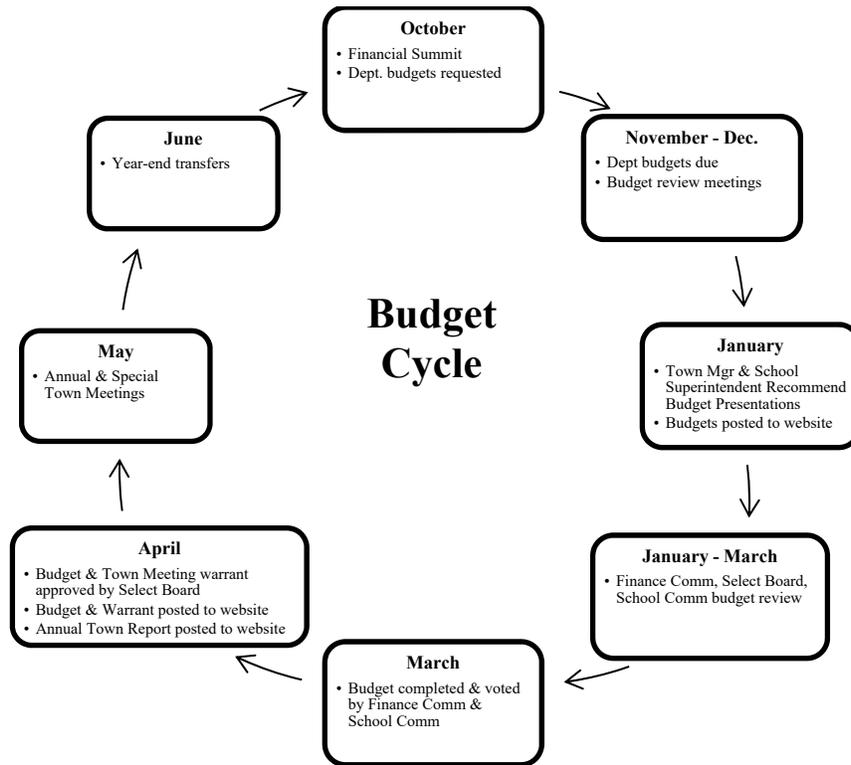


OVERVIEW OF THE TYPICAL ANNUAL BUDGET PROCESS



The process of preparing the annual budget takes place over a period of several months each year.

October – A financial “summit” is held, which is a meeting between the Select Board, School Committee, and Finance Committee to review a series of financial indicators providing data about the Town’s financial condition and discuss the challenges of the upcoming budget cycle. This meeting is open to the public. A summary of the financial indicators can be found below.

November and December – Departmental budgets are submitted to the Town Manager. Meetings are held between the Town Manager, Finance Director and department managers, to which Finance Committee liaisons are invited, to discuss the details of the budget requests.

January – The School Department statutorily is required to hold a budget hearing for their budget. The hearing was held much earlier than in previous years in order to allow public feedback. While the Select Board is not required to hold a budget hearing, they have done so similarly in order to allow public feedback before the budget is finalized. Weekly meetings of the Finance Committee commence to review each department’s budget and continue in February and March. These meetings are all open to the public.

March - By the end of March, the Finance Committee and School are ready to vote on the budget they will recommend to the Select Board.

April – The Select Board votes on the budget they will recommend to Town Meeting for approval. In addition, they vote to approve the “warrant” or agenda of all items to be considered for approval by Town Meeting, including the annual operating budget, capital spending requests, Community Preservation Act (CPA) spending requests, and any general bylaw, zoning bylaw changes, or other matters to be considered.

Annual Town Meeting is held each year on the first or second Monday evening in May and generally takes between one to three evenings to complete.

WHAT IS TOWN MEETING?

The legislative body of the Town of Weston is an Open Town Meeting comprised of all registered voters. Town Meeting has the sole authority to appropriate funds for the operating budget and capital projects except for specific instances where appropriation is not required by law. Approval of most spending requires a simple majority vote in favor, but capital projects, if they involve borrowing, must be approved by a two-thirds majority.

HOW IS THE BUDGET AMENDED?

Any amendments to appropriations, including any amendments to the overall budget, require approval by Open Town Meeting vote at either a regular or Special Town Meeting. The procedures for Town Meeting are specified in the Town of Weston General Bylaws. The Select Board may vote to transfer funds between budgeted line items without amending the budget by Town Meeting vote.

HOW ARE TAXES CALCULATED?

In Weston, the tax rate is a function not only of the total revenues to be raised by real estate taxes (Levy Limit), but also levy exclusions and the contribution to the Community Preservation Act (CPA) surcharge:

$$\text{Weston's Annual Tax Levy} = \text{Levy Limit} + \text{Exclusions} + \text{CPA}$$

What is a Levy Limit?

Proposition 2 ½ was enacted in 1980 to limit the reliance on the property tax and give the voters a greater say in approving property tax increases. With inflation and the cost of living routinely pushing the cost of government beyond 2 ½ % increases, the legislature provided voters the authority to approve increases greater than 2 ½%, enabling them to consider and determine what kind of community they want and can afford.

A general override to Proposition 2 ½ supports the operating budget and requires a majority vote by ballot at the Town Election to pass. Since 1980 the Select Board has recommended a general override fifteen times and voters have rejected to do so only once, in 1998. Town leaders are mindful of the tax burden and do everything possible to avoid or limit increases while maintaining essential services.

There are two components to the law:

1. A levy ceiling, or the maximum levy limit, is 2.5% of the full and fair cash value of taxable real and personal property, as determined by the Town's assessors. This changes as properties are added or removed from the tax roll and as market values change, but Weston's Annual Tax Levy cannot exceed the Levy Ceiling.
2. The levy limit for a particular year is calculated by increasing the previous year's limit by 2.5% and adding certified new growth and overrides. The new limit cannot exceed the levy ceiling.

$$\text{The Levy Limit} = \text{Prior Year Levy Limit} + 2.5\% + (\text{voter approved override}) + \text{New Growth}$$

New Growth includes the additional property tax from new construction and additions to properties, exempt real property returned to the tax roll, and new personal property. Although new growth is incorporated into the

levy limit calculation, Weston has historically not included projected new growth in revenue calculations for the current year, which results in a more conservative outcome.

This then becomes the base for calculating the levy limit for the next year. The town's actual levy can be any amount up to the limit. If in one year, the levy is below the limit, the levy increase in the following year could not exceed 2.5%. The difference between the levy and the levy limit is called the excess levy capacity. Currently, Weston's excess levy capacity is \$11.5 million.

What are Exclusions?

Taxpayers may vote to fund debt for projects and choose to exclude these payments from the calculation of the levy limit and, therefore, from the base upon which the levy limit is calculated for future years. Unlike overrides, these Debt Exclusions or Capital Outlay Expenditure Exclusions are temporary increases to the tax levy, lasting the life of the debt or the duration of the capital project.

Exclusions require a majority vote on the ballot and may increase the levy above the levy ceiling. Weston has approved a number of debt exclusions and no capital outlay expenditures, because money for capital projects is typically borrowed.

What is the Community Preservation Act (CPA) Surcharge?

In 2002, Weston voters approved the adoption of the State's Community Preservation Act (MGL Chapter 44B), which authorizes the Town to charge 3% (after \$100,000 assessment exemption) quarterly on top of the tax payment. Thus:

$\text{Funds for the Community Preservation Act Surcharge} = (\text{New Levy Limit} + \text{Debt Exclusions}) \times 3\%$

This money is matched, in part, by the State for the purpose of enabling cities and towns to fund the acquisition and preservation of open space, the creation and support of affordable housing, and the acquisition and preservation of historic buildings and landscapes.

The adoption of the CPA reflects the value Weston citizens place on these issues and has enabled the town to maintain the rural character and mix of housing that has defined the Town. To learn more about the CPA in Weston, visit westonma.gov

The Community Preservation Committee is charged with studying the needs, possibilities, and resources of the Town regarding community preservation and with making recommendations to Town Meeting regarding the appropriation of CPA funds.

WHAT BASIS OF ACCOUNTING IS USED BY THE TOWN?

The regular method of accounting used by the Town of Weston is the Uniform Massachusetts Accounting System (UMAS). This accounting system is prescribed by the Commonwealth of Massachusetts' Department of Revenue for local government entities and is intended to demonstrate compliance with state statutes and local near-term decisions (e.g. the budget). This system prescribes the use of the modified accrual basis of accounting, which is the basis used by all governmental fund types. Modified accrual accounting combines accrual-basis accounting with cash-basis accounting and recognizes revenues when they become available and measurable and recognizes expenditures when liabilities are incurred. This system divides available funds into separate entities within the organization to ensure that the money is being spent where it was intended.

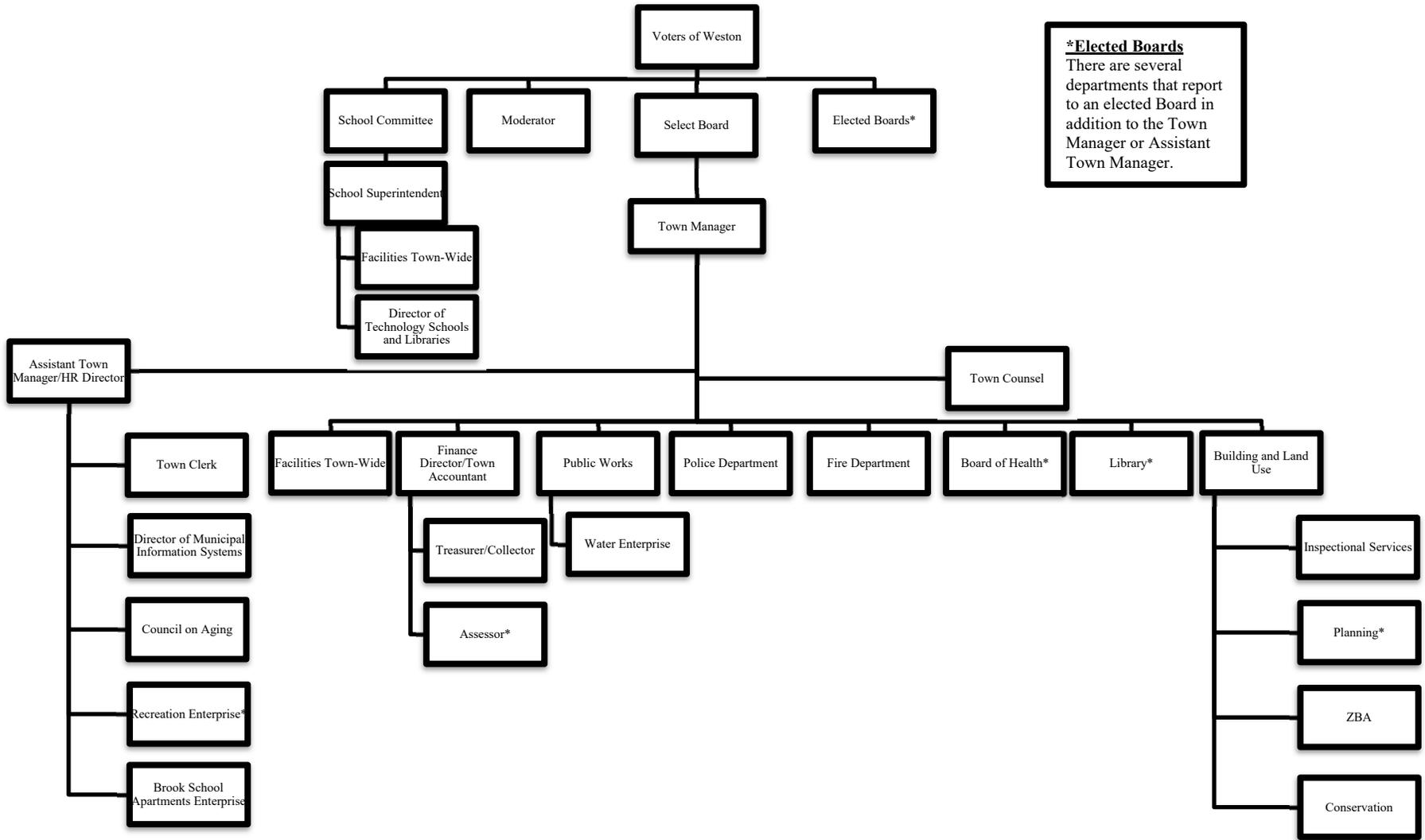
The accounting policies of the Town of Weston conform to generally accepted accounting principles (GAAP) as applicable to governmental units.

HOW IS THE TOWN MONITORING FINANCIAL TRENDS?

Every fall, we update a series of financial indicators which assess Weston’s fiscal condition and are adapted from a system developed by the International City/County Management Association (ICMA). The indicators are used as a management tool, pulling together information from the Town’s budgetary and financial reports, adding the appropriate economic and demographic data, and creating a series of Town-specific financial indicators that, when plotted over a period of time, can be used to monitor changes in the Town’s financial condition. The financial indicators include such areas as revenue and expenditure trends, financial reserves, long term liabilities, debt, and external revenue dependencies. Following is a summary of those indicators for Weston as of December 2020:

	Financial Indicator	Indicator Description	Dec. 2020 Financial Summit
1	Revenue per Household	A decrease in net operating revenues per household (constant dollars) is considered a warning indicator.	Favorable
2	Intergovernmental Revenue - State Aid	Reductions in State Aid, as a percentage of operating revenues, is considered a warning indicator particularly if the Town does not have adequate reserves to offset reductions.	Uncertain
3	Revenues Related to Economic Growth	Decreasing economic growth revenues, as a percentage of net operating revenues, is considered a warning indicator.	Unfavorable
4	Property Tax Revenues	A decline in property tax revenues (constant dollars) is considered a warning indicator.	Favorable
5	Uncollected Property Taxes	Uncollected property taxes (as a percent of the property tax levy) of 5-8 percent is considered a warning indicator.	Favorable
6	Expenditures per Household	Increasing net operating expenditures per household, in constant dollars, may be considered a warning indicator.	Marginal/Stable
7	Salaries and Wages	Increasing personnel costs as a percentage of total spending is considered a warning indicator.	Marginal/Stable
8	Employee Benefits	Increasing benefit costs as a percentage of wages and salaries is considered a warning indicator.	Marginal/Stable
9	Unfunded Liabilities (Sick/Vacation Accrual)	Increasing unfunded liabilities per municipal employee is considered a warning indicator.	Marginal/Stable
10	Pension Liability	An unfunded pension liability or increase in the unfunded liability is considered a warning indicator.	Marginal/Stable
11	Pension Benefits	Increasing annual benefits paid as a percentage of pension assets is considered a warning indicator.	Marginal/Stable
12	Other Post Employment Benefits (OPEB)	An unfunded liability for post employment benefits or increase in the unfunded liability is considered a warning indicator.	Marginal/Stable
13	Debt Service	Debt service exceeding 15% of operating revenues is considered a warning indicator by the credit rating organizations.	Marginal/Stable
14	Long-Term Debt	Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by the credit rating organizations.	Favorable
15	Reserves	Declining reserves as a percentage of operating revenues is considered a warning indicator. The Government Finance Officers Association recommends undesignated fund balance be between 5-15 percent of operating revenues.	Favorable
16	Population	Rapid changes in population which may affect service levels may be considered a warning indicator.	Marginal/Stable

Town of Weston – Organizational Chart



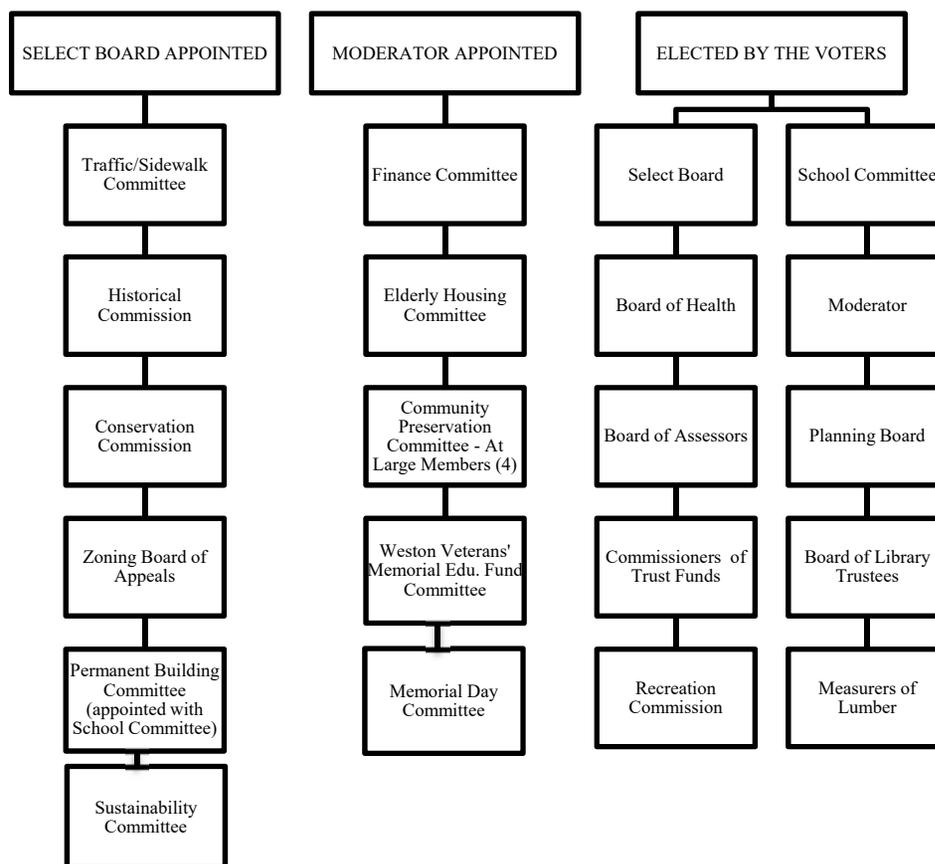
Boards and Committees

Boards & Committees

Various boards and committees are appointed by the Select Board or Moderator or are elected by the voters of Weston. The Select Board appoints the following Boards & Committees in addition to those shown in the organizational chart.

- Affordable Housing Trust
- Board of Registrars of Voters
- Cable Advisory Committee
- Council on Aging
- Crescent Street Historic District Commission
- Cultural Council
- Tree Advisory Group
- Trustees of the Merriam Fund

This list is an overview. In addition to the Boards and Committees listed here, at any time there may also exist several ad hoc committees formed by various bodies to study specific issues. A complete listing can be found in the Annual Town Report and at westonma.gov



Municipal Staffing Levels

(stated in Full Time Equivalents or FTEs)

Town Government	FY2019 FTE	FY2020 FTE	FY2021 FTE	FY2022 FTE	Change FY21-FY22	Change FY19-FY22
Town Manager's Office	3.77	3.77	3.77	3.77	0.00	0.00
Assistant Town Manager/Human Resources	2.00	2.00	2.00	2.00	0.00	0.00
Facilities Town-Wide	5.00	5.00	6.00	6.00	0.00	1.00
Finance	10.00	10.00	10.00	10.00	0.00	0.00
Town Clerk and Registrars of Voters	2.32	2.32	2.32	2.32	0.00	0.00
Information Systems	3.59	4.39	4.39	4.59	0.20	1.00
Land Use and Development	8.07	8.47	8.58	8.58	0.00	0.51
Police Department	36.00	36.00	36.00	36.00	0.00	0.00
Fire Department	34.00	34.00	35.00	35.00	0.00	1.00
Public Works	29.00	30.00	30.00	30.00	0.00	1.00
Board of Health	3.27	3.32	3.32	3.32	0.00	0.05
Council on Aging	5.48	6.19	6.19	6.19	0.00	0.71
Library	18.12	18.12	18.12	18.12	0.00	0.00
Water Division-Enterprise	4.00	4.00	4.00	4.00	0.00	0.00
Recreation Department-Enterprise	7.00	7.00	7.00	7.00	0.00	0.00
Brook School Apts.-Enterprise	2.48	2.48	2.48	2.40	(0.08)	(0.08)
Total Municipal FTE	174.10	177.06	179.17	179.29	0.12	5.19