TOWN OF BROOKLINE

FISCAL POLICY REVIEW COMMITTEE

FINAL REPORT

January 2004

TABLE OF CONTENTS

FISCAL POLICY REVIEW COMMITTEE

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INTRODUCTION

We want to thank the Board of Selectmen for the opportunity to become so deeply involved in the fiscal policies of our Town. For a number of us, this was our first venture into the workings of our Town government. While some Committee members had previous involvement with the Town's budgeting practices, we all emerged from this experience impressed with the Town's commitment to financial management and the professionalism with which it is carried out. As one financial expert who met with us noted, the Town of Brookline is in an "enviable" financial position compared to most other municipalities, in large part due to its financial practices.

In our public hearing, the Committee was asked what kind of predisposition we brought to our work. We hope it is fair to say that our collective outlook on fiscal policies and practices is as varied as the spectrum that might be found throughout the community. We brought public, private, and non-profit perspectives to the table. Members of this Committee have held senior executive positions in federal, state, and local government. We have backgrounds that run the gamut from general management to accounting and finance. In the end, we are all committed to making Brookline an even better place for our families, our local businesses, and all our fellow taxpayers.

We believe that our efforts will assist Town decision-makers, both elected and appointed, in meeting the very difficult challenges that are ahead. The Town has had sound fiscal policies in place for the past decade. We are hopeful that our recommendations will not only update them, but also adapt them more specifically to the conditions the Town has begun to experience in this first decade of the 21st century.

Charge to the Committee

At our first meeting on September 12, 2003, the Chairperson of the Board of Selectmen personally delivered the following straightforward charge to the Committee:

"To assess and make recommendations in regard to Town practices for funding reserves and funding capital improvements".

Before elaborating on our approach to this ostensibly simple-sounding charge, it is important to understand what it does not entail. The Committee was not given a mandate to review the general quality of Town services. (Although in any project such as this, an evaluative eye is always cast on the performance of the organization behind the task at hand.) Also, the Committee was not directed to assess the nature of the Town's tax burden or its relative standing to other cities and town for overall revenues and expenditures. (The Committee was provided with *Volumes I* and *II* of the *2003 Financial Trend Monitoring Report* to provide contextual information.) And perhaps most significantly, the Committee clearly understood that it was not being asked to gauge the need for a Proposition 2 ½ Override. The Selectmen were emphatic about this and made it quite clear as early as the interview process, well before eventual Committee members were actually appointed.

On the other hand, Committee members individually and collectively understand that Fiscal Policies cannot be reviewed clinically in isolation from the issues that underlie the overall content of the Town's Annual Financial Plan. Further, the Committee recognizes that financial needs and practices of a community are *not* like that of a private company. Our community's capacity to raise revenues, and the services it must provide, are in large measure circumscribed by statute.

Unlike a company, Brookline will always be here and have ongoing associated commitments and obligations. While the guidelines embodied in Town fiscal policies are not etched in stone, they are a serious and necessary component of good and responsible financial planning for our community. Throughout its work, the Committee remained acutely aware that decisions concerning reserve levels and capital expenditures can have a profound effect on the operating budget in both the short and long term.

Approach

Without losing sight of the overall budgetary context, the Committee nevertheless undertook its specifically defined mandate literally in order to conduct as thorough an examination as possible of Town policies and practices regarding reserve funds and capital budgeting. Six separate reserve funds were examined[1]:

Appropriated Budget Reserve
Non-Appropriated Budget Reserve
Capital Stabilization Fund
Liability/Catastrophe Fund
Post-Retirement Benefits Trust Fund
Overlay Reserve

The history of establishing each of these reserves and their current balances were analyzed. Ten-year funding and expenditure histories were reviewed. In addition, the Town's use of these reserves was matched against the practices of comparable communities.

A similar methodology was used in our examination of Capital Policies. Each policy was reviewed individually. Aggregate capital expenditures spanning the past decade were analyzed by classification of projects. CIP authorizations totaling more than $210 million were classified in nine separate categories to better understand how the Town implements its CIP in relation to stated policies. Here, too, Brookline was evaluated against other municipalities in terms of

[1] Three other areas involving the setting aside of funds for long-term unfunded obligations were also considered: the Retirement Fund, Group Health Trust Fund, and Workers Compensation Trust Fund. These were not examined in detail because the Town has less discretionary control due to statutory prescriptions and/or fixed cost requirements. In addition, the Overlay Reserve is set by statute and the Board of Assessors.

formulation and adherence to policies, along with comparison of specific indicators such as debt burden.

In the course of our review, we also addressed policies related to Free Cash. For the most part, our task was to reorganize them to reflect, in a more coherent fashion, the guidelines embedded in the reserve and capital policies.

The Committee met twelve times between September 12, 2003 and January 16, 2004, with meetings posted in accordance with the Open Meeting Law. Member attendance was excellent from beginning to end.

The format of the Committee's meetings included review of data, discussion and debate. On several occasions the Committee invited guests to present information on relevant topics. One such meeting centered on a discussion with external experts on municipal finance. Samuel Tyler, President of the Boston Municipal Research Bureau, and Philip Shapiro, Managing Director of the Boston Office of Standard and Poor's, provided the Committee with a perspective on best practices and trends in municipal finance.

Another session was a public hearing to solicit citizen perspective. Notice of the public hearing was formally published and posted on the Town website, along with being mailed to all Town Meeting Members and noted in the newspaper. We appreciate the willingness of those who attended to take the time to express their opinions. It should also be noted that one meeting was devoted to the fiscal policies as they relate to the Schools, given that Schools account for such a significant portion of the operating and capital budgets. The Chair of the School Committee and two other members participated.

At the outset of the Committee's work, general understanding of the Town's financial condition was ascertained from several sources. The Committee was provided with the Annual Financial Plan, the most recent audit report and bond prospectus, as well as *Volumes I* and *II* of the *Financial Trend Monitoring Report*. The Committee never lacked accurate or comprehensive data, as the appendices to this Report attest. Members were continually impressed with the Administration's ability to generate the information needed to carry out our work, often providing it even before requested to do so.

Because of the continuously evolving fiscal environment within which the Town must function, we do recommend that the Board of Selectmen reconvene this Committee or convene a successor committee in three to five years to revisit the policies at that time. For policies to maintain their viability over the long term, they too must evolve with the circumstances they are intended to address. Indeed, only time will affirm the extent to which our own recommendations are effective. Meanwhile, based on past experience, the Committee has every confidence that the Board of Selectmen, Advisory Committee, and Town Administration will continue to apply the policies in their recommendations to Town Meeting. The principles underlying the policies are critical to the fiscal well being of any large, complex enterprise.

THE PROPOSED POLICIES

The Town of Brookline already has a well-established set of effective fiscal policies. The fact that formal policies exist is quite encouraging. Perhaps more importantly, the Town appears to have followed the policies. Survey data suggests that among the few communities that have adopted such policies, most have had difficulty implementing and/or adhering to them.

The Committee would like to acknowledge the work of our predecessor committees—the Financial Planning Advisory Committee (1994) and the Capital Review Committee (1997) in laying the groundwork for these policies, as well as the ongoing efforts of the Board of Selectmen, Advisory Committee, Administration, and staff in following these policies.

The Committee's substantive recommendations are embodied in a complete reformatting of the proposed policy documents themselves. We urge this change in presentation to simplify understanding of the policies that have been adopted over time and are recorded in various Selectmen votes, separate reports, and staff memoranda. The consolidated fiscal policies, which appear on the following pages, should be printed each year in the Annual Financial Plan.

Proposed

TOWN OF BROOKLINE
RESERVE POLICIES

The Town shall maintain the following general, special, and strategic reserve funds:

Budget Reserve – to respond to extraordinary and unforeseen financial obligations, an annual budget reserve shall be established. The funding level shall be an amount equivalent to 1% of the prior year's net revenue, maintained in the manner set out below. Any unexpended balance at the end of the fiscal year must go toward the calculation of free cash; no fund balance is maintained.

Appropriated Budget Reserve – an amount equivalent to .75% of the prior year's net revenue shall be allocated to an Appropriated Budget Reserve, as allowed for under MGL Chapter 40, Section 6. Funding shall come from the tax levy.
Non-Appropriated Budget Reserve – an amount equivalent to 0.25% of the prior year's net revenue shall be allocated for use as an emergency reserve. It shall only be utilized if the Town's Appropriated Budget Reserve is depleted. Funding shall come exclusively from Free Cash, per the Town's Free Cash Policies.

Stabilization Fund – a Stabilization Fund shall be maintained, under the provisions of MGL Chapter 40, Section 5B.

1. The target funding level for the Fund shall be an amount equivalent to 3% of the Town's prior year's net revenue, as defined in the CIP policies. The Fund shall be funded only with Free Cash or one-time revenues.

2. The Stabilization Fund may only be used under the following circumstances:
   a. to fund capital projects, on a pay-as-you-go basis, when available Free Cash drops below $2 million in any year; and/or
   b. to support the operating budget when Net Revenue, as defined in the CIP policies, increases less than 3% from the prior fiscal year.

3. The level of use of the Stabilization Fund shall be limited to the following:
   a. when funding capital projects, on a pay-as-you-go basis under #2a. above, no more than $1 million may be drawn down from the fund in any fiscal year. The maximum draw down over any three-year period shall not exceed $2.5 million.
   b. when supporting the operating budget under #2b. above, the amount drawn down from the fund shall be equal to the amount necessary to bring the year-over-year increase in the Town's prior year net revenue to 3%, or $1 million, whichever is less. The maximum draw down over any three-year period shall not exceed $2.5 million.

4. In order to replenish the Stabilization Fund if used, in the year immediately following any draw down, an amount at least equivalent to the draw down shall be deposited into the fund. Said funding shall come from Free Cash.

Liability / Catastrophe Fund – established by Chapter 66 of the Acts of 1998, and amended by Chapter 137 of the Acts of 2001, this fund shall be maintained in order to protect the community against major facility disaster and/or a substantial negative financial impact of litigation. The uses of and procedures for accessing the fund are prescribed in the above referenced special act. The target fund balance is 1% of the prior year's net revenue and funding shall come from available Free Cash and other one-time revenues.

Post-Retirement Benefits Trust Fund – established by Chapter 472 of the Acts of 1998, this fund shall be maintained to offset the anticipated costs of post-retirement benefits of retired employees. The uses of and procedures for accessing the fund are prescribed in the above referenced special act.

The balance in the Fund shall be maintained, but future funding shall be suspended until a comprehensive statewide municipal approach is adopted. When funding is re-activated, funding may come from continued decreases in other fringe benefit line-items; from continued year-end surpluses in appropriations for employee health insurance; from continued assessments on the non-General Funds that support benefit-eligible employees; and Free Cash and other one-time revenues.

Overlay Reserve – established per the requirements of MGL Chapter 59, Section 25, and the Overlay is used as a reserve, under the direction of the Board of Assessors, to fund property tax exemptions and abatements resulting from adjustments in valuation. The Board of Selectmen shall, at the conclusion of each fiscal year, require the Board of Assessors to submit an update of the Overlay reserve for each fiscal year, including, but not limited to, the current balances, amounts of potential abatements, and any transfers between accounts. If the balance of any fiscal year overlay exceeds the amount of potential abatements, the Board of Selectmen may request the Board of Assessors to declare those balances surplus, for use in the Town's Capital Improvement Plan (CIP) or for any other one-time expense.

Proposed

TOWN OF BROOKLINE
FREE CASH POLICIES

After funding the Town's reserves, as detailed in the Town's Reserve Policies and summarized below, available Free Cash shall be used exclusively to supplement the Capital Improvements Program (CIP).

FREE CASH FOR RESERVES

Non-Appropriated Budget Reserve – an amount equivalent to 0.25% of the prior year's net revenue shall be set aside for use as en emergency reserve. It shall only be utilized if the Town's Appropriated Budget Reserve Fund, as allowed for under MGL Chapter 40, Section 6, is depleted.

Stabilization Fund – Free Cash shall be used to fund the Stabilization Fund at a level equivalent to 3% of the prior year's net revenue, as prescribed in the Town's Reserve Policies. If the Fund were drawn down in the immediate prior fiscal year, then an allocation shall be made to the Fund in an amount at least equivalent to the draw down of the immediate prior fiscal year.

Liability / Catastrophe Fund – to the extent necessary, Free Cash shall be used to reach the funding target of the Town's Liability / Catastrophe Fund, as outlined in the Town's Reserve Policies.

Affordable Housing Trust Fund – in order to support the Town's efforts toward creating and maintaining affordable housing, Free Cash shall be appropriated into the Affordable Housing Trust Fund according to the following schedule:

- -when Free Cash exceeds $6 million, 5% shall be allocated to the Affordable Housing Trust Fund.
- -when Free Cash exceeds $7.5 million, 7.5% shall be allocated to the Affordable Housing Trust Fund.
- -when Free Cash exceeds $10 million, 10% shall be allocated to the Affordable Housing Trust Fund.

Special Use – Free Cash may be used to augment the trust funds related to fringe benefits and unfunded liabilities related to employee benefits.

FREE CASH FOR CAPITAL

After providing for the reserves and the Affordable Housing Trust Fund as stated above, 100% of any remaining Free Cash balance shall be dedicated to the Capital Improvement Program (CIP).

Proposed

TOWN OF BROOKLINE
CAPITAL IMPROVEMENT PROGRAM (CIP) POLICIES

Definition of a CIP Project

A capital improvement project is any project that improves or adds to the Town's infrastructure, has a substantial useful life, and costs $25,000 or more, regardless of funding source. Examples of capital projects include the following:

- Construction of new buildings
- Major renovation of or additions to existing buildings
- Land acquisition or major land improvements
- Street reconstruction and resurfacing
- Sanitary sewer and storm drain construction and rehabilitation
- Water system construction and rehabilitation
- Major equipment acquisition and refurbishment
- Planning, feasibility studies, and design for potential capital projects

Evaluation of CIP Projects

The capital improvement program shall include those projects that will preserve and provide, in the most efficient manner, the infrastructure necessary to achieve the highest level of public services and quality of life possible within the available financial resources.

Only those projects that have gone through the CIP review process shall be included in the CIP. The CIP shall be developed in concert with the operating budget and shall be in conformance with the Board's CIP financing policy. No project, regardless of the funding source, shall be included in the CIP unless it meets an identified capital need of the Town and is in conformance with this policy.

Capital improvement projects shall be thoroughly evaluated and prioritized using the criteria set forth below. Priority will be given to projects that preserve essential infrastructure. Expansion of the capital plan (buildings, facilities, and equipment) must be necessary to meet a critical service. Consideration shall be given to the distributional effects of a project and the qualitative impact on services, as well as the level of disruption and inconvenience.

The evaluation criteria shall include the following:

- Eliminates a proven or obvious hazard to public health and safety
- Required by legislation or action of other governmental jurisdictions
- Supports adopted plans, goals, objectives, and policies
- Reduces or stabilizes operating costs

-Prolongs the functional life of a capital asset of the Town by five years or more
-Replaces a clearly obsolete facility or maintains and makes better use of an existing facility
-Prevents a substantial reduction in an existing standard of service
-Directly benefits the Town's economic base by increasing property values
-Provides new programs having social, cultural, historic, environmental, economic, or aesthetic value
-Utilizes outside financing sources such as grants

CIP Financing Policies

An important commitment is to providing the funds necessary to fully address the Town's capital improvement needs in a fiscally prudent manner. It is recognized that a balance must be maintained between operating and capital budgets so as to meet the needs of both to the maximum extent possible.

For the purposes of these policies, the following definitions apply:

Net Operating Revenue - Gross revenues, less net debt exclusion funds, enterprise (self-supporting) operations funds, free cash, grants, transfers from other non-recurring non-general funds, and non-appropriated costs.
Net Direct Debt (and Debt Service) - Gross costs from local debt, less Prop 2 1/2 debt exclusion amounts and amounts from enterprise operations.
Net Tax-Financed CIP - Gross amount of appropriations for capital improvements from current revenues, less amounts for enterprise operations, grants, free cash, transfers, and non-recurring special revenue funds.

The capital improvements program shall be prepared and financed in accordance with the following policies:

OUTSIDE FUNDING
State and/or federal grant funding shall be pursued and used to finance the capital budget wherever possible.

ENTERPRISE OPERATIONS - SELF SUPPORTING
Capital projects for enterprise operations shall be financed from enterprise revenues solely.

CIP BUDGET ALLOCATIONS - 5.5% OF NET REVENUES
Total net direct debt service and net tax-financed CIP shall be maintained at a level equivalent to 5.5% of prior year net operating revenues.

TAX FINANCED ALLOCATION - 1.25% OF NET REVENUES
Net tax-financed capital expenditures shall be maintained at a target level equivalent to 1.25% of prior year net operating revenues.

DEBT-FINANCED ALLOCATION - 4.25% OF NET REVENUES

Net direct debt service shall be maintained at a target equivalent to 4.25% of prior year net operating revenues.

DEBT MANAGEMENT POLICIES

Debt financing of capital projects shall be utilized in accordance with the following policies:

Debt financing shall be reserved for capital projects and expenditures which either cost in excess of $100,000 or have an anticipated life span of five years or more, or are expected to prolong the useful life of a capital asset by five years or more.

Bond maturities shall not exceed the anticipated useful life of the capital project being financed. Except for major buildings and water and sewer projects, bond maturities shall be limited to no more than ten years.

Bond maturities shall be maintained so that at least 60% of the outstanding net direct debt (principal) shall mature within 10 years.

Total outstanding general obligation debt shall not exceed 2.5% of the total assessed value of property.

Total outstanding general obligation debt per capita shall not exceed $2,000. Beginning on July 1, 2004, the $2,000 per capita shall be adjusted annually by the consumer price index (CPI) for all urban consumers (northeast region all items).

Total outstanding general obligation debt per capita shall not exceed 6% of per capita income, as defined by the Census Bureau of the U.S. Department of Commerce.

FREE CASH

After using free cash in accordance with the Town's free cash policy, available free cash shall be used exclusively to supplement the capital improvements program.

FINDINGS AND RECOMMENDATIONS

Reserves

Reserves provide a measure of financial security and flexibility to a local government. Maintaining adequate reserves is a crucial component of fiscal stability and indicates a community's ability to guard against cyclical downturns and unexpected expenditures. At our session with municipal finance experts, Phil Shapiro confirmed that rating agencies carefully monitor reserve levels and use them in evaluating a government's fiscal stability when assigning a bond rating. A high bond rating indicates a community's ability to repay debt, which translates into savings on interest costs when a community borrows money on the capital markets.

Generally, the Committee found that Town reserves are within the norm as practiced in comparable communities and as recommended by public finance authorities. Sam Tyler suggested a range of 5% to 10% in combined reserves for the operating budget, stabilization, liability, and Overlay. Brookline's high point for these purposes was 8.6% in FY03. (Attachment A). As the chart below indicates, Brookline's reserves are currently budgeted in FY04 in an amount expected to be the equivalent of 7% of general fund revenue.

Town of Brookline Reserve Funds	FY2004
Appropriated Budget Reserve Fund (appropriated amount)	$ 1,070,000
Non-appropriated Budget Reserve	$ 714,316
Liability/Catastrophe Fund (year-end fund balance)	$ 1,365,591
Capital Stabilization Fund (year-end fund balance)	$ 4,182,026
Overlay Reserve (year-end fund balance)	$ 4,139,038
Total Reserve Funds	**$ 11,470,971**
Total General Fund Revenue	**$ 163,442,573**
Total Reserve Funds as a Percentage of General Fund Revenue	**7.0%**

The most direct comparison that could be made to other Massachusetts municipalities was with the Town's annual budget reserve, which Brookline has most recently defined as an amount equal to 0.75% of prior year net revenue for an appropriated reserve and 0.5% from Free Cash as a non-appropriated emergency reserve. The average of these reserves in other Aaa communities for FY03 as a percentage of current year general fund revenues was 1.06%. The average for Brookline was 0.97%. (Attachment B).

While the overall level of reserves for Brookline has been reasonable, the Committee found itself concerned with two issues. First, the Town's reserve policies need to be modified to reflect changed conditions since they were adopted. In this regard, we are proposing that the budget reserve policy be adjusted moderately; guidelines be adopted for Overlay Surplus; and that allocations to the Post-Retirement Benefits Trust Fund be suspended.

Second, while the current policies were well structured to meet specific contingencies such as liability claims or extreme weather conditions, they do not allow for accessing reserves in the case of a severe cyclical downturn or other extraordinary circumstance that adversely affects the operating budget. They also lack the flexibility of being able to shift resources from one purpose to another. This scenario posed a much more profound question for the Committee than simply adjusting existing policies. In response, we propose the introduction of a "rainy day fund" into the mix of Town reserves.

The experience over the prior thirty years has seen downturns occur in each of the past three decades. The Town was severely impacted in the years immediately following Proposition 2 ½, which was implemented in 1981 after a statewide ballot question. Then in the early 1990s it experienced a three-year period of contraction due to an economic decline. State and local governments are once again in one of these down cycles. State growth revenues declined 15% in FY03, cascading local aid cuts on cities and towns after several years of substantial increases, due primarily to Education Reform. Brookline's aid from the state declined nearly $3 million in FY04 from the levels received in FY02. Brookline's long-range financial planning and utilization of specific cutback strategies for FY03 and FY04 enabled it to cope with the budget stress for those fiscal years.

However, suppose revenue shortfalls were even greater for FY04, or they were to persist to the point of outpacing even the most effective long-range planning or short-term budget tactics? If such conditions had occurred or were to develop, existing policies would not provide the flexibility for reserves to be used to help stabilize the operating budget. For many of the Committee members, this represented a "blind spot" in the policies.

To continue the full funding of reserves in periods of extreme budget stress strikes the Committee as questionable both as a matter of public policy and political acceptance. This is particularly problematic when the policies themselves allow no room to help relieve the stress in any way. In the alternative, the Committee fully subscribes to the concern that reserves must be treated with extreme restraint when used for "rainy day" purposes. Over-reliance on reserves to stem operating budget shortfalls can actually exacerbate a structural deficit over the long term. This is particularly so in the case of Massachusetts local government, where the primary source of revenue is the property tax, which is capped by Prop 2 1/2. Massachusetts state government can reasonably expect to see revenue expansion in up-cycles due to growth revenues like income and business taxes. Conversely, local government has no equivalent elasticity in its tax base and therefore needs to exercise considerable restraint in the use of reserves as a means of addressing a cyclical budget deficit.

Budget Reserve

The original budget reserve policy, which was adopted in 1995 and stemmed directly from the 1994 FPAC Report, called for setting aside an amount equal to 1.5% of the prior year's net revenue[2]. One half of that amount (or 0.75% of the prior year's net revenue) would come from current year tax revenue as an appropriated budget reserve and another 0.75% would come from Free Cash as an non-appropriated emergency reserve. In FY2000, the Free Cash-funded portion of this policy was modified to allow for 0.5% of Free Cash to remain as a non-appropriated budget reserve and for the remaining 0.25% to be allocated to so-called strategic reserves such as the Liability/Catastrophe Fund and the Post-Retirement Benefits Trust Fund.

Since the policy for the appropriated budget reserve was established, an average of 70% of the fund has been expended annually over eight years. (Attachment C). In FY2001, virtually 100% of it was consumed. The Committee believes this experience more than justifies the need for an annual reserve of at least this level.

In contrast, in the life of the non-appropriated budget reserve, there has been no need to draw upon it. Granted there has not been another "Blizzard of 1978", but there were "100 year" rainstorms and other extreme events. The Committee does not see the need to continue a non-appropriated budget reserve in the range of 0.5% to 0.75%. Further, the Committee believes history clearly supports a reduction of the 1.5% overall annual reserve target.

Town of Brookline
Percentage of Annual Appropriation Expended

FY	Appropriated Budget Reserve	Non-appropriated Budget Reserve
1996	70%	0%
1997	41%	0%
1998	65%	0%
1999	87%	0%
2000	63%	0%
2001	100%	0%
2002	37%	0%
2003	83%	0%
Average	**68.5%**	**0.0%**

In the alternative, the Committee recommends the creation of a more straightforward and integrated operating reserve. This reserve, equivalent in total to 1% of prior year net revenue, would continue to be funded from two sources -- 0.75% appropriated from current revenue and 0.25% from non-appropriated Free Cash. Segmenting the funding sources in this way ensures stringent controls and continues to provide a Town Meeting check and balance when annual reserve expenditures reach extraordinary levels. It is important to note that any unexpended

[2] Prior year revenue is used as the benchmark throughout the fiscal policies because the Financial Plan preparations begin nearly a full year in advance. The prior year revenue is a much more certain base against which 1% can be applied. "Net revenue" continues to be defined as gross revenues, less: net debt exclusion funds, enterprise (self-supporting) operations funds, Free Cash, grants, transfers from other non-recurring non-general funds, and non-appropriated costs.

balance at the end of the fiscal year reverts back to the General Fund and is counted toward Free Cash. Simply put, this is a non-cumulative reserve fund.

It is essential that appropriations from both sources be treated according to the provisions of M.G.L. chapter 40, section 6, which allows for appropriations for extraordinary and unforeseen purposes only. The non-appropriated segment of this reserve must not be used for operating cyclical budget shortfalls or for what might be a popular service demand at a given time. It is intended as an integral component of the annual 1% budget reserve, requiring Town Meeting approval when more than three quarters of this annual budget reserve is used.

Stabilization Fund

A "Capital Stabilization Fund" was established upon the 1997 recommendation of the CIP Policy Review Committee, a study group appointed by the Board of Selectmen to review CIP Financing policies and practices. The first appropriation to the Capital Stabilization Fund was made in FY98 (Attachment D). The current policy is as follows:

> "A capital stabilization fund, funded from Free Cash be maintained in an amount equal to 1% of the replacement value of the Town buildings ($3 million in FY98). Said fund shall be used exclusively to fund, on a pay-as-you-go basis, capital projects when available Free Cash drops below $2 million in any year. No more than $1 million may be drawn down form the fund in any fiscal year."

Review of the Fund immediately reveals two very significant facts concerning this reserve account. First, there have not been any disbursements from this Fund, which is not necessarily surprising given the expansionary period in which it was established. Second, however, the Fund has a balance nearly one-third greater than the target due to interest earnings and additional appropriations.

The status of this Fund presents a tremendous opportunity to bring about greater stability for the Town's long-term budgetary position - not just for the CIP. As noted in our earlier comments, the Committee found policies lacking by not defining how reserves might be utilized in a disciplined fashion during periods of cyclical downturn as part of a comprehensive strategy to address budget shortfalls. Continued funding of reserves during times of budgetary stress could well erode support for funding the reserves themselves. Further, as one Committee member noted, if there were ever to be another Override attempt, taxpayers could appropriately question why they should be asked to pay more taxes when existing Town reserves had not been utilized to help address budget deficits.

Therefore, in what might be the Committee's most far-reaching proposal, it is recommended that the Stabilization Fund be made accessible for both operating and capital needs when revenue conditions decline to specified levels. The Committee does not make this recommendation lightly, and urges that this overall "rainy day fund" be accessed only under the most stringent restrictions.

Use of this Fund for capital purposes remains virtually the same as set out in the initial policy. In addition, this Committee now proposes that the Fund be used for operating stabilization purposes when the increase of net revenue in the annual budget is less than 3%. In the last downturn of the early 1990s, revenue increased by less than 3% in three consecutive fiscal years. (Attachment E). Between FY95 and FY03 net revenue to the Town increased 5.5% on average. For the current Fiscal Year 04, with local aid cuts of nearly $3 million, net revenue increased just 3%. If local aid cuts had been deeper, or some other revenue source lagged, then the Stabilization Fund could have been utilized.

It is critical from the Committee's perspective that utilization of the Stabilization Fund for the operating budget be linked specifically to revenue and not to overall budgetary shortfalls. Expenditures are deliberately left out of the formulation because they can be so sensitive to very localized issues that are unrelated to the regional economy or state fiscal conditions. The Fund may be drawn upon to make up for the revenue shortfall and get to a 3% increase. However, no more than $1 million should be drawn down from the fund in any fiscal year, even if the amount needed to get to a 3% increase exceeds $1 million. Lastly, use of the fund is capped at $2.5 million over three consecutive years.

To accommodate the expansion of the Fund's purpose from just capital to the operating budget, the Committee also recommends changing the funding target itself. It is proposed that the target be 3% of prior year net revenue rather than 1% of the replacement value of buildings. For FY05, this would increase the fund balance from $4.1 to $4.4 million, requiring an appropriation into the Fund for the first time in three years. This increase should be achievable because of the proposed reduction in funding for the annual budget reserve.

Funding adjustments in future years under this revised target should be relatively modest, except to the extent that the Fund needs to be replenished after having been used for stabilizing budgets. The Committee believes that the replenishment of this Fund after use is essential, given the Fund's dual purposes for both operating and capital budgets. As such, the Stabilization Fund policy outlines a method of replenishing the fund following a drawdown.

The table on the following page illustrates an example of Stabilization Fund use and replenishment. In this scenario, the beginning Fund balance of $4,182,026 is less than the Fund balance target (3% of the prior year net revenue). Therefore, an appropriation of $246,892 is required in FY05 to reach the target level. At the same time, the scenario shows a $2 million state aid cut, resulting in an increase in net revenue of less than 3% from FY04. Per the policy, this would trigger the potential for a drawdown from the Fund. The maximum drawdown would be $872,547 (the amount required to restore a 3% increase in net revenue). The amount is also the minimum amount required for deposit into the Fund in FY06 in order to replenish it. (If possible, an additional $106,691 would be deposited to get to the Fund balance target).

The FY06 scenario includes a state aid cut of $1 million, for a net revenue increase of 2.5%, which would trigger a maximum potential drawdown of $705,096. In FY07, that same amount would be deposited in the Fund to replenish it. (Again, if possible, an additional $114,915 would be deposited to get to the Fund balance target). Since the FY07 scenario presents an increase in net revenue of greater than 3%, no drawdown would be triggered.

Example of Stabilization Fund Use and Replenishment	FY05 BUDGET WITH A $2M STATE AID CUT	FY06 BUDGET WITH A $1M STATE AID CUT	FY07 BUDGET WITH NO STATE AID CUT
NET REVENUE	**151,186,964**	**155,017,477**	**159,640,032**
PERCENTAGE CHANGE	**2.41%**	**2.53%**	**6.29%**
WHAT A 3% REVENUE INCREASE WOULD EQUAL	152,059,511	155,722,573	154,705,626
AMT. NEEDED TO GET TO THE 3% REVENUE INCREASE (DRAW DOWN FROM FUND)	**872,547**	**705,096**	**0**
BEGINNING FUND BALANCE	4,182,026	3,556,370	3,830,513
APPROP. REQUIRED TO EQUAL PRIOR YR. DRAW DOWN		872,547	705,096
BEGINNING FUND BALANCE + "REPLENISHMENT"	4,182,026	4,428,918	4,535,609
ADD'L. APPROP. TO GET TO 3% FUND BALANCE TARGET	246,892	106,691	114,915
TOTAL FUND BALANCE PRIOR TO DRAW DOWN	4,428,918	4,535,609	4,650,524
DRAW DOWN	872,547	705,096	0
YEAR-END FUND BALANCE	3,556,370	3,830,513	4,650,524
TOTAL APPROP. INTO THE FUND REQUIRED TO GET TO 3% TARGET	246,892	979,238	820,011

Liability and Catastrophe Fund

Established by Chapter 66 of the Acts of 1998, and amended by Chapter 137 of the Acts of 2001, this Fund was created to protect the Town against major facility disasters or from the substantial negative impact of a lawsuit. (Attachment F). At the recommendation of the Board of Selectmen and Advisory Committee, Town Meeting acted favorably to adopt a home rule petition to allow the Town to establish this broad, comprehensive municipal insurance fund to cover both property and liability claims.

The initial appropriation made to this Fund in occurred in FY2000. Through FY04, it is anticipated that more than $800,000 will have been disbursed from this Fund (Attachment G).

Given that the Town remains self-insured for liability purposes (tort claims, civil rights actions, etc.) and in light of the extent of the utilization of this Fund, no proposals are suggested to change this particular reserve account. However, the Committee does offer the following observations:

Prior to the establishment of the Fund, the Town had sometimes considered legal judgments and settlements as direct expenses to the operating budget. To the extent these items exceeded appropriations, they were absorbed in the subsequent year's tax levy. While this is a practice that is allowed by statute, it is not one to which the Town should return given its total assumption of risk.

The Committee understands that a "risk mapping" study is underway under the direction of the Finance Director. The Committee commends this initiative and certainly encourages the Town to revisit this Fund if recommendations emerge from the study that warrant doing so.

Post-Retirement Benefits Trust Fund

In a strict sense, this Fund represents an attempt to set aside current resources for an unfunded future obligation, a concept analogous to making annual appropriations to the Retirement Fund. A critical distinction between the two, however, is that Retirement Fund obligations are prescribed by state statute (Attachment H). Funding for retiree group health benefits is purely discretionary. In fact, our survey information indicates that Brookline is one of only two municipalities in this state, and perhaps among the very few in the country, that has actually set aside funds for this purpose. Additionally, at our session with municipal finance experts, Mr. Shapiro suggested that the case for building a fund for post-retirement benefits is not as strong for government as it is in the private sector. He indicated that, while rating agencies take into account an unfunded pension liability while determining the fiscal stability of a community, they do not currently give equal weight to unfunded post-retirement benefits.

This Fund was adopted by Special Act 472 of the Acts of 1998 (Attachment I). The Board of Selectmen and Advisory Committee, upon the recommendation of Town Administration, urged Town Meeting to act favorably on this special act in response to the emerging national movement in municipal finance to address the growing spectra of unfunded post-retirement benefits obligations.

For nearly a decade, the Government Accounting Standards Board (GASB) has been suggesting that it would establish accounting requirements to report this obligation in financial statements. (Attachment J) Any GASB accounting requirement would cover financial reporting only. It would not address funding. In 1998, the Selectmen authorized the Finance Director to retain an actuary to ascertain the magnitude of the Town's unfunded post retirement benefit obligation. At that time, it was projected to be $94 million. The study was updated in 2001 and estimated the obligation at $118 million. These estimates reflect the Town's cumulative future obligation for funding health benefits for current employees after they retire.

In light of the environment of growing concern about this issue and in response to the actuarial reports, beginning in FY2000, Annual Financial Plans recommended allocations to this Fund. Through FY04 nearly $3.7 million had been allocated to this fund. (Attachment K). The Funding sources for these appropriations have been Free Cash under the "strategic reserve" policy; reduction in the non-contributory retirement line item; overhead charges to non-general fund budgets; and unmatched funds from prior year health insurance appropriations.

Town of Brookline
Post Retirement Benefits Trust Fund

FY	Year-end Balance (cumulative)	
2000	$	645,052
2001	$	1,290,098
2002	$	1,992,527
2003	$	2,632,481
2004	$	3,679,831

The Committee recognizes that the unfunded post-retirement benefits obligation is a major public policy issue. Post-retirement benefits are considered a key employment benefit for Massachusetts state and local governments and systemic strategies to address this matter must be devised. The Committee recommends continuation of the Fund at its current level and applauds the recognition of the Town and its employees of the severity and importance of this issue. However, the Committee can not recommend that the Town continue its ad hoc efforts to allocate funds for this purpose and urges that the Town refrain from future appropriations until conditions change. Principal considerations underlying this position are:

Despite setting aside more than $3.6 million for the Fund, only a small proportion of the potential obligation has been satisfied. At this rate, the obligation would not be funded for more than a century.

The Town should reconsider allocating funds for this purpose when a statewide approach is developed that delineates obligations for all cities and towns.

After nearly a decade of discussion regarding potential accounting standards, GASB still has not promulgated accounting rules. Even when it does, the accounting guidelines will not dictate funding, simply reporting. Funding the liability is a matter of policy.

Most of all, the Committee could not justify voluntarily setting aside resources for such a long-term, outlying obligation, in the face of such immediate pressures on the operating budget. Communities across the country are struggling with group health costs that are far outpacing the growth in revenues. Brookline is facing double-digit increases in its group health budget for the third consecutive year. The Committee recommends that, at least for the immediate future, the current funding plan be suspended. The effect of this will be a reduction in the reimbursement for overhead costs for those non-general funds that support full-time employees, along with the freeing up of the resources associated with the reduction in the non-contributory retiree line-item.

The Post Retirement Benefits Trust Fund and its current balance should be maintained. If and when local governments across the board are required to establish a funding schedule for this purpose, the Town of Brookline will have an important head start. Meanwhile, Brookline will continue to meet its obligation to retirees for health insurance on a pay-as-you go basis.

Overlay Reserve

The Overlay Reserve is an account established annually to fund anticipated property tax abatements and exemptions in that year. It is not established by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet. Per the requirements of Massachusetts General Laws, the Overlay is established by the Board of Assessors. In the past, the Overlay has not been the subject of formal Town reserve policies. In fact, historically, the Overlay Reserve has been so outside the realm of traditional reserves that the Town Administration's initial summary of reserves for the Committee did not include the Overlay.

The historic separation of the Overlay from traditional reserve policy is understandable, due primarily to the facts that it is (a) established outside the normal appropriation process and (b) under the control of the Board of Assessors. In addition to establishing the amount of the Overlay, state statutes also vest in the Board of Assessors the power to declare when there is a surplus. The Overlay becomes further complicated because it entails more than just setting aside funds in one given year: individual yearly Overlay amounts become referred to as what is commonly known as "The" Overlay. Individual yearly abatements remain in existence because abatements can often take multiple years to work through the informal negotiation process and the formal Appellate Tax Board (ATB) proceedings. Further, although the Selectmen appoint the Assessors, state statute grants the Board of Assessors complete latitude in managing the Overlay process.

Nevertheless, the Committee considered this reserve to be squarely within the charge given by the Board of Selectmen. The Overlay is not a set aside for a long-term unfunded obligation like pensions, and statutory funding prescriptions are not as stringent as those governing the retirement system. In other words, the Town has more discretion with managing the Overlay Reserve on a year-to-year basis than it does with the Retirement Fund.

In addition, there are several, specific situational factors that warrant consideration of the Overlay in the overall context of Town reserves:

- Demand has emerged recently in the City of Boston for using Overlay surpluses for recurring costs (union contract settlements) as a result of a recent statutory change lifting restrictions on Boston's Overlay funding that had existed for more than 20 years.

- The total amount of Brookline's Overlay Reserves has grown to its highest level since at least the 1980s. (Attachment L)

- The Board of Assessors sets the annual Overlay within expected norms at 2%-3%, including revaluation years. However, abatements for the past two years have been considerably lower than the average for the prior ten years. This has

> contributed to the growth in the cumulative Overlay balance. Recognizing this, the Board of Assessors recently made a significant downward adjustment in its annual Overlay requirement for FY04. Nevertheless, the aggregate reserve is still at a level that arguably could warrant the declaration of a surplus by the Board of Assessors.

If the past is any guide to the future, it would seem that the Town's last experience in declaring an Overlay surplus in 2001 is indicative of some general practices that should be adopted. At that time, total Overlay Reserves for the years prior to 2001 was almost $5.5 million. An Overlay surplus of $2.7 million was declared and was appropriated by Town Meeting as part of the funding package for the Public Safety Headquarters renovation. According to the Chief Assessor, this left an adequate Overlay Reserve to cover possible exposure from prior outstanding abatement claims and from "expungement" cases.

Recognizing the independent authority legally vested in the Board of Assessors, the Committee recommends a process for the Selectmen to follow to identify Overlay surpluses and for the use of Overlay surpluses once declared. The Committee recommends that the Selectmen require an annual report from the Assessors at the close of each fiscal year. If potential surpluses are identified in this fashion, the Selectmen can then request a declaration of surplus, which would be applied to the CIP or other one-time expenses. For the first year implementation of this policy in FY2005, it is expected that any Board of Selectmen request for Overlay Surplus shall not reduce total Overlay reserves to less than $3 million.

Free Cash

Free Cash is the amount of funds in a community that are unrestricted and available for appropriation at the end of a fiscal year. The amount of Free Cash available to a community is certified annually by the Director of Accounts at the Department of Revenue's Division of Local Services. The Town's policies governing the use of Free Cash were set forth in a set of Financial Management Policies adopted by the Board of Selectmen in 1994. Generally, those policies restricted the use of Free Cash to the funding of reserves and to supporting the CIP. Over time, additional one-time (non-recurring) purposes were established for which Free Cash would be allocated, such as support for the Affordable Housing Trust Fund.

The Committee's recommendations concerning Free Cash basically continue these purposes, except as modified in the proposed Reserve Policies. However, consistent with the Committee's objective to simplify fiscal policies in order to make them more easily understood, the proposed Free Cash Policies are presented in an integrated one-page format.

In effect, the Committee came to understand the Free Cash Policies as a sequencing of decisions based upon priorities embedded in the Policies. The following chart illustrates the order of priority:

FREE CASH SEQUENCE			
USE	**CURRENT POLICY**	**RECOMMENDED POLICY**	**USED YEARLY?**
Non-Appropriated Budget Reserve	0.5% Prior Year Net Revenue	0.25% Prior Year Net Revenue	Y
Stabilization Fund	1% of value of Town facilities (for capital budget use only)	3% Prior Year Net Revenue (for capital and operating budget use)	Y
Liability/Catastrophe Fund	1% Prior Year Net Revenue	1% Prior Year Net Revenue	Y
CIP	All remaining Funds, except for provisions as listed below.	All remaining Funds, except for provisions as listed below.	Y
Affordable Housing Trust Fund	When Free Cash exceeds $6 million, 5% allocated	When Free Cash exceeds $6 million, 5% of Free Cash allocated	N
	When Free Cash exceeds $7.5 million, 7.5% allocated	When Free Cash exceeds $7.5 million, 7.5% of Free Cash allocated	
	When Free Cash exceeds $10 million, 10% allocated	When Free Cash exceeds $10 million, 10% of Free Cash allocated	
Special Use	0.25% Prior Year Net Revenue	In the event that the above provisions are met, Free Cash may be used to augment other reserves/trust funds, such as Workers' Comp.	N

The above chart indicates the first priority use of Free Cash is to fund the Annual Non-Appropriated Budget Reserve, the Stabilization Fund, the Liability/Catastrophe Fund, and the CIP, in that order; then the Affordable Housing Trust Fund (if Free Cash exceeds $6 million); and finally, other special non-recurring uses. The Committee strongly believes that allocations to the Special Use category should be made only as Free Cash allows. These allocations will be subject to the Town's standard approval process, beginning with the recommendation by the Town Administrator and the approvals of the Board of Selectmen, Advisory Committee, and Town Meeting.

As was the case with the initial policies adopted in 1994, the volatile and unpredictable nature of Free Cash is reflected in these policies. The Town's Free Cash experience has varied widely over the past 15 years. There is every reason to anticipate wide swings will continue in the future (Attachment M).

As a final definitional note, Free Cash is not an easy concept to understand. As a former Commissioner of the State Department of Revenue once said, "It is neither, 'free' nor 'cash'." In addition, while there can be much debate over whether Free Cash is "one time" or not "one time" revenue, it is without question the most unstable and unpredictable revenue source to the Town. Even local aid, with all of its political variability, has not swung to the extremes exhibited by Free Cash. Accordingly, the Committee has quite deliberately recommended that Free Cash be utilized in ways that avoid it being used to support recurring expenditures that support direct services.

Capital Improvements Program (CIP)

A Capital Improvement Program (CIP) is a long-range spending plan that determines and prioritizes a community's capital needs within its financial constraints; it represents a commitment to investment in infrastructure and the maintenance of assets. A well-formulated CIP has numerous benefits, including enhancing and/or maintaining a community's credit rating, stabilizing its tax rate, identifying non-tax revenue sources (grants), controlling debt, and keeping the capital needs of a community in the forefront.

A well-planned CIP, integrated into the annual budget process, helps maintain a consistent minimum level of spending for capital projects. Experience shows that in tight fiscal years, municipalities often defer or eliminate capital spending as a way to resolve a projected operating deficit. The passage of Proposition 2 ½ in the early-1980s and the poor economic climate of the early-1990s forced many communities, including Brookline, to delay much-needed capital improvements.

Brookline's CIP Process

The preparation of the annual CIP is mandated by statute: MGL Chapter 41 provides that the Planning Board shall prepare and submit annually a CIP for the Town. Chapter 270 of the Acts of 1985 (special legislation known as the "Town Administrator Act") directs the Town Administrator to prepare and recommend an annual financial plan, which includes a CIP. The annual process for Brookline begins with the submission of project requests by departments, which in many cases are the result of various board/commission (Park and Recreation Commission, Library Trustees, etc) public hearings on capital projects. The requests are then reviewed by a committee that is co-chaired by the Deputy Town Administrator and the Director of the Department of Planning and Community Development and is comprised of all department heads that have requested projects. After reviewing all project requests, the committee approves a preliminary CIP that is presented to the Town Administrator and the Planning Board.

The Planning Board holds hearings at which all projects included in the preliminary CIP are reviewed. Simultaneous with that review, the Town Administrator presents the preliminary CIP to the Board of Selectmen after a public hearing has been held on the ensuing year's overall financial plan (operating and capital budgets). All comments, recommendations, and suggestions from the public hearing, the Board of Selectmen, and the Planning Board are taken into consideration and factored into the formal CIP proposed as part of the Financial Plan that is presented in mid-February. At that point, the Advisory Committee holds public hearings on the CIP and makes its recommendations. The Planning Board's final recommendations are published in an annual CIP booklet prepared and distributed prior to the Annual Town Meeting. Town Meeting then takes action on the projects included in the first year of the CIP as part of its budget vote.

FPRC Review

The Committee reviewed each of the current CIP policies along with aggregate capital expenditures spanning the past decade. The Committee found that Brookline's CIP Policies are sound and are consistent with financial best practices. Brookline's CIP Policies include: the key financing provision that an amount equal to 5.5% of the prior year's net revenue is dedicated to the CIP; definitions of capital improvement projects and how projects are evaluated and prioritized; and debt management policies including per capita maximums and debt maturity schedules. Several other Aaa communities surveyed have no formal CIP policies or have adopted policies but have not followed them.

The Committee reviewed Brookline's capital spending relative to comparable communities. The Committee found that Brookline is within the norm of comparable communities with regard to the Town's debt burden. (Attachment N). The following table indicates where Brookline ranks both within the group of the 12 Aaa-rated communities in Massachusetts and all communities in the Commonwealth:

Variable	Brookline	Aaa Rank	State Rank
FY02 DEBT PER CAPITA	$1,689	6	105
FY02 DEBT AS A % OF EQUALIZED VALUATION	99%	6	181
FY02 DEBT PER CAPITA AS A % OF PER CAPITA INCOME	3.8%	6	176
FY02 GENERAL FUND DEBT SERVICE PER CAPITA	$223	5	77
FY02 DEBT SERVICE AS A % SPENDING	8.5%	4	112
FY02 TOTAL DEBT SERVICE PER CAPITA	$223	6	104

The Committee's overall evaluation of the Town's CIP policies is positive and only minor changes are recommended. There were some issues, however. While the Committee understands and appreciates the fact that the CIP is, and must be, based on the availability of funds, some members expressed concerns with 1.) the annual process of preparing the CIP and 2.) the adequacy of funding levels compared to the on-going need for capital improvements throughout the Town. More specifically, the following observations were made:

1. The development of Brookline's CIP is not "from the ground-up". Absent is an ongoing, comprehensive needs assessment that takes into account the functional life of facilities upon which a replacement schedule is built. Ideally, a capital plan includes the renovation / rehabilitation of a major facility every "x" number of years. In Brookline's case, a major facility project is scheduled in sequence based upon availability of funds.

   While this is a concern, the Town has done a commendable job of prioritizing and funding major capital projects that have prolonged the functional life of capital assets; maintained and/or made better use of existing facilities; and eliminated proven hazards to public health or public safety. The data provided to the Committee, which is presented below, illustrates that over the past decade, more than $190 million has been authorized for work on major or new facilities and for infrastructure. This translates into approximately 90% of all authorizations being spent on the physical plant, exactly what one would expect from a well-formulated CIP. (Attachment O).

CATEGORY	10-YR TOTAL	% OF TOTAL	ANNUAL AVERAGE
NEW FACILITY	$11,250,000	5.3%	$1,125,000
MAJOR FACILITY	$117,362,000	55.4%	$11,736,200
MINOR FACILITY	$5,900,000	2.8%	$590,000
FACIL. RELATED	$8,789,300	4.2%	$878,930
PARKS/OPEN SPACE	$12,798,500	6.0%	$1,279,850
INFRASTRUCTURE	$47,762,264	22.6%	$4,776,226
VEHICLES	$2,829,000	1.3%	$282,900
MISC. - MEDIUM	$4,501,400	2.1%	$450,140
MISC. - MINOR	$597,000	0.3%	$59,700
Grand Total	**$211,789,464**		**$21,178,946**

Examples of some major projects include the following:

<u>School Buildings</u> - Baker School, Heath School, High School, Lawrence School, and New Lincoln School.

<u>Municipal Facilities</u> - Municipal Service Center, the Public Safety Headquarters, Main Library Restoration, and the Senior Center.

2. Is the 5.5% of the prior year's net revenue, plus free cash, adequate to fund the Town's capital needs? It was pointed out to the Committee that the current CIP process showed the 6-year need to be $83.18 million, as expressed by requests from Department Heads. Compared to the level of estimated available funding of $72.62 million, it is clear that requested funding exceeds available resources. If Free Cash drops below projected levels, the gap could be even greater, perhaps significantly so.

   In addition to understanding that the CIP is based on the availability of funds, the Committee also understands that for every action there is a reaction, and increasing the 5.5% target funding for the CIP would impact the level of funds available for the operating budget.

Understanding these constraints, coupled with the obvious fact that an unprecedented level of capital improvement has been accomplished since the policies were first adopted ($204.38 million in total authorizations since FY96), the Committee recommends no change to the primary policy that an amount equivalent to 5.5% of the prior year's net revenue, plus free cash that remains after fulfilling reserve requirements, be committed to the CIP.

Recommendations

As stated above, the Committee is not recommending any changes in terms of funding levels for the CIP. We are, however, making the following recommendations:

Definitions

Since the current CIP policies were developed nearly a decade ago, and most recently reviewed seven years ago, the definition of a CIP project needs to be updated. The current threshold of $10,000 should be increased to $25,000.

Debt Management Policies

The 1997 Committee that reviewed the CIP policies recommended that new School Building Assistance Bureau (SBAB) reimbursements be added to the 5.5% / free cash funding package. This Committee recommends eliminating that provision, which has not been incorporated into practice. The SBAB reimbursement that comes to the Town from the State should go toward paying for the debt service associated with the school project; adding it on top of the existing funding mix is unnecessary. In effect, this policy, if followed, would divert funding to the CIP that otherwise is used in the operating budget for debt service.

Another recommendation is to index to inflation the policy that states total outstanding general obligation debt per capita shall not exceed $2,000. The $2,000 figure was established in 1997. Since then, the effect of inflation has effectively decreased that figure to approximately $1,700. The Committee recommends that, beginning July 1, 2004, the maximum outstanding general obligation debt per capita figure be adjusted annually by inflation, as measured by the consumer price index (CPI) for all urban consumers (northeast region, all items).

Technology

The final capital financing issue the Committee reviewed was how technology fits into a CIP. Both public and private organizations are struggling to determine the most appropriate way to budget for technology expenses. Historically, technology purchases were large, one-time expenses and the equipment lasted for many years, making them appropriate capital expenses. Today, however, many of the costs associated with technology have decreased, and as the expected lifespan on some technologies has decreased, it is less clear whether these items should be considered as capital or operating expenses.

Staff research showed that current practices of budgeting for technology vary by organization. Some organizations use a dollar threshold, while others use a measure of useful life. The State uses both bond-funded appropriations and operating budget funds to procure technology. Since there is no industry standard, the Committee recommends following a hybrid approach:

- Purchase/lease of individual computers, mobile devices such as personal digital assistance (PDAs), and stand-alone software are operating expenses and should be addressed within the operating budget

Purchase of enterprise-wide technology such as infrastructure and cross-department applications and certain major department-specific applications (e.g., assessing system, school pupil data management) are considered a capital asset and may be addressed within the capital budget

The Committee recommends the continuation of the Interdepartmental IT Committee. This committee, which evaluates and prioritizes Town and School technology needs, includes representatives from all major users of technology. The committee provides a comprehensive planning and review process of IT needs and, where possible, enables the Town to leverage the combined buying power of both the Town and School. The Committee also commends the work of the Information Technology Advisory Group (ITAC), a group of citizens with expertise in the IT field. Their review of budget requests is most helpful and should continue.

As stated above, there is precedent at the state level for using capital funds for technology. Most of the state's bond-funded appropriations for technology are used in extreme situations where the initial expenditure for non enterprise-wide technology would be disproportionate to the size of the current operating budget. In these instances, use of capital funds may be appropriate for initial outlays or investments in technology, provided that the future annual replacement costs are absorbed by the operating budget.

A concerted effort is being made to change the student to computer ratio in the Brookline Public School System. Currently, through operating funds, the schools are maintaining a student to computer ratio of 4 to 1 (6,000 students for 1,500 computers). A needs study is underway, which could recommend an increased number of classroom computers.

A significant increase might place an undue burden on the schools operating budget. In the alternative, the Town could consider capital funding to support the initial four-year life cycle, including maintenance, for the additional computers with the understanding that the schools will place the future, annual replacement cost in their operating budget at the end of the four-year life cycle.

ATTACHMENT F (1)

Chapter 66 of the Acts of 1998

AN ACT AUTHORIZING THE ESTABLISHMENT OF A MUNICIPAL INSURANCE FUND IN THE TOWN OF BROOKLINE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding the provisions of any general or special law to the contrary, the town of Brookline is hereby authorized to appropriate an amount not exceeding in any one year .05 per cent of its equalized valuation, as defined in section 1 of chapter 44 of the General Laws, to establish and maintain a special fund to be known as the Town of Brookline Liability Insurance Fund from which insurance premiums, property damage losses, including losses involving town owned property, and personal injury or other claims, settlements and judgments may be paid. The treasurer of said town shall be the custodian of said fund and may deposit the proceeds in national banks or invest the proceeds by deposit in savings banks, cooperative banks or trust companies organized under the laws of the commonwealth, or, invest the same in such securities as are legal for the investment of funds of savings banks under the laws of the commonwealth. Any interest or other income shall be added to and become a part of the fund.

SECTION 2. The Town of Brookline Liability Insurance Fund may be appropriated at any town meeting by a majority vote, or, if appropriated to fund a settlement not approved by the board of selectmen and town counsel, by a two-thirds vote at any town meeting.

SECTION 3. This act shall take effect upon its passage.

Approved April 3, 1998.

ATTACHMENT F (2)

Chapter 137 of the Acts of 2001

AN ACT RELATIVE TO THE LIABILITY INSURANCE FUND IN THE TOWN OF BROOKLINE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 66 of the acts of 1998 is hereby amended by striking out section 2 and inserting in place thereof the following section:-

Section 2. No direct drafts against the Town of Brookline Liability Insurance Fund shall be made, but insurance premiums, property damage losses, personal injury or other claims, litigation costs, judgments and settlements, recommended for payment by town counsel and approved by a majority of the board of selectmen, may be paid from the fund by vote of the advisory committee and a concurring vote of the board of selectmen. Losses, claims, costs, judgments and settlements, if not recommended by town counsel, may be appropriated by a 2/3 vote at any town meeting. The fund may be discontinued by a 2/3 vote of an annual or special town meeting. If discontinued, any balance remaining in the fund shall be transferred to the town's unreserved fund balance.

SECTION 2. This act shall take effect upon its passage.

Approved November 17, 2001.

ATTACHMENT H

MEMORANDUM

To: Richard Kelliher, Town Administrator
From: Stephen Cirillo, Finance Director, Treasurer Collector
Date: September 17, 2003
RE: **Statutory Requirements & Procedures for Funding Annual Appropriations to the Retirement Fund**

Per your request, I have assembled the statutory requirements and procedures for funding the annual appropriation to the Retirement Fund.

The process begins with a biannual review of the financial obligation of the Town to provide sufficient funding, both for annual and future costs, to reach a fully funded schedule. M.G.L. 32, Sec. 21 (3) requires an Actuary to review all data and to provide to the local Retirement Board, a recommendation for reaching the full funding goal, within the required time line. The local Retirement Board reviews the Actuary recommendation, options for funding levels and adjustments to the payment schedule, and approves a Funding Plan. This plan is then submitted to the Public Employee Retirement Administration Commission (PERAC) for review and approval.

M.G.L. 32, Sec. 22 (7) (c) requires that on or before January 1 of each biannual year, the local Retirement Board certify to the Board of Selectmen and Treasurer the amounts necessary to be paid annually to the Retirement fund. M.G.L. 32, Sec. 22 (7) (c) (3 & 4) further provide that, in the event that the government fails to include the annual appropriation as approved by the local Retirement Board and approved by PERAC, the local Board of Assessors shall, nevertheless, include such amounts in the tax levy.

In a 1985 Superior Court decision, Everett Retirement Board vs. Board of Assessors of Everett, in which the local government decreased the annual certified amount established by the local Retirement Board, the court held that the retirement provisions in M.G.L. 32, Sec. 1-28, are paramount and that the community could not deny what the Board had requisitioned.

Finally, in the event that the local Retirement Board accepted a strategy that would extend the full funding schedule from the calendar year 2023 to the maximum of calendar year 2028, the fiscal impact would be an annual savings of $696,000. This decision would add to the total amount now required to reach full funding $32,746,000.

ATTACHMENT I

Chapter 472 of the Acts of 1998

AN ACT AUTHORIZING THE TOWN OF BROOKLINE TO ESTABLISH A RETIREE HEALTHCARE LIABILITY TRUST FUND.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. The town meeting of the town of Brookline may appropriate funds in order to offset the anticipated cost of healthcare for retired employees, and the eligible surviving spouse or dependents of deceased employees. Such funds shall be credited to a special fund to be known as the Retiree Healthcare Liability Trust Fund. Any interest or other income shall be added to and become part of such fund. Any funds in said Retiree Healthcare Liability Trust Fund shall be trust funds within the meaning of section 54 of chapter 44 of the General Laws. Amounts may be expended from such fund only in accordance with an actuarial schedule of payments developed by a nationally recognized independent actuarial consulting firm and designed to reduce to zero any unfunded liability attributable to the payment of healthcare costs. Such schedule shall be designed to maintain such costs as a fixed ratio of the current and predicted future payroll of the town or such other acceptable actuarial method that is approved by the actuary. Funds may be utilized for the purposes of this trust fund by appropriation at any town meeting of the town.

SECTION 2. This act shall take effect upon its passage.

Approved January 14, 1999.

ATTACHMENT J

When Employers Fund Retiree Health Care

Kathleen Jenks Harm

One of the most challenging issues facing local government managers now and for the coming decade is retiree health care. A daunting challenge will exist whether the employer pays for benefits in whole, in part, or not at all.

The purpose of this article is to provide a framework for examining the retiree health care program to be offered by a governmental entity, compared with what is offered in other jurisdictions, and to point to the anticipated problems in covering the projected costs to the employer and to the employee/retiree.

Today's Costs for Retiree Health Care Premiums

The cost of retiree health care benefits has been increasing dramatically, and no consensus exists as to when double-digit inflation in health care costs and health insurance premiums may end. Particularly problematic is the rise in prescription drug costs and in employee health insurance programs that include such costs. Here are the current costs for two age groups:

Prior to age 65. Retirees who have employer-provided health care coverage before age 65 are either covered together with active employees or as a separate pool of retirees. Because of the cost of coverage for older workers who are covered separately, most localities providing coverage to retirees include them within their pool of active employees. While this pooling definitely lowers the cost for retiree health premiums, the premium for active employees is higher as a result.

Most employers have not focused on this implicit subsidy of retiree coverage to date but are more likely to do so in the future, as the Governmental Accounting Standards Board (GASB) statement on "Other Post-Employment Benefits" becomes effective. Employers now covering retirees under age 65 will have ready access to the rates for those employees who retire before Medicare eligibility. Rates will vary depending on coverage, deductibles, region of the country, plan experience, and other factors. The employer, depending on its usual practice, may pay fully by the retiree, in part, or in full.

Retirees who do not have employer-provided coverage and who purchase coverage individually will pay substantial premiums, as much as $1,000 per month or more, for coverage that includes preexisting conditions. This level of required expenditure by the individual is frequently the primary reason why an employee does not retire at the time he or she desires.

An individual retiring at age 55 with a generous pension benefit of $60,000 per year will likely be paying as much as 20 percent of that amount (after taxes) for health coverage if none is provided through the employer. Individual coverage generally costs substantially more than group coverage, particularly when preexisting conditions are considered.

At age 65 and older. Most employers providing retiree health benefits to those over age 65 integrate their coverage with Medicare and treat Medicare as the primary payer for these benefits.

Most public sector employees will automatically be eligible for Medicare Part A (hospital insurance) at age 65. The exception is those employees hired prior to April 1, 1986, in jurisdictions not covered by FICA who are not eligible for Part A through a spouse. Medicare Part A coverage may be purchased for $316 per month (2003 costs) if the retiree has up to 30 quarters of credit. If the retiree has 30 to 39 quarters of credit, the cost is reduced to $174 per month. If this amount is paid by the individual without any subsidy for seven years, Medicare will then supply the coverage without further premium payment.

Medicare Part B (medical insurance) may be purchased by enrolling and paying a premium of $58.70 per month (2003 cost). The combination of Medicare Part A and Medicare Part B may cover about 50 percent of the cost of retiree health care.

Figure 1. Local Governments' Provision of Retiree Health Care

No coverage	40%
100% employer-paid	20%
100% employee-paid	20%
Costs shared between employer and employee	20%

Individuals who do not have retiree health coverage from a former employer may elect to purchase Medigap insurance. Medigap insurance policies offer different coverage, and to make comparison among policies possible, policies are designated as Medigap A (the least coverage) through Medigap J (the highest level). Policies are available from insurance companies and other organizations providing health care and range in cost from about $80 per month for Medigap A in the least expensive area to over $200 for Medigap J in a more expensive location. The costs of Medigap policies in a given locale are listed on the Medicare Web site at www.medicare.gov.

As a rule of thumb for planning purposes, for those with several years to go before retirement, the cost of a Medigap policy plus out-of-pocket costs may range from $350 to $500 per month in today's dollars, with coverage that includes a spouse running to somewhat less than twice that amount.

Who Pays for Health Care?

Nationally, about 60 percent of local government employers provide coverage for retiree health care for those under age 65, with slightly fewer (57 percent) continuing coverage after age 65. Figure 1 summarizes local government provision of retiree health care. Many local governments have a length-of-service requirement that is tied to eligibility for benefits or to the percentage of premiums paid.

Authority for Providing Retiree Health Care Benefits

The authority for benefits may be as formal as a state statute or local ordinance or as informal as personnel policies or summary plan descriptions given to employees. Regardless of how they are authorized, retiree health care benefits do not enjoy the same protection under the law as pension plans. Benefits may be improved, decreased, or eliminated by revision of the establishing authority. When benefits are eliminated, current retirees are frequently "grandfathered in" at the existing benefit levels.

Types of Retiree Health Care Programs

Just as with public sector pension plans, retiree health care benefit programs come in two basic types: 1) defined-benefit (by far the more frequent form) and 2) defined-contribution.

With defined-benefit plans, the employer provides a benefit at retirement, normally either as a percentage of the employer's health care premium cost or as a flat dollar amount on a monthly basis.

Defined-contribution programs (also referred to as consumer-driven health care programs) provide individual retirees with accounts out of which an employee may pay for eligible medical expenses, which may include premium costs, deductibles, co-payments, prescription drugs, and so on. Employers may provide one or both of these types of plans to retirees.

Of increasing interest both to employers and to employees are hybrid plans that are basically designed as defined-benefit or defined-contribution but that include features of the other kind of plan. For example, a “target benefit” plan can be established, with individual accounts determining the assets available for retiree health care spending and actuarial determinations of annual contributions designed to provide a given account balance at retirement. Thus, the plan is a defined-contribution plan with a funding formula that aims for but does not guarantee a given benefit level.

“Pay-as-You-Go” Employer Funding

The vast majority of government employers pay for retiree health care as a budgeted expenditure within the current year’s costs. This pay-as-you-go approach does not reflect the overall employer liability for promised defined benefits, as proposed by a new GASB accounting standard. This new standard will force employers to compute this liability and to report on funding progress toward reaching full funding for accruing costs. Relatively few employers have calculated these future costs, and fewer still have segregated funds dedicated to this obligation.

The Problem from an Employer’s Perspective (or, What Is GASB Doing Now?)

Currently, the rising cost of health insurance premiums is seen as a critical issue for employers. Double-digit premium increases are the norm in times when budgets are strained and enhanced revenue sources are dwindling. But this problem represents only the tip of the iceberg for public employers.

GASB has determined that post-employment benefits other than pensions—or “other post-employment benefits” (OPEB)—are an accruing cost, similar to pensions, that should be reflected in the governmental unit’s financial statements. A similar reporting requirement was added for private sector financial statements by the Financial Accounting Standards Board (FASB Statement 106, issued in 1990).

Early retirement incentives offered by employers seeking to trim their workforces may be enhanced if they can provide some level of continuing coverage.

The reporting requirement is in part responsible for the significant drop in the availability of employer-provided retiree health care in the private sector: from 66 percent of large firms (with more than 200 workers) in 1988, to 34 percent in 2002. Among small private firms (three to 199 workers), only 5 percent provided coverage for retirees in 2002.

The exposure draft for OPEB was issued by GASB in February 2003 and is slated to become effective for large governmental units (greater than $100 million in revenue) with financial statements for years beginning after June 15, 2006. Medium-sized employers (between $10 million and $100 million in revenue) will be required to report for the years beginning after June 15, 2007, and the following year the requirement will include the smallest employers. Employers will no longer be able to fund only the current year’s cost for retiree coverage without causing a negative effect on the financial statements of the reporting entity.

Assets accumulated for funding future retiree health costs in both defined-benefit and defined-contribution plans will only be counted as OPEB assets if they are kept in a segregated trust fund available only for that purpose.

For defined-contribution plans, the reporting will be relatively straightforward; the employer will fund the annual required contribution, which is the annual OPEB cost. Additional information also will be required, including a description of the retiree health savings program.

Resources

Fronstin, Paul, and Dallas Salisbury. *Retiree Health Benefits: Savings Needed to Fund Health Care in Retirement.* Employee Benefit Research Institute, February 2003.

Harm, Kathleen Jenks. *Retiree Health Benefits.* International Personnel Management Association HR Resources Center, May 2001.

www.medicare.gov: Web site that is an invaluable source of information on the operation of the Medicare program; ability to research Medigap policies is available by zip code or state.

www.choosetosave.org: Web site with calculator for retiree health costs; also offers *Retiree Health Benefits* publication by EBRI.

"VantageCare Retirement Health Savings:" A folder for employers that reviews the structure and provisions of the prefunding vehicle offered by ICMA Retirement Corporation.

Employers with defined-benefit retiree health plans covering more than 200 employees will be required to perform actuarial studies to determine liabilities every two years; employers with 100 to 200 employees, every three years; and employers with fewer than 100 employees are provided with a simplified approach. Financial statements for defined-benefit plans will be required to include each year the current year's actuarially calculated OPEB cost, consisting of:

1. The accrued cost earned by employees in the current year; plus

2. The cost for amortization of accrued liabilities.

The reporting entity also will have to report the net OPEB obligation (the sum of the required costs for all years starting with the first reporting year, less the contributions made to a trust reserved for retiree health expenses). Thus, for each year that the employer doesn't fully fund the current year's OPEB cost, including the amoritized portion of the preenactment accrued liability, an increase will occur in the unfunded liability for OPEB benefits. Bond rating agencies have already indicated that attention will be paid to the mismatch between liabilities and assets. And this comes at a time when many local governments are experiencing difficulty in retaining their ratings.

For employers who are covering both active employees and retirees in the same insurance program, the true cost of the retiree premium is in part borne by the active employees and by the employer, even if the retiree pays 100 percent of his or her cost. This "implied subsidy" is considered part of the annual OPEB cost by GASB, and the final OPEB statement, due out late this year, will likely require the employer to recognize the implicit subsidy cost in its financial statements. Most employers have not yet calculated the actual value of this subsidy.

Few employers have calculated their OPEB costs, and the annual required contribution might be catastrophic for already-strained budgets. An employer with a payroll of $60 million, for example, pays 75 percent of the cost of retiree health care. The current year's budget cost for retiree premiums is an "affordable" $1.1 million. The first year's required contribution (to fund the current year's accruing benefits and amortizing prior years' costs over 30 years) is estimated at $11 million, almost 20 percent of current payroll costs.

Employers who do not provide any retiree health coverage may experience none of the financial difficulties outlined above, but frequently their employees will become job-locked and unable to retire because of the immediate necessity of covering the expenses of their retirement health care. Early retirement incentives offered by employers seeking to trim their workforces may be enhanced if they can provide some level of continuing coverage.

The Problem from the Employee Perspective

Those most fortunate retirees who have the most generous benefits often are still required to meet co-payments, deductibles, and possibly prescription drug costs, one of the most rapidly increasing components of medical care. Whether retirees share the cost of coverage with their employers or pay 100 percent of the cost, they will be hit by their portion of the rapidly increasing insurance premium, in addition to out-of-pocket costs. Finally, those early retirees who have no coverage through the employer will be at the mercy of the insurance industry until Medicare coverage starts at the age of 65.

To illustrate the problem, the following assumptions were used, together with the calculator available at www.choosetosave.org (see “Resources” list), to estimate the lump sum needed at retirement to cover retiree health costs.

Assumptions:	
Year of birth	1950
Retirement age	62
Annual cost of health insurance today	$8,000
Today’s cost of Medigap coverage at 65	$3,600
Rate of return on investments	7%
Life expectancy	87

The following total amounts were calculated to be required at age 62 in order to pay medical insurance premiums until age 65 and to cover Medigap (Medicare supplemental) insurance premiums from age 65:

With 4% inflation in premiums	$256,300
With 6% inflation	$366,800
With 8% inflation	$535,800
With 10% inflation	$796,700

Many public sector employees plan to use pension income or to withdraw assets from their deferred-compensation plans to pay for this expense in retirement. They should note, however, that the amount of assets calculated as necessary is somewhat misleading if the source of funds is taxable on payment to the individual. If the retiree is in a combined 33 percent tax bracket for federal and state income tax, the lump-sum amounts required would be 50 percent higher than those shown above.

Prefunding of Benefits

For both employers and employees, prefunding of retiree health benefits will become critical in the future. Employers will be forced by the GASB OPEB standard to prefund a dedicated trust if they provide any retiree health benefits and perhaps any implied subsidies. For their part, employees planning for retirement will need to consider seriously the level of assets required to cover their health care costs in retirement.

Among other vehicles, trusts for both employer and employee prefunding are now available through ICMA Retirement Corporation’s VantageCare Retirement Health Savings (RHS) program. ICMA-RC’s pioneering approach offers a defined-contribution (individual account) program that is flexible and customized to the employers’ and employees’ needs. Participation may be elective by individuals, and a number of different funding methods are possible.

Contributions are made on a pre-tax basis, earnings are tax-deferred, and reimbursements for eligible medical expenses are tax-free. The ICMA-RC VantageCare RHS program also gives employers the opportunity to segregate prefunding of the employer’s retiree health care liabilities in a trust that is invested in funds appropriate to the long-range nature of this obligation.

The Future of Retiree Health Care in the Public Sector

Costs will continue to go up at rates greater than general inflation rates for the foreseeable future. Medicare is unlikely to provide more of the solution; finding long-term fixes to the system may further tax the ability of employer and retiree alike to afford existing benefit structures.

Employee pressures will grow to establish, maintain, and improve benefits at the same time that OPEB disclosure and economic realities will dictate their reduction. Employees, particularly those who collectively bargain, are becoming more educated on the future cost of retiree health and are requesting retiree coverage where none now exists. The National Conference on Public Employee Retirement Systems (NCPERS) has made the establishment of these benefits a priority.

No consensus exists as to when double-digit inflation in health care costs and health insurance premiums may end.

Recently, five Ohio public-employee pension funds have taken action to boost the costs paid by retirees for previously low-cost or free retiree health benefits. For some retirees, these increases will consume most of their pension checks. One of the five union groups involved has already filed suit to block the price increase. The growing tension in the public sector over retiree health benefits will become more evident, and there will be substantial political risk for policymakers, as making decisions in this area will likely alienate either taxpayers or current and former employees, or both.

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Attachment A

GENERAL BUDGETARY RESERVE FUNDS	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
APPROPRIATED BUDGET RESERVE FUND (appropriated amt.)	517,190	769,573	869,573	789,573	815,000	820,500	834,276	875,000	930,687	1,024,730	1,070,000
NON-APPROPRIATED BUDGET RESERVE	0	0	500,000	789,573	815,000	820,500	834,276	875,000	620,458	683,177	714,316
SUB-TOTAL - - GENERAL BUDGETARY RESERVES [1]	**517,190**	**769,573**	**1,369,573**	**1,579,146**	**1,630,000**	**1,641,000**	**1,668,552**	**1,750,000**	**1,551,145**	**1,707,907**	**1,784,316**
TOTAL GENERAL FUND REVENUE [2]	98,143,118	104,672,718	109,614,873	114,134,157	119,833,342	126,798,847	136,000,274	147,247,546	159,792,430	160,405,023	163,442,573
GENERAL BUDGETARY RESERVE FUNDS AS A PERCENTAGE OF GENERAL FUND REVENUE	**0.5%**	**0.7%**	**1.2%**	**1.4%**	**1.4%**	**1.3%**	**1.2%**	**1.2%**	**1.0%**	**1.1%**	**1.1%**

SPECIAL RESERVE FUNDS	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
LIABILITY & CATASTROPHE FUND (year-end fund balance)	0	0	0	0	0	0	0	871,545	850,557	1,463,690	1,365,591
CAPITAL STABILIZATION FUND (year-end fund balance)	0	0	0	0	740,798	1,621,642	3,401,765	3,724,408	4,073,923	4,132,437	4,182,026
OVERLAY RESERVE (year-end fund balance)	(1,235,332)	(1,232,383)	(359,012)	504,535	1,835,370	3,789,916	5,541,061	3,604,552	5,193,408	6,489,038	4,139,038
SUB-TOTAL - - SPECIAL RESERVE FUNDS	**(1,235,332)**	**(1,232,383)**	**(359,012)**	**504,535**	**2,576,168**	**5,411,558**	**8,942,826**	**8,200,505**	**10,117,888**	**12,085,165**	**9,686,655**
TOTAL GENERAL FUND REVENUE [2]	98,143,118	104,672,718	109,614,873	114,134,157	119,833,342	126,798,847	136,000,274	147,247,546	160,026,950	160,405,023	163,442,573
SPECIAL RESERVE FUNDS AS A PERCENTAGE OF GENERAL FUND REVENUE	**-1.3%**	**-1.2%**	**-0.3%**	**0.4%**	**2.1%**	**4.3%**	**6.6%**	**5.6%**	**6.3%**	**7.5%**	**5.9%**

TOTAL - ALL RESERVE FUNDS	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
TOTAL OF ALL RESERVE FUNDS	**(718,142)**	**(462,810)**	**1,010,561**	**2,083,681**	**4,206,168**	**7,052,558**	**10,611,378**	**9,950,505**	**11,669,033**	**13,793,072**	**11,470,971**
TOTAL GENERAL FUND REVENUE [2]	98,143,118	104,672,718	109,614,873	114,134,157	119,833,342	126,798,847	136,000,274	147,247,546	160,026,950	160,405,023	163,442,573
TOTAL RESERVE FUNDS AS A PERCENTAGE OF GENERAL FUND REVENUE	**-0.7%**	**-0.4%**	**0.9%**	**1.8%**	**3.5%**	**5.6%**	**7.8%**	**6.8%**	**7.3%**	**8.6%**	**7.0%**

[1] These do not include the annual set aside for Collective Bargaining agreements and employee buybacks.

[2] Water and Sewer Revenue backed out for FY's 94 - 01. Beginning in FY02, W&S revenue deposited into an Enterprise Fund.

** Year-end fund balances for FY04 are estimates.

TRUST FUNDS WITH RESERVES ESTAB. PER TOWN POLICIES	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
POST-RETIREMENT BENEFITS TRUST FUND (year-end fund balance)	0	0	0	0	0	0	645,052	1,290,098	1,992,527	2,632,481	3,679,831
GROUP HEALTH INSURANCE TRUST FUND (year-end fund balance)	NA	1,903,765	1,573,855	2,359,740	1,527,795	2,858,981	2,314,568	2,253,654	2,819,549	1,653,288	1,521,410
WORKER'S COMP TRUST FUND (year-end fund balance)	NA	404,137	584,029	640,147	601,761	797,815	865,577	784,953	565,275	588,844	412,723
TOTAL - - TRUST FUNDS	**0**	**2,307,902**	**2,157,884**	**2,999,887**	**2,129,556**	**3,656,796**	**3,825,198**	**4,328,705**	**5,377,352**	**4,874,614**	**5,613,964**

** Year-end fund balances for FY04 are estimates.

Attachment B

General Budgetary Reserve Funds of AAA-Rated Communities

	BROOKLINE	**ANDOVER**	**BELMONT**	**CAMBRIDGE**	**HINGHAM**	**LEXINGTON**	**NEWTON**	**WELLESLEY**	**WESTON**	**WINCHESTER**
FY03 Revenue (rounded) [1]	$175,490,000	$110,630,000	$73,160,000	$370,800,000	$61,080,000	$115,580,000	$265,990,000	$79,680,000	$55,340,000	$66,850,000
FY03 Reserve Fund (MGL Ch 40, Sec 6) (rounded)	$1,025,000	$200,000	$500,000	$0	$611,000	$173,000	$1,995,000	$183,000	$300,000	$334,000
Reserve Fund as a % of Revenue	0.58%	0.18%	0.68%	0.00%	1.00%	0.15%	0.75%	0.23%	0.54%	0.50%
							(Policy = 1%)	(Policy = 1% of Tax Levy Max.)		
FY03 Nonappropriated Reserve Fund	$683,000	$485,000	$0	$2,153,000	$2,300,000	$0	$1,000,000	$300,000	$0	$0
Non-appropriated Reserve Fund as a % of Revenue	0.39%	0.44%	0.00%	0.58%	3.77%	0.00%	0.38%	0.38%	0.00%	0.00%
				(Policy = 5%-10% of Free Cash)						(Policy = 2% of Net Revenue)
TOTAL BUDGETARY RESERVES AS A % OF REVENUE	**0.97%**	**0.62%**	**0.68%**	**0.58%**	**4.77%**	**0.15%**	**1.13%**	**0.61%**	**0.54%**	**0.50%**

[1] Revenue data from the Division of Local Services' Municipal Databank, which comes from communities' Recaps.

Attachment C

APPROPRIATED BUDGET RESERVE FUND	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
RESERVE FUND APPROP.	467,190	769,573	769,573	789,573	815,000	820,500	834,276	875,000	930,687	1,024,730	1,070,000
ADDITIONAL APPROP. TO RES. FUND	50,000	-	100,000	-	-	-	-	-	-	-	
TOTAL RESERVE FUND	517,190	769,573	869,573	789,573	815,000	820,500	834,276	875,000	930,687	1,024,730	1,070,000
TOTAL EXPENDED	421,117	483,105	611,883	325,696	532,153	717,287	527,947	874,880	343,325	851,935	
UNCOMMITTED BALANCE	96,073	286,468	257,690	463,877	282,847	103,213	306,329	120	587,362	172,795	
% OF TOTAL RES. FUND EXP.	**81.4%**	**62.8%**	**70.4%**	**41.2%**	**65.3%**	**87.4%**	**63.3%**	**100.0%**	**36.9%**	**83.1%**	

Attachment D

CAPITAL STABILIZATION FUND												
		1994	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Replacement Value:												
Bldgs	3.00%								295,538,627	304,404,786	313,536,929	322,943,037
Personal Prop									20,372,250	20,983,418	21,612,920	22,261,308
Total Replace Value of Bldgs									315,910,877	325,388,203	335,149,849	345,204,345
Fully Funded	1.00%								3,159,109	3,253,882	3,351,498	3,452,043
Current Funding							740,798	1,621,642	3,401,765	3,724,408	4,073,923	4,132,437
Over/(Under) Funded									**242,657**	**470,526**	**722,425**	**680,393**
Funding Plan:												
Free Cash						740,000	800,000	1,560,000	95,400	235,000		
Estimated Interest	1.20%					798	3,498	218,469	183,320	114,515	58,514	49,589
Other							77,346	1,654	43,923			
Total Additional Funding						740,798	880,844	1,780,123	322,643	349,515	58,514	49,589
Final Balance						**740,798**	**1,621,642**	**3,401,765**	**3,724,408**	**4,073,923**	**4,132,437**	**4,182,026**
Current % Funded									**108%**	**114%**	**122%**	**120%**
Proposed % Funded									**118%**	**125%**	**123%**	**121%**
** Year-end fund balance for FY04 is an estimate.												

Attachment E

REVENUE SOURCE	FINAL FY-89 BUDGET	FINAL FY-90 BUDGET	FINAL FY-91 BUDGET	FINAL FY-92 BUDGET	FINAL FY-93 BUDGET	FINAL FY-94 BUDGET	FINAL FY-95 BUDGET	FINAL FY-96 BUDGET	FINAL FY-97 BUDGET	FINAL FY-98 BUDGET	FINAL FY99 BUDGET
Overall Summary											
1. Property Taxes	**58,814,451**	**61,235,065**	**63,423,429**	**65,749,086**	**68,821,895**	**72,293,772**	**77,700,333**	**80,820,098**	**84,086,279**	**87,858,907**	**92,203,063**
2. Local Receipts (w/o W&S)	**11,470,000**	**12,918,649**	**13,155,532**	**14,299,661**	**13,715,000**	**14,113,410**	**14,333,292**	**14,043,029**	**13,765,000**	**14,350,000**	**15,087,040**
3. State Aid	**13,470,843**	**11,404,302**	**10,944,460**	**8,159,454**	**8,964,931**	**9,443,384**	**9,827,550**	**11,055,235**	**11,773,311**	**12,435,218**	**14,581,248**
4. Free Cash	**0**	**1,993,526**	**3,809,468**	**2,700,000**	**0**	**0**	**0**	**1,220,000**	**2,220,000**	**2,929,019**	**3,562,222**
5. Other Available Funds	**750,071**	**1,875,134**	**1,606,392**	**1,698,171**	**2,541,205**	**2,292,552**	**2,811,543**	**2,476,511**	**2,307,098**	**2,260,198**	**2,231,293**
Total Revenues	**84,505,365**	**89,426,676**	**92,939,281**	**92,606,372**	**94,043,031**	**98,143,118**	**104,672,718**	**109,614,873**	**114,151,688**	**119,833,342**	**127,664,866**
PERCENTAGE CHANGE		**5.82%**	**3.93%**	**-0.36%**	**1.55%**	**4.36%**	**6.65%**	**4.72%**	**4.14%**	**4.98%**	**6.54%**
(LESS)											
Non-Appropriated	6,924,825	7,260,726	7,366,039	7,340,402	7,850,091	7,517,754	7,754,379	8,700,985	8,604,098	8,893,487	9,453,779
Net Debt Exclusions					434,483	1,329,425	1,288,300	631,133	710,067	1,243,798	1,977,223
Free Cash	0	1,993,526	3,809,468	2,700,000	0	0	0	1,220,000	2,220,000	2,929,019	3,562,222
Overlay Reserve Surplus		625,000	500,000	188,144	401,067		150,000		0	0	0
Chapter 90		236,104	236,104	0	470,667	470,667	781,442	781,442	781,442	762,887	762,887
Capital Approp. Surplus						114,000	184,000	40,000			
Ryder Cup Funds				0	0	0	0	0	0	0	0
NET REVENUE	**77,580,540**	**79,311,320**	**81,027,670**	**82,377,826**	**84,886,723**	**88,711,272**	**94,514,597**	**98,241,313**	**101,836,081**	**106,004,151**	**111,908,755**
PERCENTAGE CHANGE		**2.23%**	**2.16%**	**1.67%**	**3.05%**	**4.51%**	**6.54%**	**3.94%**	**3.66%**	**4.09%**	**5.57%**

Attachment E

REVENUE SOURCE		FINAL FY00 BUDGET	FINAL FY01 BUDGET	FINAL FY02 BUDGET	FINAL FY03 BUDGET	FINAL FY04 BUDGET	SCEN. A $1M S.A. CUT FY05 BUDGET	SCEN. B $2M S.A. CUT FY05 BUDGET	SCEN. C $3M S.A. CUT FY05 BUDGET
	Overall Summary								
1.	**Property Taxes**	**96,399,645**	**100,217,510**	**104,560,825**	**109,532,058**	**114,660,482**	**118,976,942**	**118,976,942**	**118,976,942**
2.	**Local Receipts (w/o W&S)**	**15,540,000**	**16,045,500**	**17,187,907**	**17,443,978**	**18,021,735**	**19,201,225**	**19,201,225**	**19,201,225**
3.	**State Aid**	**16,023,168**	**18,954,375**	**19,726,964**	**19,832,510**	**17,090,425**	**15,941,533**	**14,941,533**	**13,941,533**
4.	**Free Cash**	**6,590,000**	**4,810,908**	**11,536,850**	**5,261,797**	**5,602,961**	**5,961,847**	**5,961,847**	**5,961,847**
5.	**Other Available Funds**	**2,308,309**	**7,219,253**	**6,779,884**	**8,334,680**	**8,064,934**	**7,629,522**	**7,629,522**	**7,629,522**
	Total Revenues	**136,861,122**	**147,247,546**	**159,792,430**	**160,405,023**	**163,440,537**	**167,711,069**	**166,711,069**	**165,711,069**
	PERCENTAGE CHANGE	**7.20%**	**7.59%**	**8.52%**	**0.38%**	**1.89%**	**2.61%**	**2.00%**	**1.39%**
	(LESS)								
	Non-Appropriated	9,985,753	9,688,411	9,473,504	9,351,049	8,017,522	7,873,201	7,873,201	7,873,201
	Net Debt Exclusions	2,149,296	1,867,645	1,832,812	1,744,870	1,705,344	1,676,384	1,676,384	1,676,384
	Free Cash	6,590,000	4,810,908	11,536,850	5,261,797	5,602,961	5,961,847	5,961,847	5,961,847
	Overlay Reserve Surplus	0	2,700,000	0	210,000	0	0	0	0
	Chapter 90	762,887	508,591	242,059	484,117	484,117	0	0	0
	Capital Approp. Surplus								
	Ryder Cup Funds	0	2,350,000	0	0	0	0	0	0
	NET REVENUE	**117,373,186**	**125,321,991**	**136,707,206**	**143,353,190**	**147,630,593**	**152,199,636**	**151,199,636**	**150,199,636**
	PERCENTAGE CHANGE	**4.88%**	**6.77%**	**9.08%**	**4.86%**	**2.98%**	**3.09%**	**2.42%**	**1.74%**

Attachment G

		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
LIABILITY & CATASTROPHE FUND												
Prior Year Balance									700,000	871,545	850,557	1,463,690
Interest Earned	2.20%								171,545	19,795	8,944	34,401
Free Cash (0.25%)										310,229	341,589	
Operating Budget										100,000	100,000	100,000
Additional Contributions											270,000	
Sub-Total									871,545	1,301,569	1,571,090	1,598,091
Liability Expenditures										419,000	107,400	232,500
Catastrophe Expenditures												
Other										32,012		
Total Expenditures									-	451,012	107,400	232,500
Year End Balance									**871,545**	**850,557**	**1,463,690**	**1,365,591**
Net Revenue from Prior Yr									116,666,666	124,091,641	136,635,498	143,356,661
Funding Target 1% Prior Yr Net Revenue									1,166,667	1,240,916	1,366,355	1,433,567
Over / Under Target									(295,122)	(390,360)	97,335	(67,976)
% Funded									**74.70%**	**68.54%**	**107.12%**	**95.26%**
** Year-end fund balance for FY04 is an estimate.												

Attachment K

		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
POST RETIREMENT BENEFITS TRUST FUND												
Actuarially Fully Funded @ 11%									119,881,500	127,493,900	135,145,000	142,722,600
Beginning Balance									645,052	1,290,098	1,992,527	2,632,481
New Funding												
Annual Funding - Non-Contributory Ret								35,000	60,000	120,000	60,000	95,000
Redirect Retirement Actuarial Funds												
Operating Budget												
Intergovernmental Funds Budgeted											169,750	173,975
CDBG-Direct Deposit											17,400	13,200
School Adult Education											61,507	
Free Cash (0.25%)												357,158
Free Cash - Additional										200,000		
Transfer From Prior Heath Program									563,417			
Year End Un Matched Health Ins Funds								610,052		348,771	300,000	360,793
Total New Funding									623,417	668,771	608,657	1,000,126
Interest Earned	1.30%								21,628	33,658	31,297	47,224
Ending Balance Before Exp.'s								**645,052**	**1,290,098**	**1,992,527**	**2,632,481**	**3,679,831**
Expenditures												
Total Expenditure									-	-	-	-
Year End Balance								**645,052**	**1,290,098**	**1,992,527**	**2,632,481**	**3,679,831**
Percentage Funded									**1.08%**	**1.56%**	**1.95%**	**2.58%**
** Year-end fund balance for FY04 is an estimate.												

Attachment L

		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
OVERLAY												
Prior Year Adjustments		(684,663)										
Prior Year Surplus / (Deficit)			(1,235,332)	(1,232,383)	(359,012)	504,535	1,835,370	3,789,916	5,541,061	3,604,552	5,193,408	6,489,038
Original Overlay		1,367,931	1,394,842	2,068,513	1,844,721	1,990,678	2,344,564	3,212,154	2,096,864	2,503,511	2,560,059	1,500,000
Abatements & Exemptions		(1,918,600)	(1,241,893)	(1,195,142)	(981,174)	(659,843)	(390,018)	(1,291,626)	(1,313,098)	(570,938)	(544,224)	(750,000)
Declared Surplus Transferred to the Gen Fund			(150,000)						(2,700,000)		(210,000)	(2,500,000)
Potential ATB Liability								(169,383)	(20,275)	(343,717)	(510,205)	(600,000)
EOY Fund Balance		**(1,235,332)**	**(1,232,383)**	**(359,012)**	**504,535**	**1,835,370**	**3,789,916**	**5,541,061**	**3,604,552**	**5,193,408**	**6,489,038**	**4,139,038**

** Year-end fund balance for FY04 is an estimate.

Town of Brookline
Free Cash History

FY		Free Cash
FY89	$	99,799
FY90	$	3,024,563
FY91	$	(2,571,495)
FY92	$	(2,378,823)
FY93	$	(87,835)
FY94	$	1,500,333
FY95	$	3,078,581
FY96	$	3,896,988
FY97	$	4,412,943
FY98	$	7,506,461
FY99	$	5,783,683
FY00	$	12,157,308
FY01	$	6,225,673
FY02	$	6,317,277

Attachment N

DEBT SERVICE AS A PERCENTAGE OF PRIOR YEAR REVENUES

FY	MUNICIP	FY2002 Total Debt Svc	FY2001 Total Revenue	Debt Svc As a % of Revenue
2002	ANDOVER	10,863,486	97,050,061	11.2%
2002	BELMONT	2,959,393	65,613,743	4.5%
2002	BROOKLINE	12,752,494	166,032,888	7.7%
2002	CAMBRIDGE	32,354,905	350,971,614	9.2%
2002	CONCORD	3,789,131	45,858,913	8.3%
2002	HINGHAM	4,400,083	53,761,461	8.2%
2002	LEXINGTON	7,115,505	103,232,818	6.9%
2002	NEWTON	8,123,197	233,808,586	3.5%
2002	WAYLAND	4,452,929	43,085,677	10.3%
2002	WELLESLEY	4,880,863	68,104,842	7.2%
2002	WESTON	5,882,215	45,751,253	12.9%
2002	WINCHESTER	4,411,308	56,305,853	7.8%

AAA-RATED MEDIAN	8.0%

CIP AUTHORIZATIONS 1995-2004

Sum of AMOUNT				FY										
PR	PROJ GROUP	KEYWORD	PROJECT	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	Grand Total
1	NEW FACILITY	Municipal Service Center	Highway Garage Site Remediation		100,000									100,000
			Kendall St. - Re-use of Property		50,000									50,000
			Kendall St. Site Demolition				200,000							200,000
			Kendall St. Site Remediation			150,000	50,000	50,000						250,000
			Municipal Service Center Repairs									300,000		300,000
			Municipal Service Center/Site Remediation			7,600,000								7,600,000
		Municipal Service Center Total			150,000	7,750,000	250,000	50,000				300,000		8,500,000
		Senior Center	Senior Center						2,750,000					2,750,000
		Senior Center Total							2,750,000					2,750,000
	NEW FACILITY Total				**150,000**	**7,750,000**	**250,000**	**50,000**	**2,750,000**			**300,000**		**11,250,000**
2	MAJOR FACILITY	Baker	Baker School Field Improvements									47,000		47,000
			Baker School Pathway Improvements								30,000			30,000
			Baker School Plans and Specs			540,000								540,000
			Baker School Renovation - Design Services/Asbestos Abatement				280,000							280,000
			Baker School Renovation, Addition, and Playground					9,750,000				750,000		10,500,000
			Baker School Renovations		25,000									25,000
		Baker Total			25,000	540,000	280,000	9,750,000			30,000	797,000		11,422,000
		Devotion	Devotion Playground				20,000	200,000						220,000
			Devotion School - Replace/Recaulk Windows/Openings					245,000						245,000
			Devotion School Auditorium - Plans						15,000					15,000
			Devotion School Gym Floor Replacement							50,000				50,000
			Devotion School Pointing/Caulking				200,000							200,000
			Devotion School Roof/Repairs		75,000	750,000								825,000
			Devotion School Roof/Repairs - Plans and Specs			20,000								20,000
			Devotion School Windows		160,000		20,000		200,000					380,000
			Devotion School Windows - Plans	15,000										15,000
		Devotion Total		15,000	235,000	770,000	240,000	445,000	215,000	50,000				1,970,000
		Driscoll	Driscoll School - Roof and Façade Work/Elevator					45,000						45,000
			Driscoll School Auditorium		100,000									100,000
			Driscoll School Boilers			400,000								400,000
			Driscoll School Elevator and Roof/Façade						450,000					450,000
			Driscoll School Heating/Piping - Plans						40,000					40,000
			Driscoll School HVAC Equipment							900,000				900,000
			Driscoll School Improvements									375,000	1,425,000	1,800,000
			Driscoll School Roof & Exterior Walls	450,000										450,000
			Driscoll School Windows				200,000							200,000
			Driscoll School Windows and Boilers	50,000										50,000
		Driscoll Total		500,000	100,000	400,000	200,000	45,000	490,000	900,000		375,000	1,425,000	4,435,000
		Health Center	Health Building Upgrade									55,000		55,000
			Health Center Handicapped Ramp			150,000								150,000
		Health Center Total				150,000						55,000		205,000
		Heat and Light Plant	Heat and Light Plant Roof		100,000									100,000
		Heat and Light Plant Total			100,000									100,000
		Heath	Heath School - Oil Tank/Cafeteria Roof					30,000						30,000
			Heath School Cafeteria Roof						75,000					75,000
			Heath School Faculty Area Plan							12,000				12,000
			Heath School Faculty Area Upgrade								100,000			100,000
			Heath School Interior Renovations		300,000									300,000
			Heath School Oil Tank						200,000					200,000
			Heath School Playground		180,000									180,000
			Heath School Playground Rehabilitation - Plans & Specs	15,000										15,000
			Heath School Renovation	3,200,000										3,200,000
			Heath School Sprinklers							200,000				200,000
			Heath School Sprinklers - Plans						15,000					15,000
		Heath Total		3,215,000	480,000			30,000	290,000	212,000	100,000			4,327,000
		High School	High School Feasibility Study		150,000									150,000
			High School Fuel Tanks	260,000										260,000
			High School Gym Exterior				100,000							100,000
			High School Main Gym Canopy			10,000								10,000
			High School Renovation		43,800,000									43,800,000
			High School Repairs								130,000	150,000		280,000
			High School Traffic & Parking Study	25,000										25,000

Attachment O

Sum of AMOUNT				FY										
PR	PROJ GROUP	KEYWORD	PROJECT	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	Grand Total
2	MAJOR FACILITY	High School Total		285,000	43,950,000	10,000	100,000				130,000	150,000		44,625,000
		Lawrence	Lawrence School and Longwood Park Renovations								16,140,000			16,140,000
			Lawrence School Feasibility Study			35,000								35,000
			Lawrence School Renovations - Plans and Specs							935,000				935,000
			Lawrence School Roof		100,000	200,000								300,000
			Lawrence School Space Utilization Study		25,000									25,000
			Longwood (Lawrence) Park Improvements									67,000	100,000	167,000
		Lawrence Total			125,000	235,000				935,000	16,140,000	67,000	100,000	17,602,000
		Library - Main	Main Library Garage/Lintels/Systems/Carpet					260,000						260,000
			Main Library Renovations		150,000	80,000	800,000			3,088,000				4,118,000
			Main Library Windows		160,000									160,000
		Library - Main Total			310,000	80,000	800,000	260,000		3,088,000				4,538,000
		New Lincoln	Lincoln School Burner Replacement / Oil Tank Installation										30,000	30,000
			Lincoln School Wall Repair										150,000	150,000
		New Lincoln Total											180,000	180,000
		Newton St. Landfill	Newton St. Landfill Assessment / Corrective Action										1,000,000	1,000,000
			Newton St. Landfill Capping / Park Development										7,890,000	7,890,000
			Newton St. Landfill Closure/Improvements						200,000					200,000
			Newton St. Landfill Site - Plan and Specs			60,000								60,000
			Newton St. Landfill/Leaf-Snow Dump					300,000						300,000
			Transfer Station Rehabilitation				25,000			500,000				525,000
			Transfer Station Rehabilitation Study						30,000					30,000
		Newton St. Landfill Total				60,000	25,000	300,000	230,000	500,000			8,890,000	10,005,000
		Old Lincoln	Old Lincoln Gutters/Downspouts										230,000	230,000
			Old Lincoln School - Install Elevator					15,000						15,000
			Old Lincoln School Elevator and Renovations						300,000					300,000
			Old Lincoln School Repairs			100,000								100,000
			Old Lincoln School Wall			130,000								130,000
		Old Lincoln Total				230,000		15,000	300,000				230,000	775,000
		Pierce	Pierce School Bathroom Remodeling									115,000		115,000
			Pierce School Elevator/Renovations						175,000					175,000
			Pierce School HVAC System									900,000		900,000
			Pierce School Primary - Bathroom Remodeling					100,000						100,000
			Pierce School Primary - Bathroom Remodeling - Plans and Specs				15,000							15,000
			Pierce School Primary - Install Elevator					15,000						15,000
			Pierce School Primary Exterior Repairs		15,000									15,000
			Pierce School Primary Improvements							365,000	1,353,000			1,718,000
			Pierce School Roof			175,000								175,000
			Pierce School Windows/Ventilators - Plans						40,000					40,000
		Pierce Total			15,000	175,000	15,000	115,000	215,000	365,000	1,353,000	1,015,000		3,268,000
		Public Safety Headquarters	Communications Dispatch Console				165,000							165,000
			Fire Alarm System/Communications Equipment							300,000				300,000
			Public Safety Headquarters Renovation					600,000		10,155,000				10,755,000
		Public Safety Headquarters Total					165,000	600,000		10,455,000				11,220,000
		Runkle	Runkle School Oil Burner Replacement							60,000				60,000
			Runkle School Playground						300,000					300,000
			Runkle School Playground Rehab							150,000				150,000
			Runkle School Playground Rehab - Design				30,000							30,000
			Runkle School Window Replacement				300,000	290,000						590,000
		Runkle Total					330,000	290,000	300,000	210,000				1,130,000
		Soule Recreation Center	Soule Gymnasium			165,000								165,000
			Soule Recreation Center			15,000								15,000
			Soule Recreation Center Improvements								800,000			800,000
			Soule Recreation Center Renovation					30,000						30,000
			Soule Recreation Center Roof	180,000										180,000
		Soule Recreation Center Total		180,000		180,000		30,000			800,000			1,190,000
		Town Hall	Town Hall Emergency Generator			50,000								50,000
			Town Hall Garage - Exit Ways/Lighting					50,000						50,000
			Town Hall Mechanical System			20,000								20,000
			Town Hall Recaulking/Garage Repairs		200,000									200,000
			Town Hall Upgrade								50,000			50,000
		Town Hall Total			200,000	70,000		50,000			50,000			370,000
	MAJOR FACILITY Total			**4,195,000**	**45,540,000**	**2,900,000**	**2,155,000**	**11,930,000**	**2,040,000**	**16,715,000**	**18,603,000**	**2,459,000**	**10,825,000**	**117,362,000**
3	MINOR FACILITY	Eliot Rec	Eliot Rec Center Renovation				300,000							300,000

Attachment O

Sum of AMOUNT				FY										
PR	PROJ GROUP	KEYWORD	PROJECT	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	Grand Total
3	MINOR FACILITY	Eliot Rec	Eliot Rec Center Roof Repairs		60,000									60,000
		Eliot Rec Total			60,000		300,000							360,000
		Emergency Operations Center	Emergency Operations Center										500,000	500,000
		Emergency Operations Center Total											500,000	500,000
		Fire Station	Fire Department Vehicle Maintenance Shop Move								100,000			100,000
			Fire Station #1 - Bay					35,000						35,000
			Fire Station #1 Renovations						850,000					850,000
			Fire Station #4 Floor						180,000					180,000
			Fire Station #7 Stairs		35,000									35,000
			Fire Station Air Conditioners									20,000		20,000
			Fire Station Furniture			35,000								35,000
			Fire Station Refurbishment	880,000										880,000
			Fire Training Building										165,000	165,000
			Pave Fire Training Area									30,000		30,000
		Fire Station Total		880,000	35,000	35,000		35,000	1,030,000		100,000	50,000	165,000	2,330,000
		Library - Coolidge Corner	Coolidge Corner Library Carpeting				125,000							125,000
			Coolidge Corner Library Fire Alarm Improvements										45,000	45,000
			Coolidge Corner Library HVAC										345,000	345,000
			Coolidge Corner Library Window and Façade Replacement						20,000	250,000				270,000
		Library - Coolidge Corner Total					125,000		20,000	250,000			390,000	785,000
		Library - Putterham	Putterham Library Conference Room Roof					30,000						30,000
			Putterham Library Fire Alarm System							45,000				45,000
			Putterham Library Parking Lot			100,000								100,000
		Library - Putterham Total				100,000		30,000		45,000				175,000
		Lynch Recreation Center	Lynch Recreation Center Improvements								225,000			225,000
			Lynch Recreation Center Windows - Plans							20,000				20,000
		Lynch Recreation Center Total								20,000	225,000			245,000
		Skating Rink	Larz Anderson Skating Rink							450,000	150,000			600,000
			Skating Rink Improvements - Plans						30,000					30,000
		Skating Rink Total							30,000	450,000	150,000			630,000
		Swimming Pool	Pool Filter System				60,000							60,000
			Pool Grouting/Shower Renovation				70,000							70,000
			Pool Roof Replacement						150,000					150,000
			Swimming Pool Filters/Pumps		100,000									100,000
			Swimming Pool Locker Replacment									100,000	100,000	200,000
			Swimming Pool Roof										45,000	45,000
			Swimming Pool Shower Improvements								250,000			250,000
		Swimming Pool Total			100,000		130,000		150,000		250,000	100,000	145,000	875,000
	MINOR FACILITY Total			**880,000**	**195,000**	**135,000**	**555,000**	**65,000**	**1,230,000**	**765,000**	**725,000**	**150,000**	**1,200,000**	**5,900,000**
4	FACIL. RELATED	ADA	ADA Renovations - Town/School			50,000	50,000	50,000	50,000	50,000		55,000	50,000	355,000
			Audible Signals (ADA)						10,000	10,000				20,000
		ADA Total				50,000	50,000	50,000	60,000	60,000		55,000	50,000	375,000
		Asbestos	Asbestos Removal			50,000	50,000	50,000	150,000	165,000	100,000	50,000	50,000	665,000
		Asbestos Total				50,000	50,000	50,000	150,000	165,000	100,000	50,000	50,000	665,000
		Building Alarm Systems / Security	Building Alarm Systems		280,000									280,000
			Municipal Building Security									52,300	45,000	97,300
		Building Alarm Systems / Security Total			280,000							52,300	45,000	377,300
		Cemetery	Cemetery Building Rehab						100,000					100,000
		Cemetery Total							100,000					100,000
		Devotion House	Devotion House Painting/Repairs			30,000								30,000
		Devotion House Total				30,000								30,000
		Energy Management	Energy Management System		50,000									50,000
		Energy Management Total			50,000									50,000
		F & E	Public Buildings Furnishings and Equipment					50,000	80,000				60,000	190,000
			Town Hall Renovations/Furnishings		100,000									100,000
		F & E Total			100,000			50,000	80,000				60,000	290,000
		Misc Bldg	55 Newton St.						50,000					50,000
		Misc Bldg Total							50,000					50,000
		Oil Tanks	Health Center/Main Library Oil Tanks					80,000						80,000
			Oil Tanks		40,000	40,000								80,000
		Oil Tanks Total			40,000	40,000		80,000						160,000
		Park Buildings	Park Building Repair/Rehab				100,000		175,000					275,000
		Park Buildings Total					100,000		175,000					275,000
		Park Comfort Stations	Park Comfort Stations								25,000			25,000

Sum of AMOUNT				FY										
PR	PROJ GROUP	KEYWORD	PROJECT	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	Grand Total
4	FACIL. RELATED	Park Comfort Stations Total									25,000			25,000
		Police Station	Police Station Air Conditioning			10,000								10,000
		Police Station Total				10,000								10,000
		Pub. Bldg. Maint. Facility Renov.	Public Building Maintenance Facility Renovations							75,000				75,000
		Pub. Bldg. Maint. Facility Renov. Total								75,000				75,000
		Sand and Salt Shed	Sand and Salt Shed		197,000									197,000
		Sand and Salt Shed Total			197,000									197,000
		Schools	Fire Alarm System Upgrade - Schools	20,000										20,000
			Network Wiring of Schools					100,000	100,000	200,000	200,000			600,000
			School Building Safety Improvements			300,000								300,000
			School Buildings Fire Alarm/Life Safety Systems				600,000	800,000	800,000	750,000				2,950,000
			School Fire Alarms			220,000								220,000
			School Furniture Upgrades								25,000		25,000	50,000
			Systemwide Sprinklers and Egress		50,000									50,000
			Trash Compactors										30,000	30,000
		Schools Total		20,000	50,000	520,000	600,000	900,000	900,000	950,000	225,000		55,000	4,220,000
		Town Center	Town Center Grounds/Oil Tanks		550,000									550,000
		Town Center Total			550,000									550,000
		Water Garage	Water Garage Alterations/Repairs				40,000		1,300,000					1,340,000
		Water Garage Total					40,000		1,300,000					1,340,000
	FACIL. RELATED Total			**20,000**	**1,267,000**	**700,000**	**840,000**	**1,130,000**	**2,815,000**	**1,250,000**	**350,000**	**157,300**	**260,000**	**8,789,300**
5	PARKS/OPEN SPACE	Amory Field	Amory Field										35,000	35,000
		Amory Field Total											35,000	35,000
		Amory Woods	Amory Park Environmental Study									80,000		80,000
			Amory Woods Sanctuary Improvements			10,000			50,000					60,000
		Amory Woods Total				10,000			50,000			80,000		140,000
		Chestnut Street Drain/Willow Pond	Chestnut Street Drain/Willow Pond Environmental Controls								35,000	35,000		70,000
		Chestnut Street Drain/Willow Pond Total									35,000	35,000		70,000
		Coolidge Park	Coolidge Park										100,000	100,000
		Coolidge Park Total											100,000	100,000
		Cypress	Cypress Playground Improvements						75,000					75,000
		Cypress Total							75,000					75,000
		Forestry Restoration	Forestry Restoration					25,000	40,000	40,000	75,000			180,000
		Forestry Restoration Total						25,000	40,000	40,000	75,000			180,000
		Golf Course	Putterham Golf Clubhouse Roof & Repairs	50,000										50,000
			Putterham Golf Course Phase III							550,000				550,000
			Putterham Meadows Golf Course Improvements						450,000		2,840,000			3,290,000
			Putterham Meadows Golf Course Remediation				200,000							200,000
		Golf Course Total		50,000			200,000		450,000	550,000	2,840,000			4,090,000
		Griggs	Griggs Park			175,000								175,000
		Griggs Total				175,000								175,000
		Hall's Pond	Hall's Pond Sanctuary		106,000	75,000			100,000	50,000				331,000
			Hall's Pond/Amory Woods Sanctuaries					235,000						235,000
		Hall's Pond Total			106,000	75,000		235,000	100,000	50,000				566,000
		Hemlock Tree/Woolly Adelgid	Hemlock Trees Removal/Replacement							60,000	40,000	40,000		140,000
		Hemlock Tree/Woolly Adelgid Total								60,000	40,000	40,000		140,000
		Hoar Sanctuary	Hoar Sanctuary Improvements		8,000	12,000	20,000		35,000	35,000				110,000
		Hoar Sanctuary Total			8,000	12,000	20,000		35,000	35,000				110,000
		Larz Anderson	Larz Anderson & Amory Comfort Stations	200,000										200,000
			Larz Anderson Lagoon					10,000						10,000
			Larz Anderson Park Improvements			50,000		227,000		700,000	300,000	127,000		1,404,000
			Larz Anderson Park Improvements - Plans						15,000					15,000
			Larz Anderson Park Reconstruction				200,000							200,000
		Larz Anderson Total		200,000		50,000	200,000	237,000	15,000	700,000	300,000	127,000		1,829,000
		Lost Pond	Lost Pond Sanctuary Improvements				10,000			35,000		25,000		70,000
		Lost Pond Total					10,000			35,000		25,000		70,000
		Old Town Green	Old Town Green							30,000				30,000
		Old Town Green Total								30,000				30,000
		Olmsted Park	Olmsted Park Improvements						100,000					100,000
		Olmsted Park Total							100,000					100,000
		Park Land/Open Space Master Plan	Park Land/Open Space Master Plan								100,000			100,000
		Park Land/Open Space Master Plan Total									100,000			100,000
		Phragmites Control	Phragmites Control					50,000						50,000
		Phragmites Control Total						50,000						50,000

Attachment O

Sum of AMOUNT				FY										
PR	PROJ GROUP	KEYWORD	PROJECT	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Grand Total
5	PARKS/OPEN SPACE	Playground Equipment, Fields, Fencing	Fields and Fencing		50,000	50,000	50,000							150,000
			Parks/Playgrounds Rehab/Upgrade					130,000	160,000	250,000	268,500	250,000	250,000	1,308,500
			Playground Equipment	70,000	150,000	50,000	50,000							320,000
		Playground Equipment, Fields, Fencing Total		70,000	200,000	100,000	100,000	130,000	160,000	250,000	268,500	250,000	250,000	1,778,500
		Riverway Park	Riverway Park Improvements						125,000					125,000
		Riverway Park Total							125,000					125,000
		Schick	Schick Park			25,000	250,000							275,000
		Schick Total				25,000	250,000							275,000
		Small Green Spaces/Streetscape	Small Green Spaces / Streetscapes Improvements									50,000		50,000
		Small Green Spaces/Streetscape Total										50,000		50,000
		Soule Playground	Soule Playground		780,000									780,000
		Soule Playground Total			780,000									780,000
		Sports Field Study	Sports Field Study							25,000				25,000
		Sports Field Study Total								25,000				25,000
		Tennis Courts	Tennis / Basketball Court Improvements									100,000		100,000
			Tennis Court Rehabilitation	30,000		50,000								80,000
		Tennis Courts Total		30,000		50,000						100,000		180,000
		Town/School Grounds	Town/School Grounds Rehab						100,000	110,000	120,000	120,000	150,000	600,000
		Town/School Grounds Total							100,000	110,000	120,000	120,000	150,000	600,000
		Tree	Street Tree Removal/Replacement				125,000		105,000					230,000
			Tree and Shrub Management								25,000			25,000
			Tree Removal and Replacement	30,000	90,000	95,000		100,000		110,000	100,000	100,000	100,000	725,000
			Tree Removal and Replacement - Public Grounds				50,000							50,000
		Tree Total		30,000	90,000	95,000	175,000	100,000	105,000	110,000	125,000	100,000	100,000	1,030,000
		Walnut Hills	Walnut Hill Cemetery Improvements									65,000		65,000
			Walnut Hills Cemetery						30,000					30,000
		Walnut Hills Total							30,000			65,000		95,000
	PARKS/OPEN SPACE Total			**380,000**	**1,184,000**	**592,000**	**955,000**	**777,000**	**1,385,000**	**1,995,000**	**3,903,500**	**992,000**	**635,000**	**12,798,500**
6	INFRASTRUCTURE	Beacon St.	Beacon St. Improvement Project					100,000						100,000
			Beacon St. Reconstruction - Town Share										2,600,000	2,600,000
			Beacon St. Rehab		500,000									500,000
		Beacon St. Total			500,000			100,000					2,600,000	3,200,000
		Brookline Village Pedes. Walkway	Brookline Village Pedes. Walkway									30,000		30,000
		Brookline Village Pedes. Walkway Total										30,000		30,000
		Carlton Street Footbridge	Carleton Street Footbridge - Plans							27,500				27,500
			Carleton Street Footbridge - Plans and other Prelim. Costs										30,000	30,000
			Carleton Street Footbridge - Study					25,000						25,000
			Carleton Street Footbridge - Town Share of Project										90,000	90,000
		Carlton Street Footbridge Total						25,000		27,500			120,000	172,500
		Parking Meters	Parking Meters			250,000	420,000	325,000		105,000			30,000	1,130,000
		Parking Meters Total				250,000	420,000	325,000		105,000			30,000	1,130,000
		Pathway	Pathway Construction						100,000					100,000
			Pathway Reconstruction								100,000	100,000		200,000
		Pathway Total							100,000		100,000	100,000		300,000
		School Zone Signal	School Zone Signal Modernization							30,000		30,000		60,000
		School Zone Signal Total								30,000		30,000		60,000
		Sewer	Sanitary Sewerage System				2,000,000							2,000,000
			Sewer Main Rehabilitation	150,000										150,000
			Sewer Rehabilitation		1,200,000									1,200,000
			Storm Drain Improvements		400,000									400,000
			Surface Water Drainage System				500,000							500,000
		Sewer Total		150,000	1,600,000		2,500,000							4,250,000
		Singletree Tank	Singletree Tank Rehabilitation								140,000	100,000		240,000
		Singletree Tank Total									140,000	100,000		240,000
		Street Lighting	StreetLight Replacement/Purchase							300,000				300,000
			StreetLight Replacement/Repair					100,000				100,000	100,000	300,000
		Street Lighting Total						100,000		300,000		100,000	100,000	600,000
		Street/Sidewalk Rehabilitation	Intersection Improvements			50,000								50,000
			Sidewalk Betterment Revolving Fund								200,000			200,000
			Sidewalk Reconstruction							100,000	100,000	100,000	200,000	500,000
			Street and Sidewalk Rehabilitation		850,000	1,000,000	900,000							2,750,000
			Street Rehabilitation					900,000	975,000	930,600	1,000,200	1,062,000	1,000,000	5,867,800
			Street Rehabilitation (Chapter 90)	781,442	781,442	781,442	762,887	762,887	762,887	508,591	242,058	484,117	484,117	6,351,870
		Street/Sidewalk Rehabilitation Total		781,442	1,631,442	1,831,442	1,662,887	1,662,887	1,737,887	1,539,191	1,542,258	1,646,117	1,684,117	15,719,670

Attachment O

Sum of AMOUNT				FY										
PR	PROJ GROUP	KEYWORD	PROJECT	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	Grand Total
6	INFRASTRUCTURE	Traffic Calming	Traffic Calming				20,000	30,000						50,000
			Traffic Calming Studies and Improvements						95,000	250,000	205,000	217,094	200,000	967,094
		Traffic Calming Total					20,000	30,000	95,000	250,000	205,000	217,094	200,000	1,017,094
		Traffic Signal	Cypress/Tappan/Davis Traffic Signal				30,000	210,000						240,000
			Fire Station #6 Traffic Signal										60,000	60,000
			Fire Station #7 Traffic Signal										60,000	60,000
			Fire Stations 6 & 7 -Traffic Lights	15,000										15,000
			Grove St. / Allendale Rd. Traffic Signal										135,000	135,000
			Hammond Street/Heath Street Signal								208,000			208,000
			Hammond/Heath - Traffic Signal			30,000								30,000
			Harvard/Marion -Traffic Lights	20,000										20,000
			Harvard/Vernon - Traffic Signal			15,000								15,000
			Horace James/Putterham Circle Traffic Improv.										20,000	20,000
			Independence Dr. /Beverly Rd. /Russett Rd. Traffic Signal										100,000	100,000
			Longwood Avenue/Kent Street Signal Modification								75,000			75,000
			Longwood/Kent Traffic Signal Plans						15,000					15,000
			Mountfort St. /Carlton St. Traffic Signal									20,000	120,000	140,000
			Newton St./W. Roxbury Parkway Traffic Improv. Study/Design										25,000	25,000
			Newton/Grove -Traffic Lights	15,000										15,000
			Pedestrian Signal - 61 Park Street								15,000			15,000
			Pierce School -Traffic Lights	20,000										20,000
			South St. / Grove St. Traffic Signal										25,000	25,000
			Thayer Street/Washington Street Signal Modification								20,000			20,000
			Washington Street/Park Street Traffic Signal							25,000	90,000			115,000
			Washington/Thayer - Traffic Signal			25,000								25,000
		Traffic Signal Total		70,000		70,000	30,000	210,000	15,000	25,000	408,000	20,000	545,000	1,393,000
		Water	Storm Drain Improvements									1,000,000		1,000,000
			Wastewater System Improvements						2,000,000		6,000,000			8,000,000
			Water Backflow Devices		50,000		50,000							100,000
			Water Drainage System			500,000								500,000
			Water Main Improvements			5,900,000			2,700,000					8,600,000
			Water Meter Replacement							1,200,000		50,000	50,000	1,300,000
			Water System Hydraulic Analysis									150,000		150,000
		Water Total			50,000	6,400,000	50,000		4,700,000	1,200,000	6,000,000	1,200,000	50,000	19,650,000
	INFRASTRUCTURE Total			**1,001,442**	**3,781,442**	**8,551,442**	**4,682,887**	**2,452,887**	**6,647,887**	**3,476,691**	**8,395,258**	**3,443,211**	**5,329,117**	**47,762,264**
7	VEHICLES	Fire Apparatus	Fire Apparatus Refurbishment	45,000	40,000	40,000	25,000	25,000	25,000	35,000				235,000
			Fire Engine #3										325,000	325,000
			Fire Engine #5									325,000		325,000
			Fire Engine #6 (Engine #1 became #6)								300,000			300,000
			Fire Engine/Ladder Truck (Engine #4)						490,000					490,000
			Fire Ladder Truck #1	460,000										460,000
			Fire Ladder Truck #2				450,000							450,000
			Maintenance Truck - Fire Department		28,000									28,000
			Pick-up Truck - Fire Department								28,000			28,000
			Rescue Truck - Fire Department								60,000			60,000
		Fire Apparatus Total		505,000	68,000	40,000	475,000	25,000	515,000	35,000	388,000	325,000	325,000	2,701,000
		Vehicles	Departmental Vehicles Purchase	128,000										128,000
		Vehicles Total		128,000										128,000
	VEHICLES Total			**633,000**	**68,000**	**40,000**	**475,000**	**25,000**	**515,000**	**35,000**	**388,000**	**325,000**	**325,000**	**2,829,000**
8	MISC. - MEDIUM	Capital Needs Assessment	Capital Needs Assessment	125,000										125,000
		Capital Needs Assessment Total		125,000										125,000
		Comp Plan / Zoning By-Law	Comp Plan / Zoning By-Law						125,000					125,000
			Comprehensive Plan									180,000		180,000
		Comp Plan / Zoning By-Law Total							125,000			180,000		305,000
		F & E	Public Buildings Furnishings and Equipment							100,000	125,000	150,000		375,000
		F & E Total								100,000	125,000	150,000		375,000
		Financial Management System	Town/School Financial Management System							600,000				600,000
		Financial Management System Total								600,000				600,000
		Fire Equipment	Protective Bunker Gear		240,000									240,000
		Fire Equipment Total			240,000									240,000
		Instructional Tech	Instructional Technology Study/Implementation										150,000	150,000
		Instructional Tech Total											150,000	150,000
		IT Equip	Computer Systems		900,000									900,000
			Hand-Held Inspection Equipment									56,400		56,400

Attachment O

Sum of AMOUNT				FY										
PR	PROJ GROUP	KEYWORD	PROJECT	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	Grand Total
8	MISC. - MEDIUM	IT Equip	IT Equip - Planning IT Equip						30,000					30,000
			Townwide Hardware/Software Enhancements										130,000	130,000
		IT Equip Total			900,000				30,000			56,400	130,000	1,116,400
		Ryder Cup Celebrations	Ryder Cup					300,000						300,000
		Ryder Cup Celebrations Total						300,000						300,000
		Telecommunications	Telecommunications Master Plan				35,000							35,000
			Town/School Central Telephone System						900,000					900,000
			Town/School Communication Equipment									130,000		130,000
		Telecommunications Total					35,000		900,000			130,000		1,065,000
		Voting Machine	Voting Machine Replacement							225,000				225,000
		Voting Machine Total								225,000				225,000
	MISC. - MEDIUM Total			**125,000**	**1,140,000**		**35,000**	**300,000**	**1,055,000**	**925,000**	**125,000**	**516,400**	**280,000**	**4,501,400**
9	MISC. - MINOR	Civil War Monument	Civil War Monument						35,000					35,000
		Civil War Monument Total							35,000					35,000
		Façade Improvement	Façade Improvement Loan Program								20,000	10,000		30,000
		Façade Improvement Total									20,000	10,000		30,000
		Fire Equipment	Fire Breathing Cylinders			30,000								30,000
			Fire Opticom Transmitters						30,000					30,000
			Fitness Equipment										30,000	30,000
			Training Module/Equipment										60,000	60,000
		Fire Equipment Total				30,000			30,000				90,000	150,000
		In-Line Skating Facility	In-Line Skating Facility - Study						10,000					10,000
		In-Line Skating Facility Total							10,000					10,000
		Kiosk	Kiosk								35,000	20,000		55,000
		Kiosk Total									35,000	20,000		55,000
		Library	Library Space Utilization Study	25,000										25,000
			Library Theft Protection						60,000					60,000
		Library Total		25,000					60,000					85,000
		Permit Tracking System	Permit Tracking System					50,000						50,000
		Permit Tracking System Total						50,000						50,000
		Police Equipment	IT Equip - Police Server						30,000					30,000
			Radio Improvements										37,000	37,000
		Police Equipment Total							30,000				37,000	67,000
		Recreation Master Plan	Recreation Master Plan							25,000				25,000
		Recreation Master Plan Total								25,000				25,000
		Rental Assistance	Transitional Rental Assistance			40,000								40,000
		Rental Assistance Total				40,000								40,000
		Streetscape/Civic Space	Streetscape/Civic Space								50,000			50,000
		Streetscape/Civic Space Total									50,000			50,000
	MISC. - MINOR Total			**25,000**		**70,000**		**50,000**	**165,000**	**25,000**	**105,000**	**30,000**	**127,000**	**597,000**
Grand Total				**7,259,442**	**53,325,442**	**20,738,442**	**9,947,887**	**16,779,887**	**18,602,887**	**25,186,691**	**32,594,758**	**8,372,911**	**18,981,117**	**211,789,464**