012	6/2023	\$39,262,300	\$0
New Library (2011) Refinanced 4.21	1.15	4/2021	2/2031	\$9,300,000	\$2,745,000
Hanlon/Deerfield School Feasibility/Design	2.27	4/2022	4/2052	\$1,773,500	\$1,708,500
Hanlon/Deerfield School Construction	3.77	8/2022	8/2052	\$56,575,000	\$56,565,000
Within Prop 2 1/2					
High School Completion	3.48	8/2008	2/2023	\$1,950,000	\$0
Thurston Modulares (2009) Refinanced 4.21	1.15	4/2021	2/2029	\$3,500,000	\$655,000
School Roof	1.43	12/2012	6/2022	\$935,000	\$0
DPW Roads/Equipment	1.43	12/2012	6/2022	\$3,700,000	\$0
DPW Roads/Equipment	1.62	5/2014	5/2024	\$1,400,000	\$0
Design Fire Station	2.66	9/2015	9/2035	\$850,000	\$510,000
Construct Fire Station	2.66	9/2015	9/2035	\$8,650,000	\$5,190,000
LED Lights Upgrade	2.66	9/2015	9/2025	\$500,000	\$100,000
Cemetery Expansion	2.66	9/2015	9/2020	\$450,000	\$0
Deerfield Rd/Parking Improvements	2.42	9/2016	3/2026	\$2,000,000	\$400,000
Land Purchase	2.42	9/2016	3/2026	\$890,000	\$170,000
Police Station Design	2.42	9/2016	3/2045	\$1,000,000	\$720,000
Police Station Construction	2.42	9/2016	3/2046	\$12,755,000	\$9,350,000
Islington/Wentworth Library	1.15	4/2021	2/2041	\$1,831,696	\$1,545,000
Road improvement	1.15	4/2021	2/2031	\$895,000	\$625,000
Road improvement	2.27	4/2022	4/2032	\$4,606,500	\$3,606,500
Total General Fund					\$83,890,000
Description	Rate of Interest	Date Issued	Maturity Date	Amount Issued	Outstanding 30-Jun-23
MWRA - no interest loan	0.00	9/2021	8/2031	\$125,000	\$100,000
Sewer Bond	1.62	5/2014	5/2024	\$1,570,000	\$0
Total Sewer Fund					\$100,000

Total General Fund and Sewer Debt Outstanding \$83,990,000

Long Term Debt Outstanding

Total Long Term Debt Issued and Outstanding	FY18	FY19	FY20	FY21	FY22	FY23	FY24
General Fund	44,710,000	40,120,000	35,545,000	32,655,000	34,510,000	86,550,000	83,890,000
Sewer Fund	1,274,700	868,600	666,800	465,000	435,000	267,500	100,000
Total	45,984,700	40,988,600	36,211,800	33,120,000	34,945,000	86,817,500	83,990,000



Long Term Debt Authorized, Unissued

Debt Authorized, Not Yet Issued Long Term		
Hanlon/Deerfield New School Remaining Authorization balances:		
School MSBA Initial Phase	ATM 2018	\$ 202,889
Hanlon School "Bridge" Funding	ATM 2021	\$ 30,316
Construction	STM 2021	\$24,610,386
Total New Hanlon School – Borrowing expected to be reduced by future MSBA reimbursement (\$16.4M)		\$24,843,591
Cemetery Expansion Construction	ATM 2023	\$1,500,000
Fire Ladder Truck	ATM 2023	\$1,850,000
Total		\$28,193,591

Short term debt outstanding: \$1,225,000 one year BAN issued 5/2/2023 for three design projects

Debt Capacity

- Additional bonding capacity happens when:
 - Prior bond issuances are paid and debt “rolls off”
 - Or the yearly natural decline in debt service payments
- New payments can then be issued to fill in for anticipated drop
- Upcoming drops within current budget (estimated numbers):

	FY25	FY26	FY27	FY28	FY29	FY30
Non-exempt	\$294k*	\$102k	\$424k	\$76k	\$62k	\$197k
Exempt	\$355k**	\$13k	\$11k	\$24k	\$12k	\$26k
Total	\$649k	\$115k	\$435k	\$100k	\$74k	\$223k

*full amount to be used for debt approved at 5/22 and 5/23 ATM

**full amount to be used for remaining Hanlon construction debt authorized but not yet issued

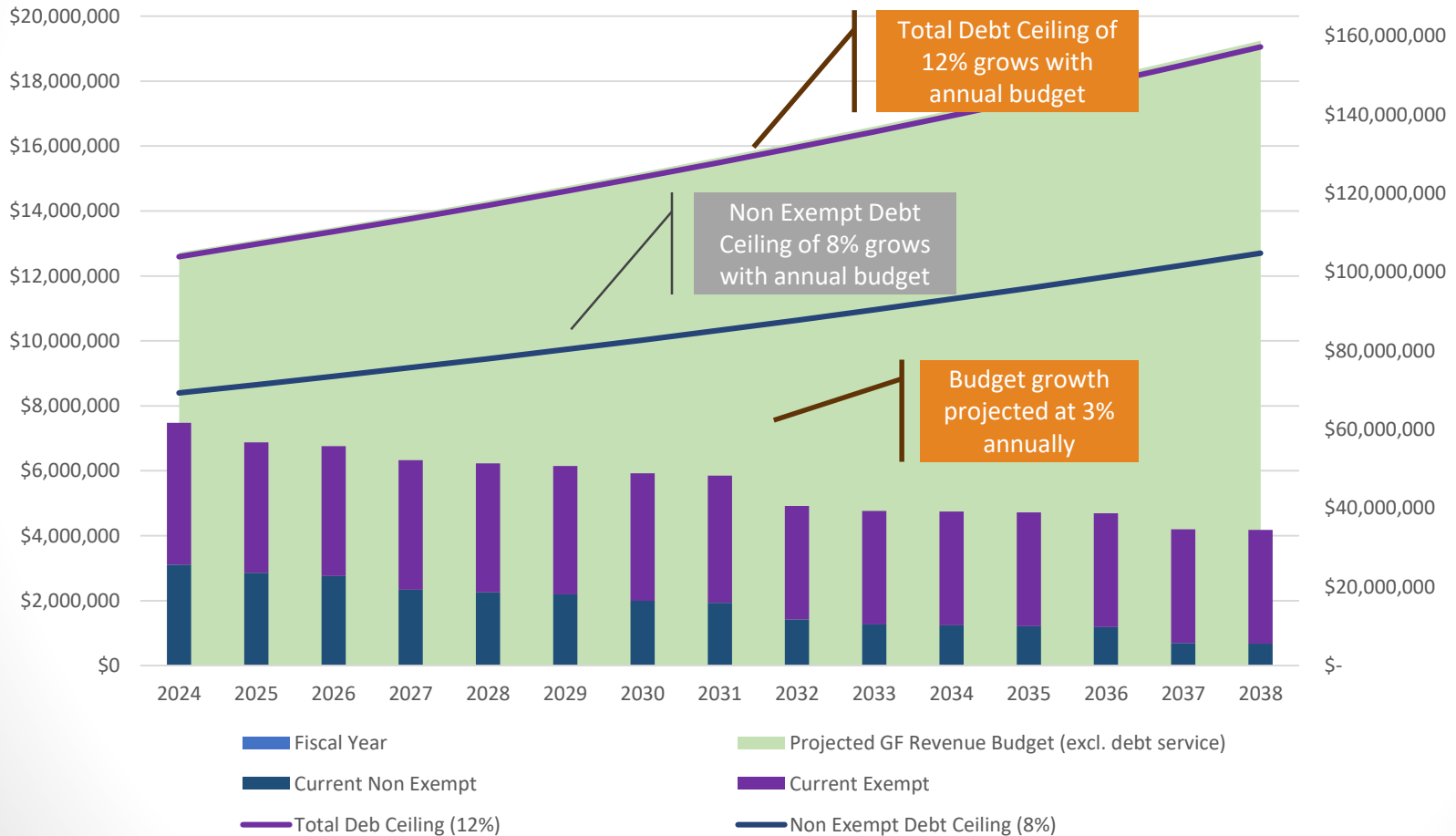
- Next significant drop for Exempt Debt is the New Library in 2031
- Next significant drop for Non-exempt Debt is Road Bond in 2032 and the Islington Fire Station in 2035
 - A new Road Bond will utilize the new capacity as the old Road Bond rolls off

What Could This Fund?

- Each \$100k of capacity due to a drop off or increased debt budget could support approx:
 - \$1.5M Bond
 - Assumptions: 5% interest rate, 30 year term, level debt service

Current Debt Service vs. Total Debt Ceiling

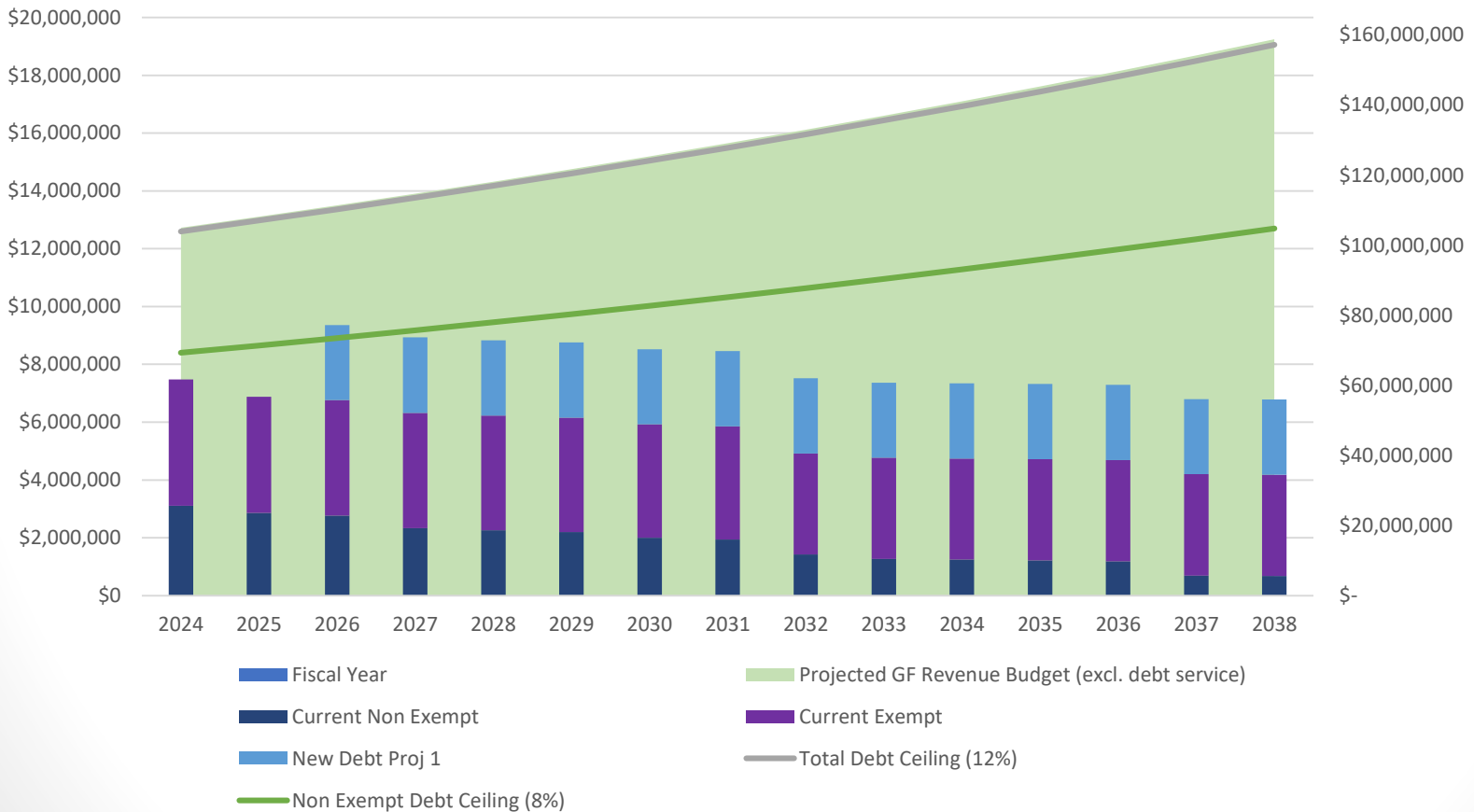
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 1
- \$40M cost, payments starting FY2026

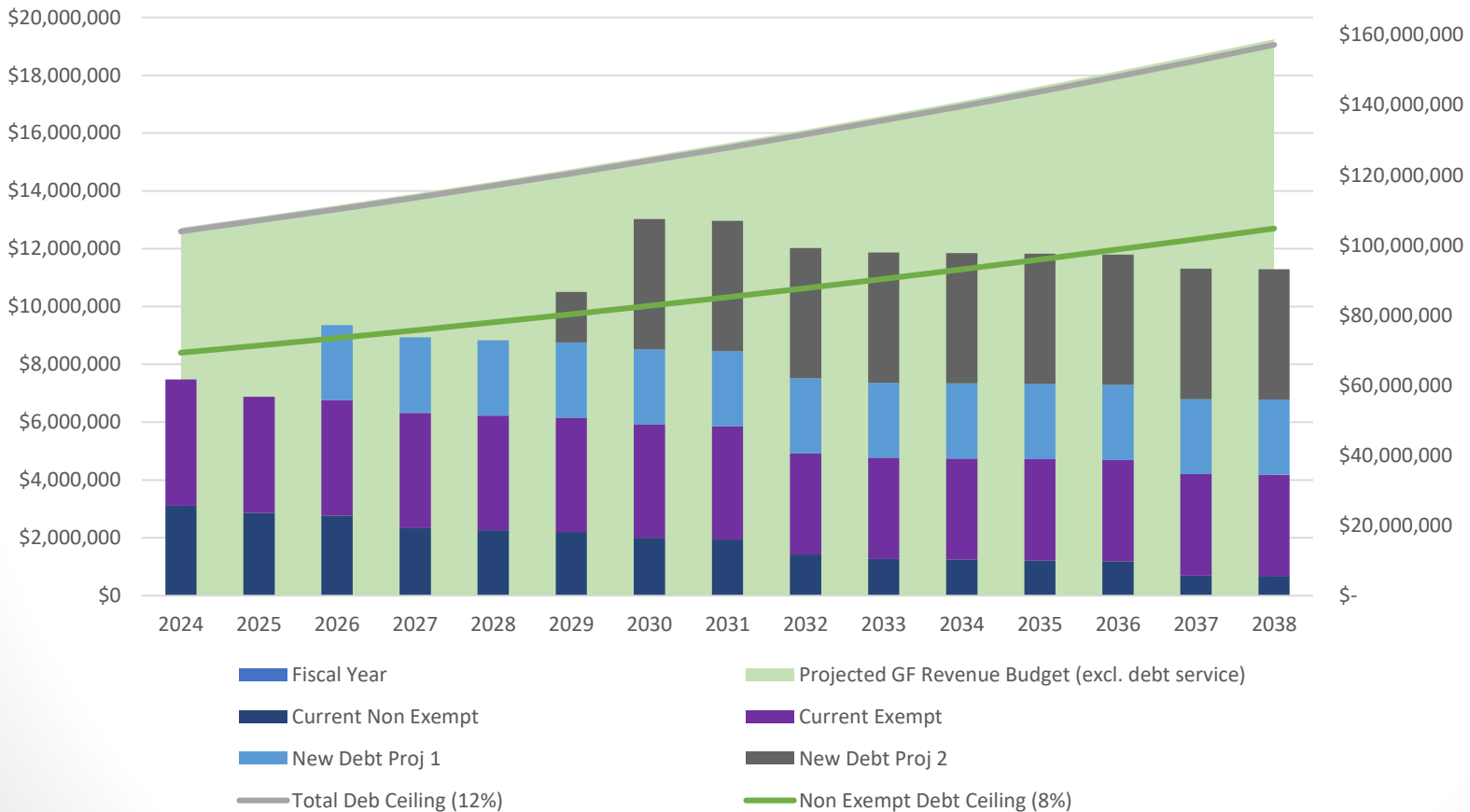
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 2
- \$70M cost, payments starting FY2029

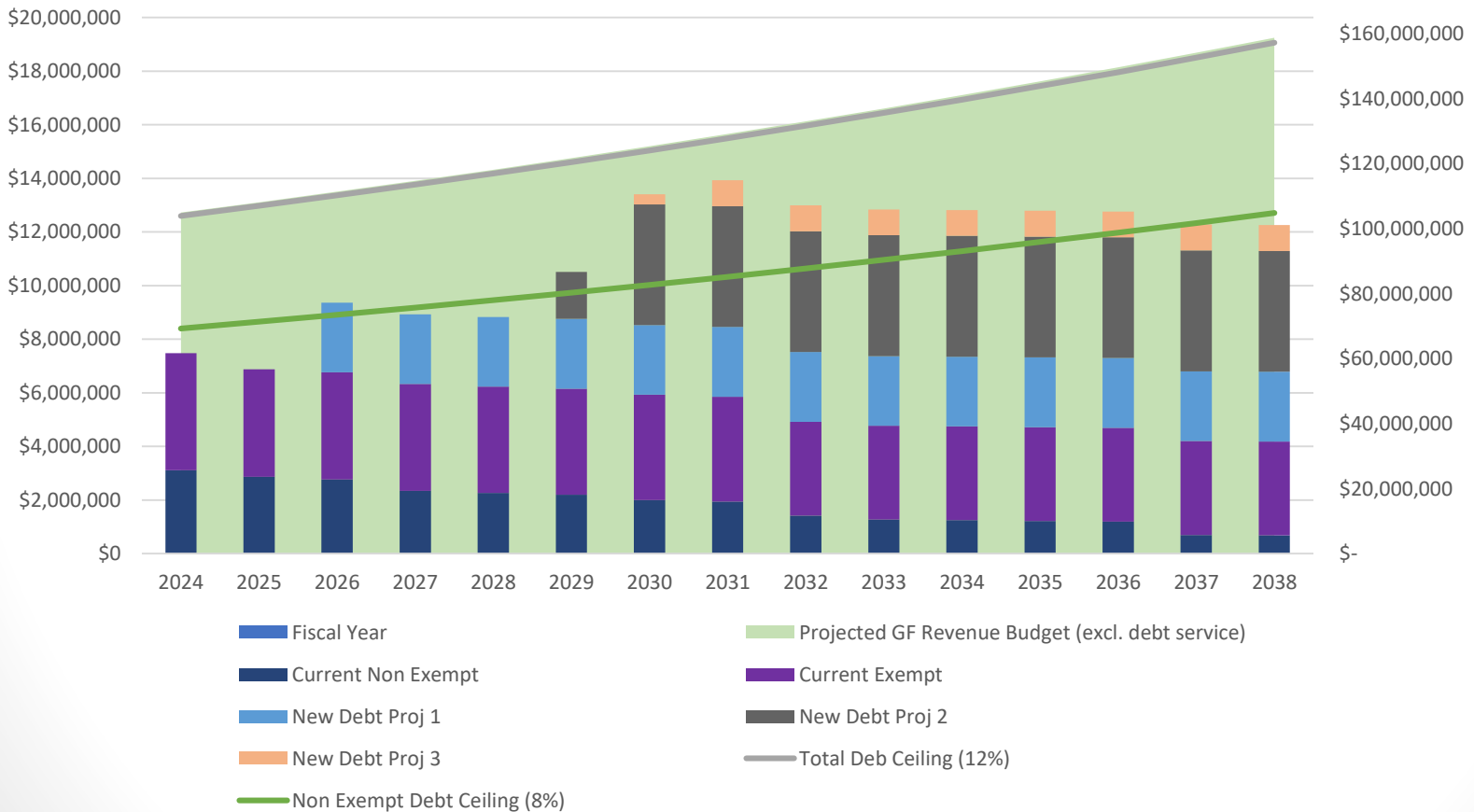
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 3
- \$15M cost, payments starting FY2030

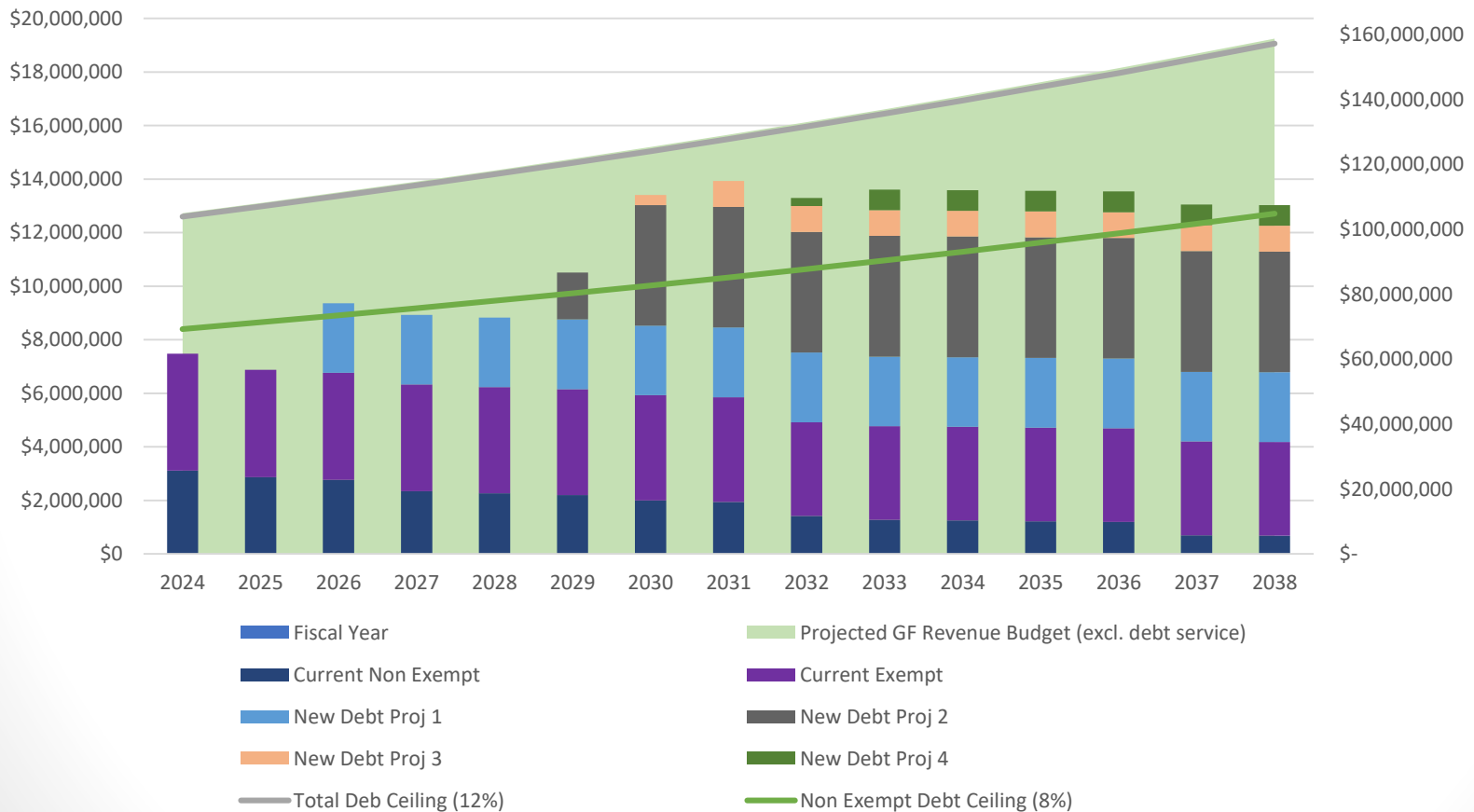
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)

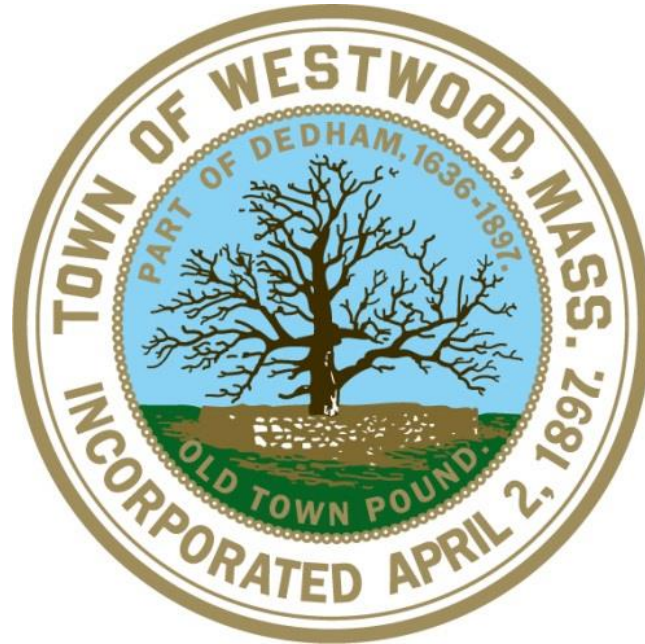


Projected Debt Service vs. Debt Ceiling

- Includes Example Project 4
- \$12M cost, payments starting FY2032

Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)







Long Range Financial Planning Committee Update to FinComm November 15, 2023

Robert Gotti
Select Board Secretary/
Chair of Long Range Financial Planning Committee

Long Range Financial Planning Committee

- Originally formed in 2003, was dissolved in 2019
- Reinitiated in June of 2022
- Group was formally appointed October 24, 2022
- First meeting held in February of '23
 - Original plan was to meet quarterly, given long range nature of discussions
 - Changed to monthly in order to study and provide guidance on a few timely issues related to the broader long-term list of projects

LRFP Committee Members

Appointed voting members

- Robert Gotti (Chair & Select Board Rep.)
- Julianne Bride
- Nancy Hyde (Board of Assessors Rep.)
- Nancy James
- Melissa McDonagh
- Paula McLaughlin
- Chris Pfaff (Planning Board Rep.)
- Maya Plotkin (School Committee Rep.)
- Phil Shapiro (Treasurer)
- Paul Tucceri (Tax Collector)
- Dan Weller
- Skip Wells

Ex-Officio Members

- Pat Ahearn (Town Council)
- Chris Coleman (Town Administrator)
- Molly Kean (HR Director/ATA)
- Todd Korchin (DPW Director)
- Nora Loughnane (Economic Development)
- James McCarthy (Facilities Director)
- Stephanie McManus (Budget Director/ATA)
- Eliajah Romulus (Town Planner)
- Tim Piwowar (Superintendent)
- Lemma jn-Baptiste (School Budget Director)

Committee Mission

The mission of the Long Range Financial Planning Committee is to provide thoughtful input to the Select Board on both the prioritization and timing of major projects to address the long-term needs of the community while balancing the tax impact on the residents.

Major Projects

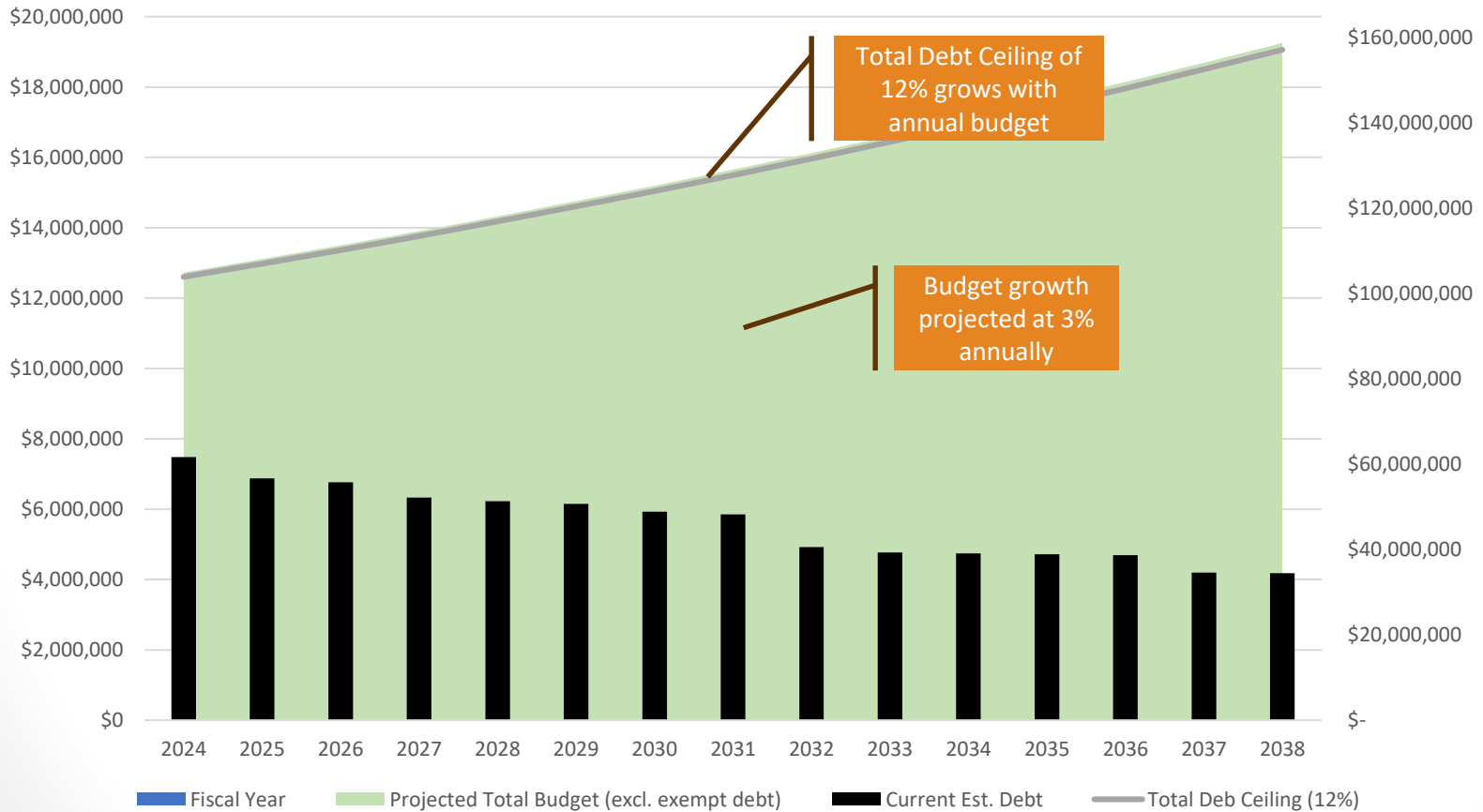
- Community Recreation Center
- Town Hall Renovations
- Fire Station One
- Sheehan School
- Hale Conservation Restriction
- DPW Facility (DPW Garages, DPW break area, etc.)
- Gay Street Sidewalk
- Sewer Maintenance Facility

Facilities study

- During the Oct. 24, 2023 LRFP Committee meeting it was unanimously voted to recommend to the Select Board that we conduct a comprehensive facilities study of both Municipal and School buildings
 - Goal of assessing both extent & urgency of needs as well as better informed sense of cost
- Select Board approved using \$500,000 of unrestricted ARPA funds to conduct this study
 - School portion of study allows Superintendent & School Committee to discuss needs and options in the context of their vision for educational and learning environments
 - Municipal portion allows Town Staff and Select Board to assess needs and creative options for fulfilling those needs

Current Debt Service vs. Total Debt Ceiling

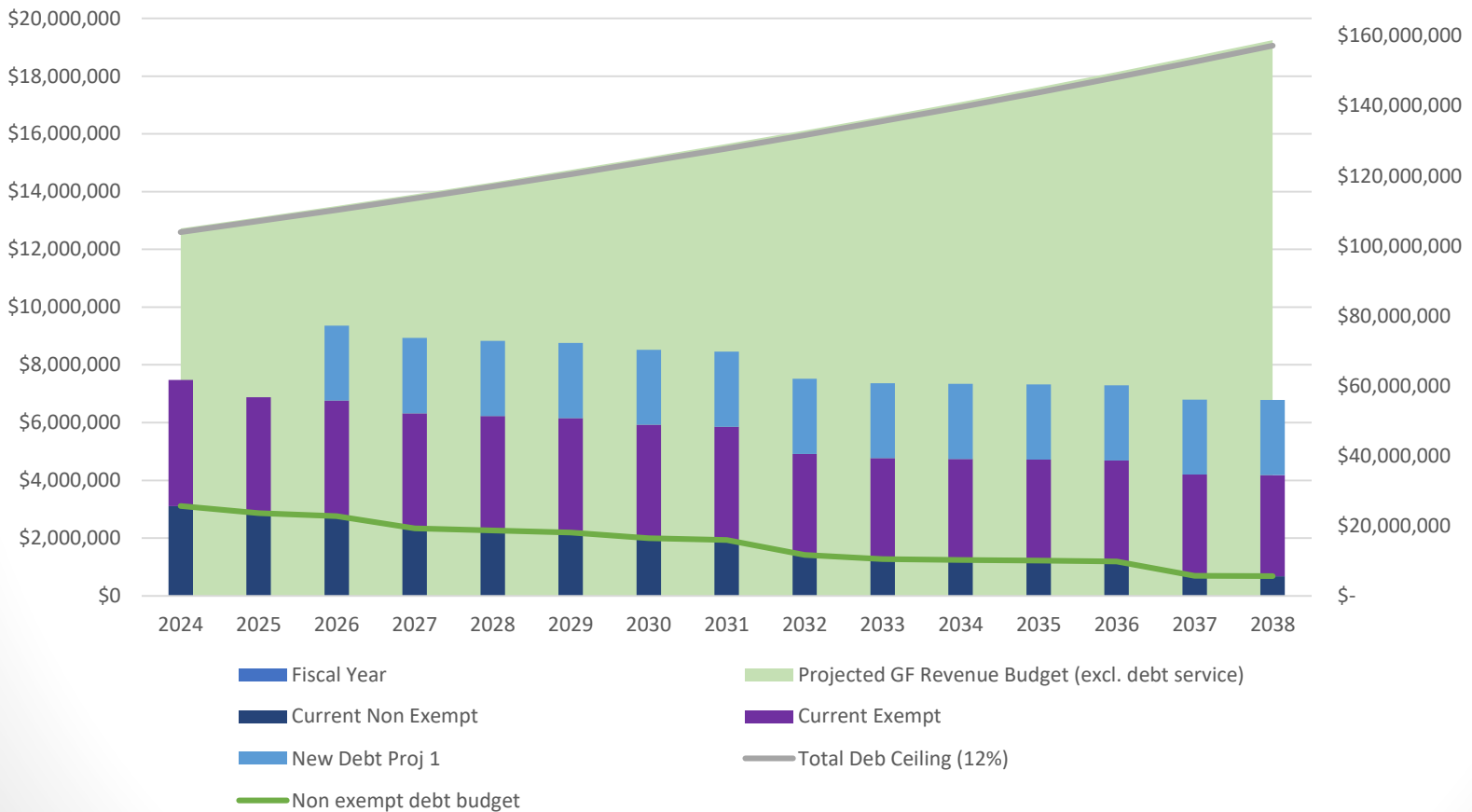
Westwood Projected Debt Service vs. Total Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 1
- \$40M cost, payments starting FY2026

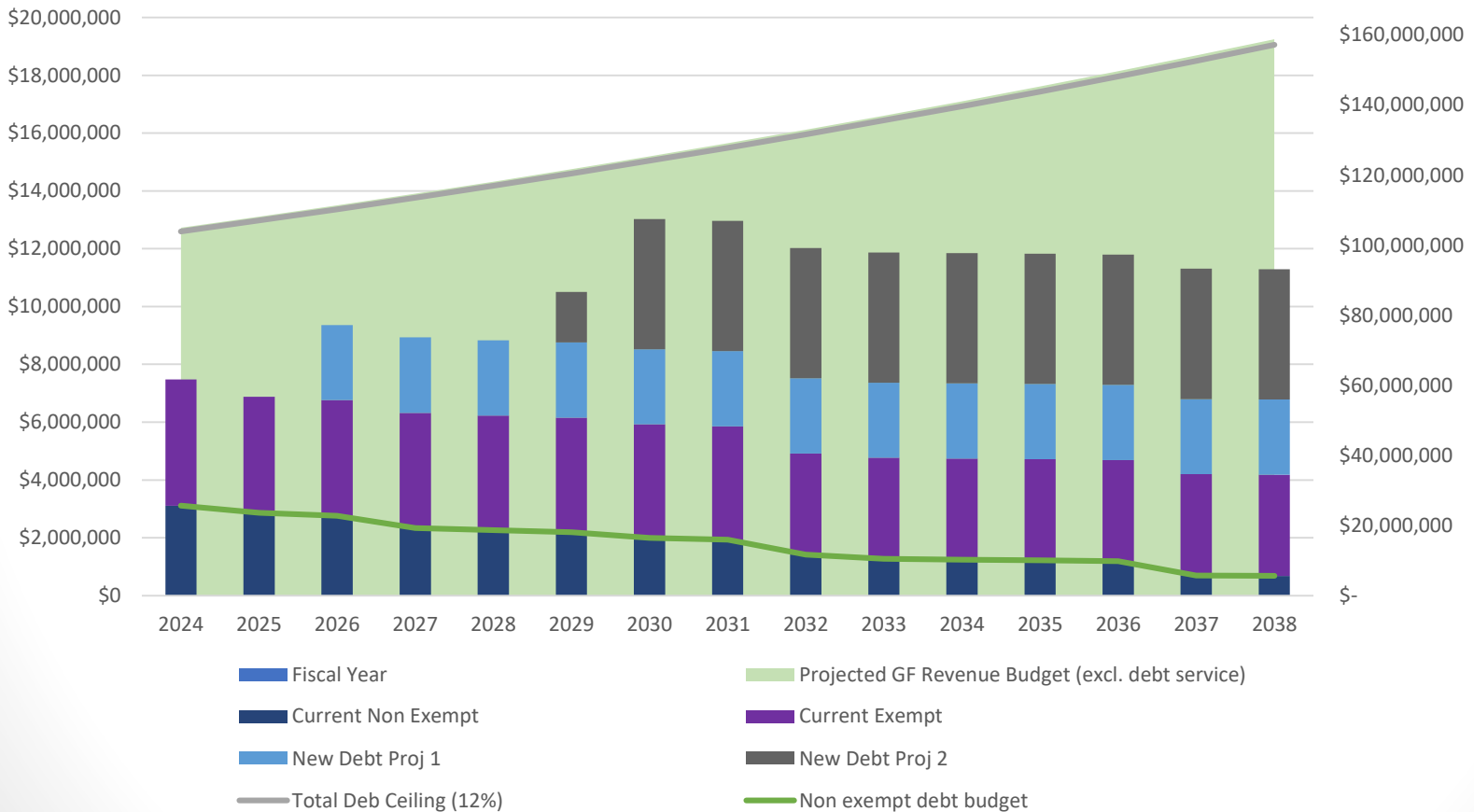
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 2
- \$70M cost, payments starting FY2029

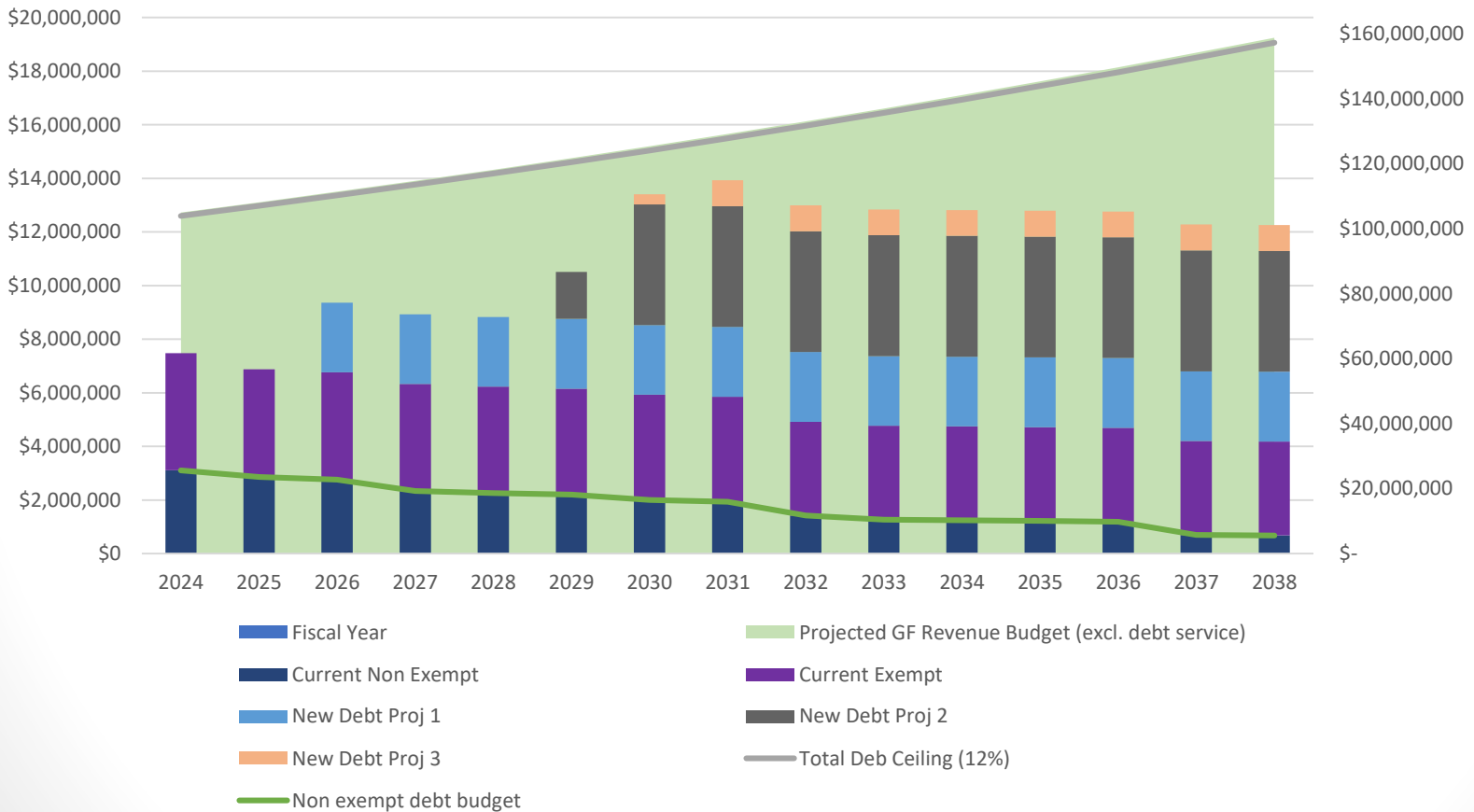
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 3
- \$15M cost, payments starting FY2030

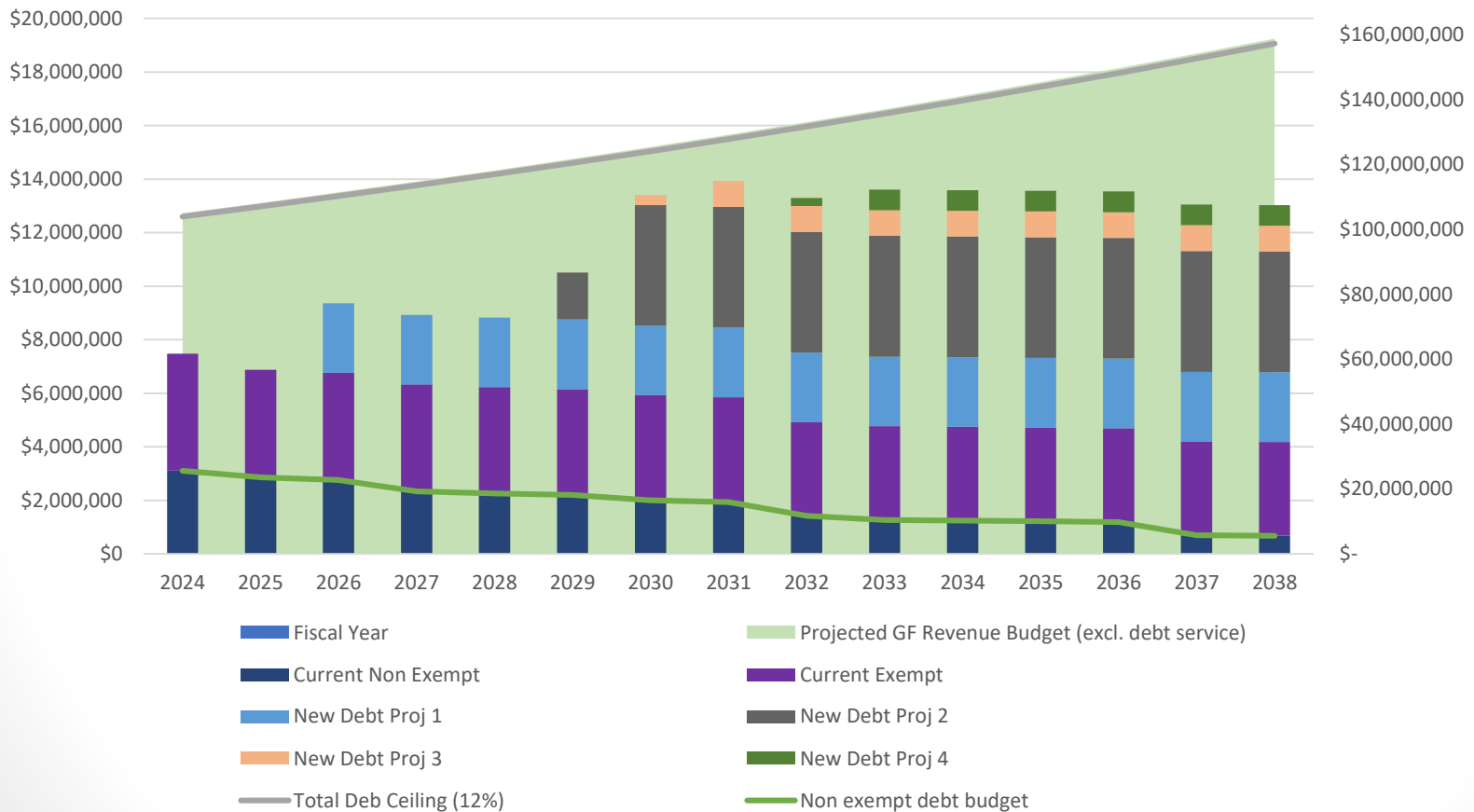
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

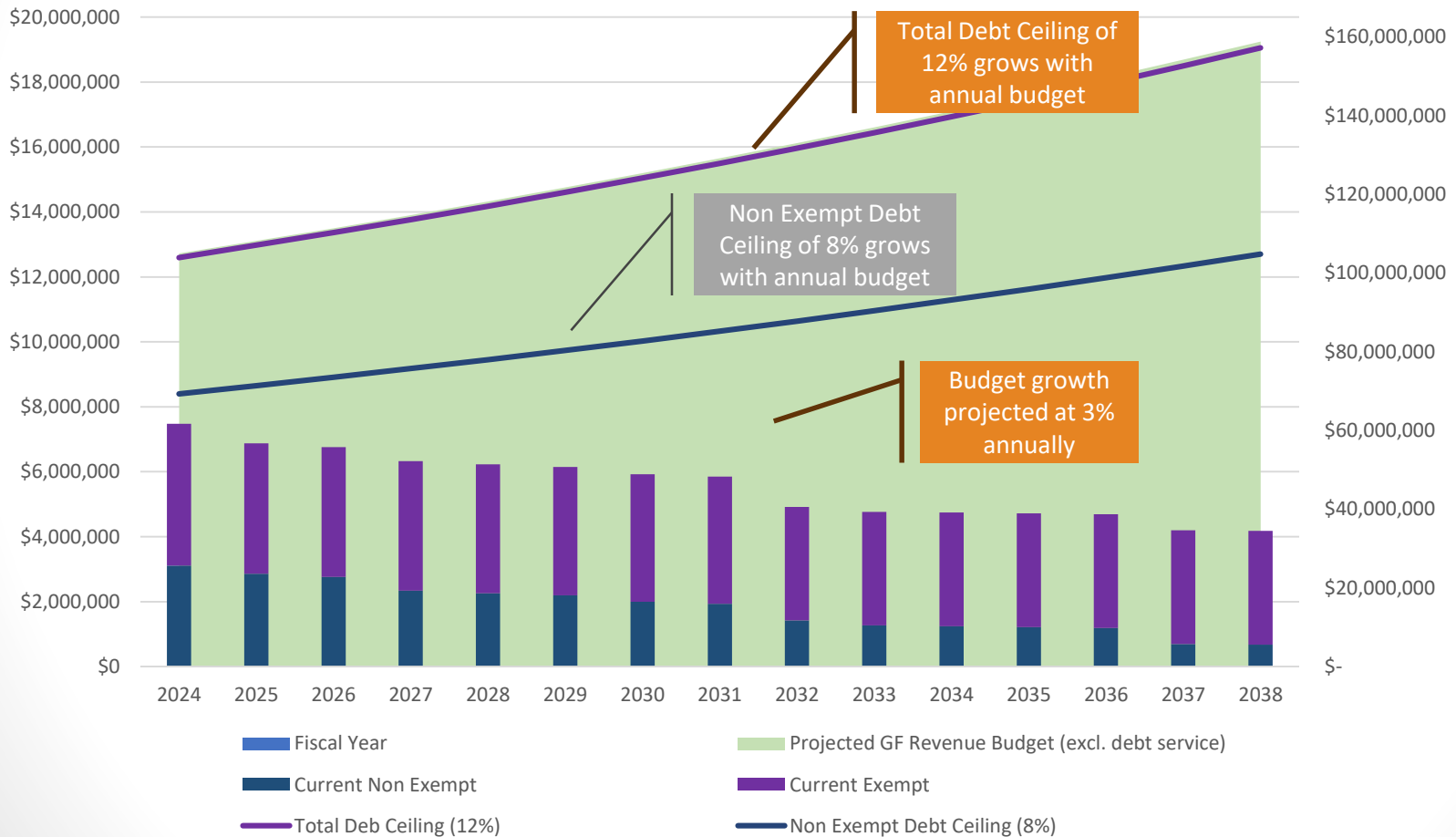
- Includes Example Project 4
- \$12M cost, payments starting FY2032

Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Current Debt Service vs. Total Debt Ceiling

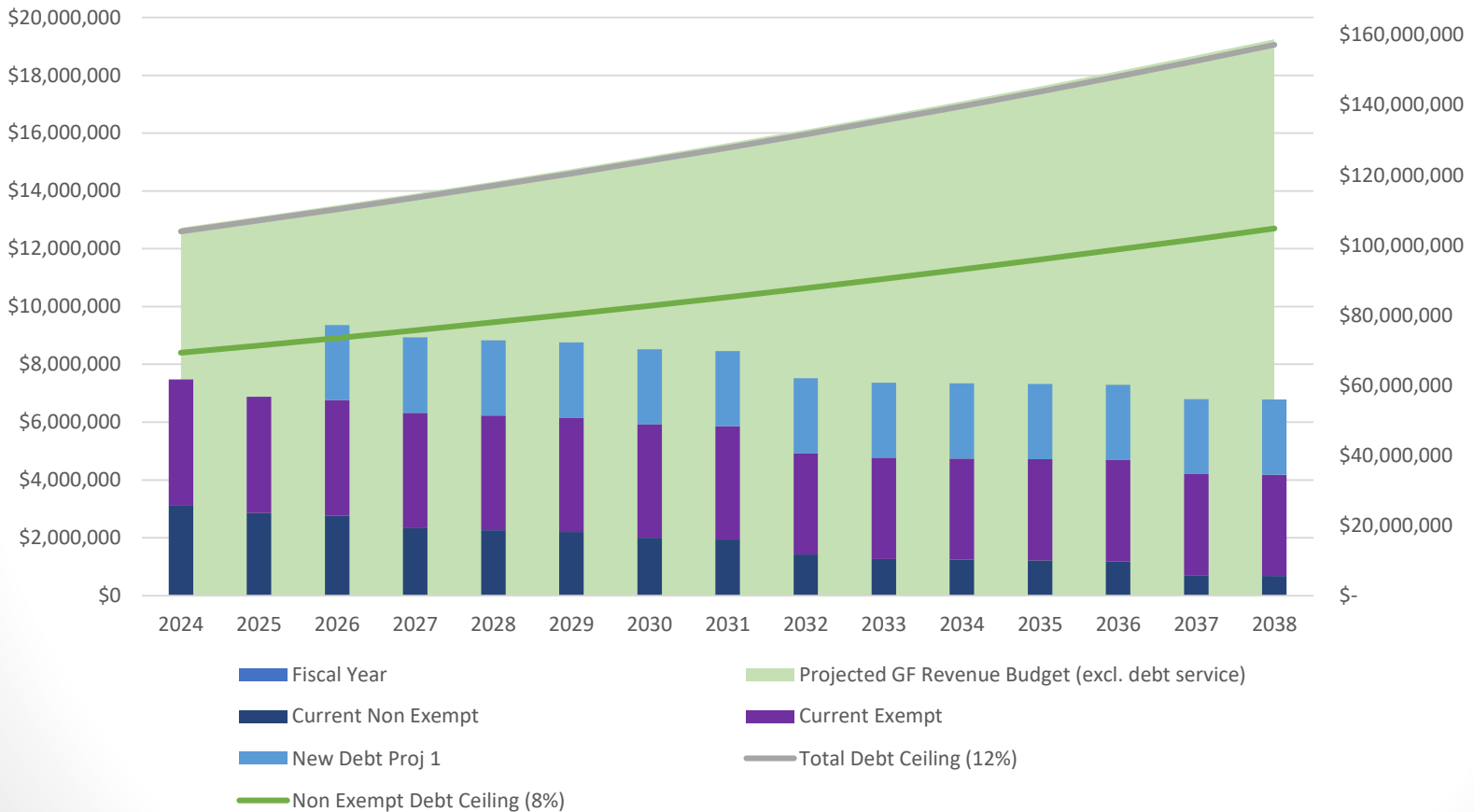
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 1
- \$40M cost, payments starting FY2026

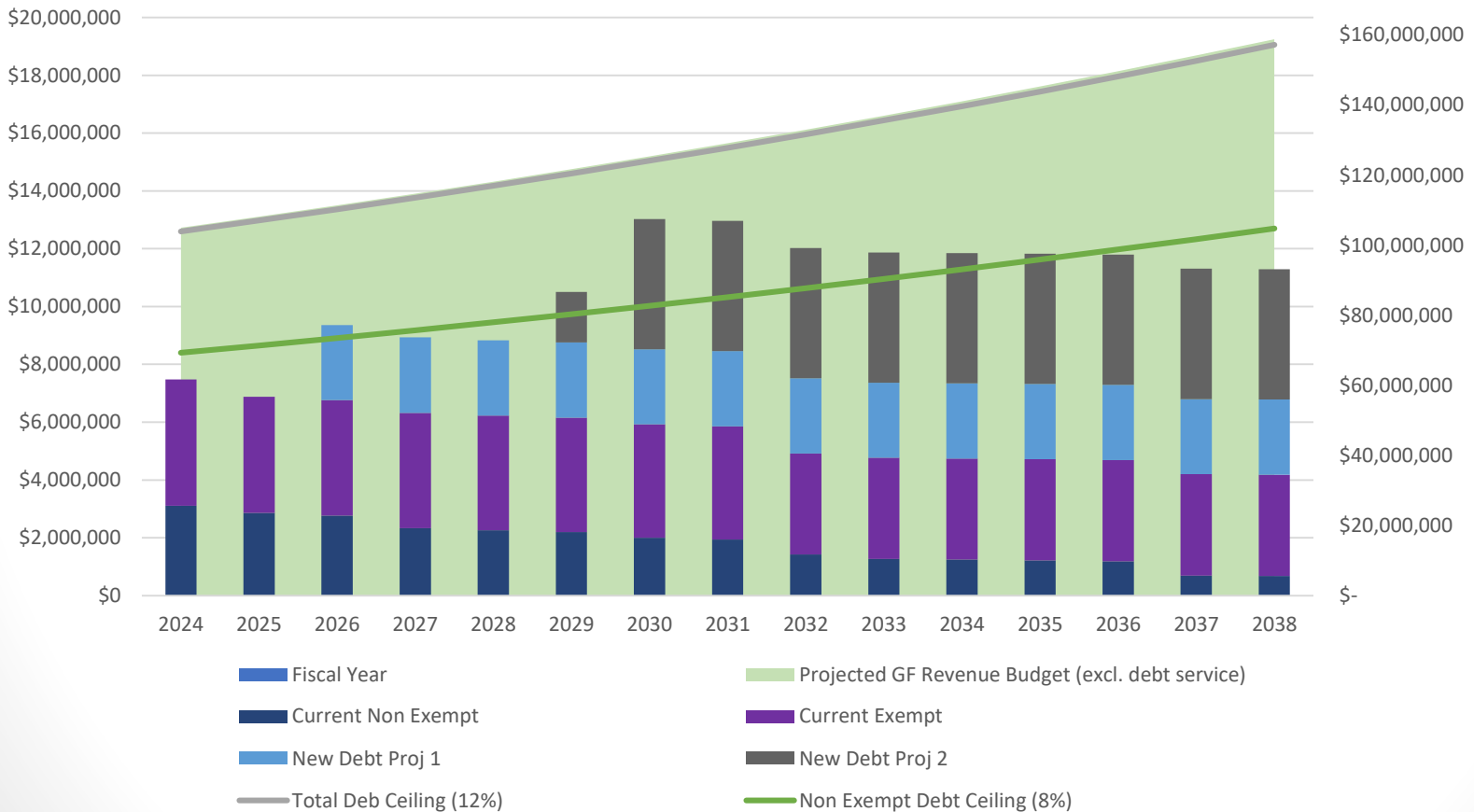
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 2
- \$70M cost, payments starting FY2029

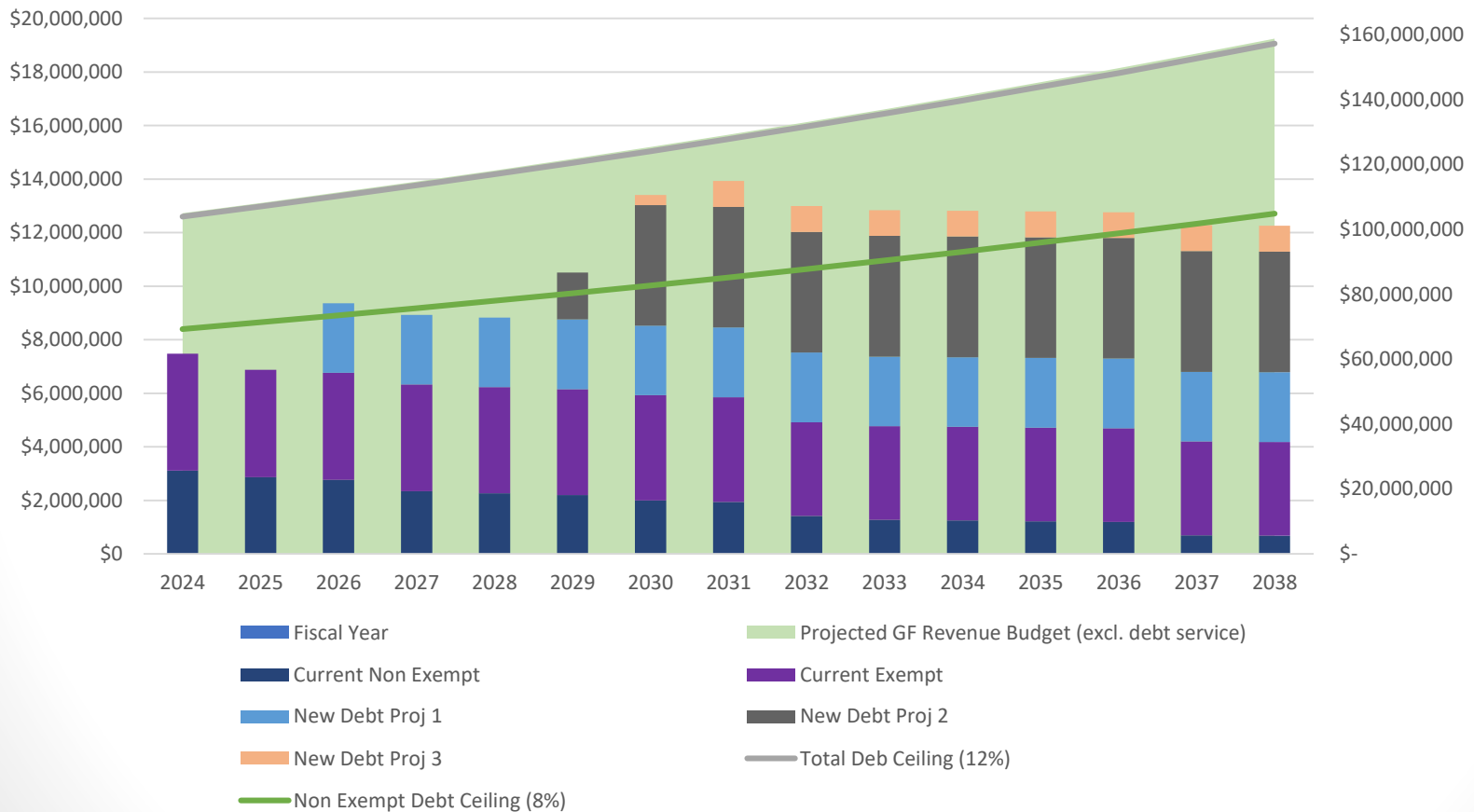
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 3
- \$15M cost, payments starting FY2030

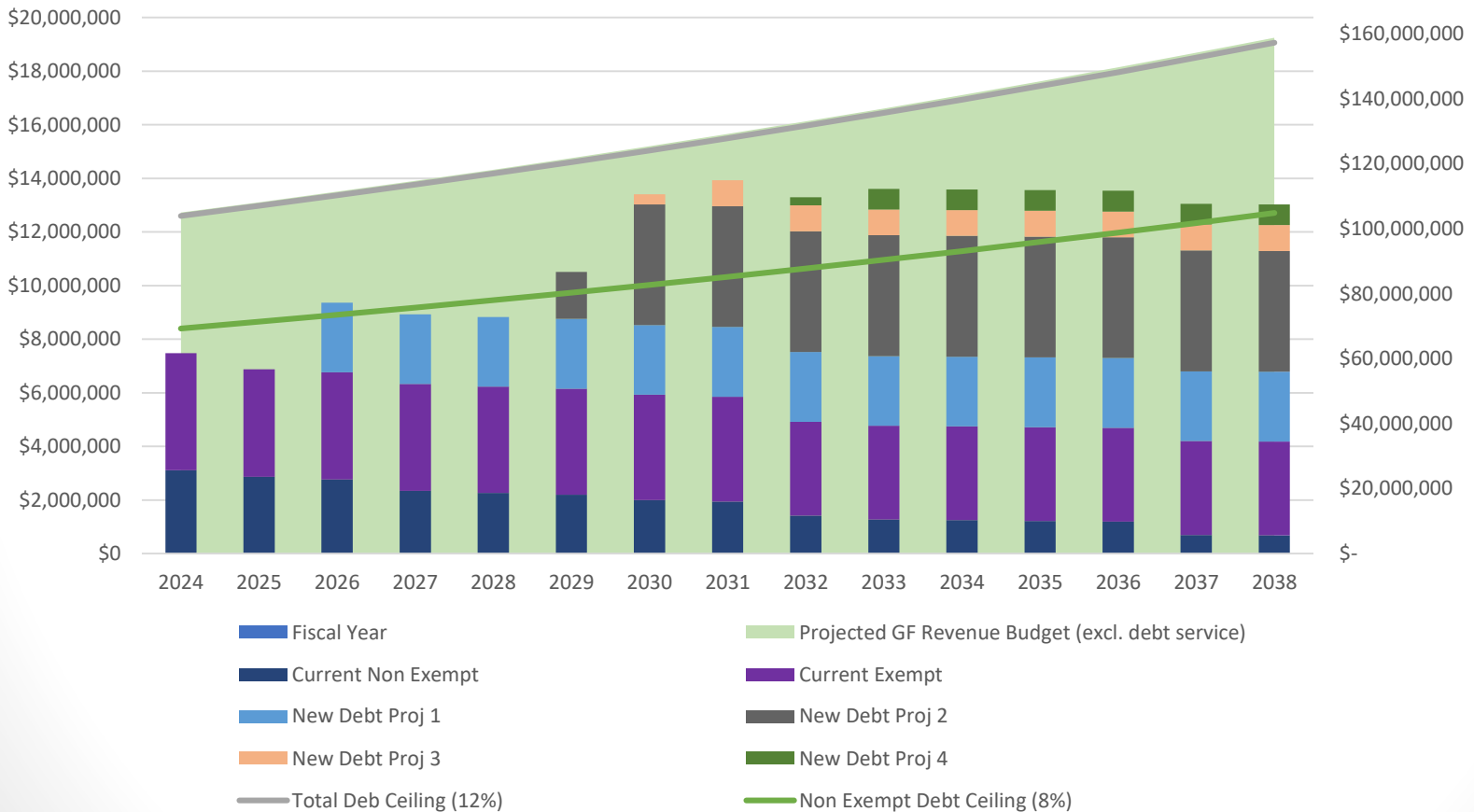
Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)



Projected Debt Service vs. Debt Ceiling

- Includes Example Project 4
- \$12M cost, payments starting FY2032

Westwood Projected Debt Service vs. Debt Ceiling
(per Financial Policies)





Westwood Finance and Warrant Commission

Tuesday, October 10, 2023

IN PERSON

7:00 PM

Meeting Minutes

Finance Commission Chairperson George Hertz called the meeting to order at 7:01 PM.

Chairperson Hertz then granted permission to Westwood Media Center to film and record the meeting for future viewing. The Chair mentioned the meeting is not livestreamed tonight due to Planning Board having their meeting at the same time as FinCom. The meeting was moved to Tuesday, October 10th due to Monday being a holiday and to accommodate the Select Board's schedule.

Finance and Warrant Commission members who were present: William Bruce Jr., John Carey, James Ferraro, Lauren Fitzpatrick, Seth Frederickson, Mike Gay, George Hertz, Angeila Hughes, George Laham, George Maroun, Kristina Patyjewicz, Christopher Poreda and Alex Yale.

He then welcomed all participants, members, presenters and members of public and press to the FinCom October 10, 2023 meeting.

Afterwards, Chairperson Hertz led members in the Pledge of Allegiance.

The Select Board also called their meeting to order at 7:03PM.

The Finance Commission administrator, Ms. Wong then called the ROLL.

Members were provided with the final agenda and all other related materials prior to the meeting.

Prior to the evening presentation, Chairperson Hertz made some introductory comments:

- He welcomed the newest member, Seth Frederickson and thanked the Town Moderator for providing a skilled group of people to serve as volunteers on the Commission.
- Mr. Frederickson introduced himself with a brief background. The Chair mentioned Mr. Frederickson will have the opportunity to meet each individual member of the Commission and will serve on the Education Sub-committee this year.

The Evening's Presenters:

- Marianne Le Blanc Cummings [Select Board Chair], Stephanie McManus [Asst. Town Administrator/Finance Director], Members of the Select Board – Town Status and Budget Update

The Chair introduced the evening's first presentation. Ms. Marianne Le Blanc Cummings [Select Board Chair], Stephanie McManus [Asst. Town Administrator/Finance Director], and Members of the Select Board were present. Ms. Cummings spoke briefly about her history with the Commission. Additionally, she mentioned it has been a pleasure working with Mr. Hertz and Mr. Ferraro while serving under FinCom and then welcomed the newest member, Mr Frederickson. Ms. Cummings also stated she understood the importance of FinCom's role, the process including the timing of warrant articles and the amount of work that the Commission needs to do before the Annual Town Meeting.

Then she invited Ms. McManus to join her at the table. Ms. McManus and Ms. Cummings presented the following topics: general overview of Town's financial policies and municipal finance, Town's budget cycle, FY25 Budget Overview and Timeline, timeframe when other budget and finance documents will be available, FY23 Year End Review, overview of free cash, FY23 Revenue, Tax Levy calculation per Prop 2 ½ (FY24 Budget), General Debt overview, Debt Management within Prop 2 ½, Current debt status as of June 30, 2023, Capital planning process and the next steps in the budget cycle.

After their presentation, Ms. McManus answered members' questions. One member requested Ms. McManus if she can forward the budget vs actual report covering July 1st to Dec 31st to FinCom. Ms. McManus will send this information to the Commission. Chairperson Hertz thanked Ms. Cummings and McManus for presenting and for their time in attending the meeting.

- Tim Piwowar [WPS Superintendent], Tony Mullin [School Committee Chair], Members of the School Committee- Introduction and Informational Update on WPS

The Chair introduced the evening's final presentation. Tim Piwowar [WPS Superintendent] and Tony Mullin [School Committee Chair] were present. Chairperson Hertz welcomed Mr. Piwowar to the Town of Westwood and welcomed Mr. Mullin for attending the meeting. Mr. Piwowar mentioned he will be presenting a formal preview of the FY25 with the School Committee on Thursday night, Oct 12th and will share his PowerPoint slides with FinCom afterwards. Then he talked a little bit of his background. Mr. Piwowar pointed out that he is currently going through his entry planning process where he is meeting with as many people in the community as possible to identify the School's strengths and challenges. He will be sharing his entry planning report with the School Committee at their November meeting. Afterwards, Mr. Piwowar highlighted a few key topics related to the School's status. The topics included in

part challenges in developing the FY25 budget and the hiring of a new Director of Student Services. Moreover, Mr. Piwowar gave a quick update on the School's capital project planning process which included Pine Hills Elementary School opening next February.

Mr. Mullin added there is a lot of excitement building up in the Westwood Public Schools due to the MCAS coming up and two school curriculums coming together. He also shared that even though there has been a high turnover of staff during the pandemic, the School is in a good position with a new Superintendent. Mr. Piwowar stated he met a lot of people who moved to Westwood because of its strong school system.

Chairperson Hertz thanked Mr. Piwowar and Mr. Mullin for presenting an excellent overview of the School update. A Q&A took place after the presentation. Later, the Chair echoed that he has met families that shared stories of how Town of Westwood has such a great school system.

Furthermore, Chairperson Hertz commented it will be a challenging year on the capital side for both Municipal and the School due to a significant amount of demands for funding many needed capital projects. The Chair thanked Mr. Piwowar and Mr. Mullin again for their time and mentioned he is looking forward to working with Superintendent Piwowar and the School Committee. He also stated that Mr. Bruce will be chairing the School Subcommittee.

Members Discussion:

Chair's Update -

- ❖ Chairperson Hertz clarified the overtime funds for the Fire Department authorized by the Select Board will be used to staff nine firefighters. The goal number of 11 firefighters is to be decided by the Select Board for FY25.
- ❖ The Chair stated the Budget Steering Committee had their first meeting. He thought the meeting was very effective in which both the Municipal and the School are working together to address their issues. The second Budget Steering Committee meeting will be held early November.
- ❖ Lastly, he mentioned the subcommittees will have the same structure as last year. This year, there will be three new members chairing the subcommittees. Each subcommittee will be working hard in understanding budgets and issues brought before the Commission.

Vice Chair's Update –

- ❖ Vice Chair Poreda stated the Town Clerk clarified if a member who missed a meeting and wishes to vote to approve the meeting minutes in the next meeting, they will need to fill out the Confidential of Evidential Review form related to the Mullin Rule. Chairperson Hertz asked if the Mullin rule applies for a member who reviewed all the materials and wishes to vote for a warrant article at a Public Hearing. Town Counsel who was present at the meeting stated that if the member only missed one meeting and they confirmed they reviewed all the relevant material then they would be allowed to participate in voting the warrant article.
- ❖ Mr. Poreda shared that a number of the FinCom members attended the Canton Street Reconstruction Meeting and then gave a little background information about the meeting. He thought Mr. Todd Korchin (Director of DPW) did a great job at defusing the tension at the meeting and for making the meeting very productive. Moreover, Mr. Korchin will be meeting with the State in the morning of Oct. 23rd and presenting the results to the Select Board the same night. Vice Chair Poreda brought up the Canton Street Reconstruction Project because the reconstruction may bring forth a warrant article.
- ❖ Vice Chair Poreda indicated there is no update on the Hale conservation restriction because there is no new news.
- ❖ One member commented on the Canton Street Reconstruction Project and shared his feedback on how he thought residents feel about the project. Vice Chair Poreda explained that FinCom voted in favor of recommending the town approve funding for the initial design of the project. He noted that many people understood the project to only be a sidewalk while it was always a reconstruction of the street. With State and Federal funding, the project is more than just one sidewalk on one side of the street. Chairperson Hertz added that Mr. Korchin did an excellent job in his efforts to secure all possible state and federal funding for then project. Then the Chair stated that Commission will wait to see what happens after Mr. Korchin's meeting with the State.

Old Business:

Chairperson Hertz mentioned the FinCom onboarding document is about 99.9% complete. He confirmed with Ms. Wong that they are only waiting to update the town organizational chart. After the draft is finalized, he would like to share the document with the Select Board. The Chair pointed out that Ms. Wong and Vice Chair Poreda put in a tremendous amount of work into the

document. Additionally, the document is designed for recruiting new members and to show the town residents how the Commission operates.

Next, he informed members the Commission will be shifting their meetings to Zoom until the public hearings and public meetings in the spring in preparation for town meeting. The Chair wanted to accommodate members with their busy schedules and provide some flexibility.

Chairperson Hertz asked if there were any objections from the members. There were no objections.

Members were asked to review and approve the meeting minutes for September 06, 2023. A motion was offered and seconded. A ROLL call took place. Nine members approved the minutes. Four members abstained. Two members were not present for the vote.

Chairperson Hertz asked if there were any questions from the Public and the Press.

- ❖ First resident believed the Commission has a misunderstanding of how the Canton Street Sidewalk warrant came about. She then provided a brief background of the Canton Street Reconstruction Project. The resident also expressed her concerns that the Town needs to be more transparent in what is brought forth to FinCom and the Annual Town Meeting. The resident asked if the money hasn't been spent for the Canton Street Sidewalk Project under debt authorized.. Ms.McManus stated the project has been issued a short term bond. Vice Chair Poreda reiterated that the Town has borrowed the money for the project and the money has been paid to TEC but it hasn't been put into a long term financing. Ms McManus pointed out that each fiscal year the Town spends money on a specific project and the Town is required to borrow that funding within a certain time period. She also stated that the Town is all within the guidelines.
- ❖ Second resident seconded the first resident's concerns. She also thanked the Commission for all of their hardwork. Then she brought up residents' desire to keep the Canton Street sidewalk as rural like scenery instead of reconstructing the street into an urban setting. Chairperson Hertz clarified that FinCom members are not allowed to participate in the Long Range Financial Planning Committee. The Town Charter does not allow FinCom Members to serve on any other committee. Nevertheless, the Chair said the Commission will watch closely on the financial side for whatever recommendations is brought forth to the Commission.
- ❖ Third resident thanked the Commission for listening to their comments and concerns. She shared that residents and herself only want the Town to be aware of their concerns.

Chairperson Hertz told the residents that their voices have been heard. Then he thanked them for their comments and for attending tonight's meeting..

The Select Board adjourned their meeting at 8:36PM.

As the Chair was about to adjourn the meeting, the Town Counsel stated that for in person meetings, a roll call was not needed and a general vote is acceptable. The Chair thanked

members for attending and asked for a motion to adjourn. A motion was offered and seconded. Members who were present all raised their hands in favor to adjourn the meeting.

Meeting Adjourned at 8:36PM

For a complete video of the 10/10/23 FinCom meeting please see the following link:
<https://westwoodmediacenter.tv/>