

TOWN OF BROOKLINE FY10 – FY15 CAPITAL IMPROVEMENT PROGRAM



April 7, 2009



HEADLINES

- ❑ \$147.8M Six-Year CIP (FY10 – FY15).
- ❑ Conforms with the Town's CIP Policies, except for temporarily departing from the 5.5% Policy. Net reduction of \$564K to CIP in FY10 (after AHTF deferral).
- ❑ Critical to phase-up back to the 5.5% level by FY12 (5.25% in FY11; 5.5% in FY12).
- ❑ Continues the additional funding for streets and sidewalks included in the 2008 Override.
- ❑ Major challenges posed due to infrastructure needs, uncertainty about School Building Assistance, and landfill requirements.
- ❑ Undertakes major (Runkle School, Devotion School) and minor (UAB, Baldwin School, Pierce) School renovation projects.
- ❑ Assumes Town funding for Runkle School at \$15.8M and Devotion School at \$33M, or 60% of each project.
- ❑ Includes funding to increase classroom capacity.
- ❑ Continues to upgrade Public Safety equipment.
- ❑ Continues to invest in the Town's infrastructure (streets, sidewalks, water/sewer system, parks/playgrounds) and in IT.
- ❑ Includes funding for implementation of the Roof Study.
- ❑ Includes a funding plan for the roll-out of multi-space meters in Town-owned lots.
- ❑ Incorporates a funding plan for the Village Square project.
- ❑ Re-allocates a \$500K surplus from the Town Hall project.



CHANGES FROM CIP AS PRESENTED ON DEC 9, 2008

- 1. Cut in 5.5% Policy** – \$564K of projects slated for FY10 pushed back, causing projects in the out-years to also be pushed back.
- 2. Reservoir Bldg's** – reduced by \$25K to \$75K.
- 3. Pierce School Auditorium** – just design funds in FY10 (\$75K), pushing the construction (\$750K) to FY11.



CHANGES FROM CIP AS PRESENTED ON DEC 9, 2008 (con't.)

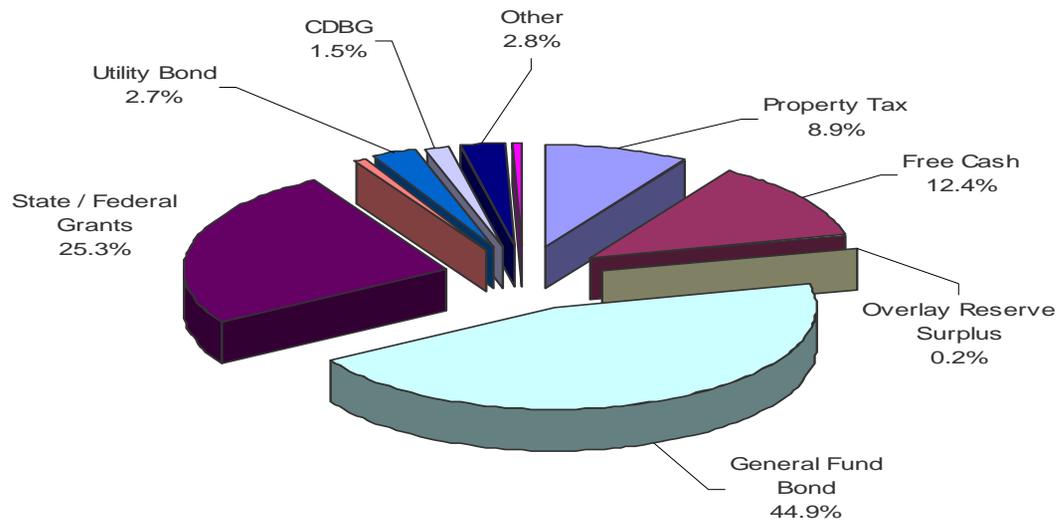
4. This \$775K in FY 10 (\$25K Res Bldg + \$750K Pierce) absorbed by the following:
- a) Adding \$450K to enable the purchase of a Quint (\$1M) instead of an Engine-Rescue Truck (\$550K)
 - b) Adding \$5K to Energy Conservation
 - c) Moving \$100K from FY 11 for Building Security and Life Safety
 - d) Moving \$100K from FY 11 for Energy Management
 - e) Moving \$120K from FY 11 for Parking Lot rehab

SUMMARIES

GRAND TOTAL BY SOURCE (in thousands)

	FY10	FY11	FY12	FY13	FY14	FY15	TOTAL	% OF TOTAL
Property Tax	1,774.2	2,552.1	1,914.2	2,869.0	3,015.0	992.2	13,116.7	8.9%
Free Cash	3,121.4	3,084.9	3,071.3	3,057.0	3,038.0	3,017.8	18,390.4	12.4%
Overlay Reserve Surplus	255.0	0.0	0.0	0.0	0.0	0.0	255.0	0.2%
General Fund Bond	21,315.0	0.0	0.0	5,900.0	31,600.0	7,580.0	66,395.0	44.9%
State / Federal Grants	11,259.4	819.4	1,299.4	2,699.4	20,699.4	699.4	37,476.1	25.3%
Utility Budget	0.0	0.0	500.0	270.0	255.0	0.0	1,025.0	0.7%
Utility Bond	0.0	0.0	1,000.0	0.0	3,000.0	0.0	4,000.0	2.7%
CDBG	0.0	2,250.0	0.0	0.0	0.0	0.0	2,250.0	1.5%
Other	0.0	4,000.0	100.0	0.0	0.0	0.0	4,100.0	2.8%
Re-Appropriation of Funds	830.0	0.0	0.0	0.0	0.0	0.0	830.0	0.6%
TOTAL	38,554.9	12,706.4	7,884.9	14,795.4	61,607.4	12,289.4	147,838.2	100.0%

CIP FUNDING BY SOURCE - 6 YR. TOTAL

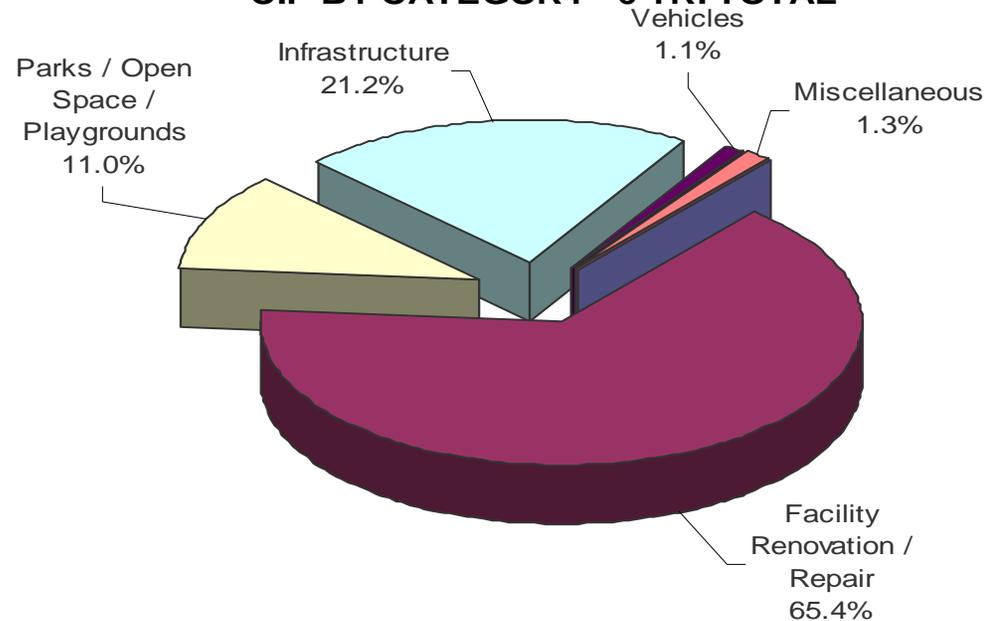


SUMMARIES (con't)

GRAND TOTAL BY CATEGORY (in thousands)

	FY10	FY11	FY12	FY13	FY14	FY15	TOTAL	% OF TOTAL
New Facility Construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Facility Renovation / Repair	29,180.6	1,970.0	1,386.5	7,710.0	53,455.0	2,970.0	96,672.1	65.4%
Parks / Open Space / Playgrounds	530.0	3,795.0	1,060.0	2,985.0	1,505.0	6,405.0	16,280.0	11.0%
Infrastructure	7,230.4	6,596.4	5,068.4	3,580.4	6,222.4	2,639.4	31,337.1	21.2%
Vehicles	1,350.0	0.0	0.0	150.0	150.0	0.0	1,650.0	1.1%
Miscellaneous	264.0	345.0	370.0	370.0	275.0	275.0	1,899.0	1.3%
TOTAL	38,554.9	12,706.4	7,884.9	14,795.4	61,607.4	12,289.4	147,838.2	100%

CIP BY CATEGORY - 6 YR. TOTAL





MAJOR PROJECTS

- Devotion School Rehab - \$33.2M of Town funding + possibility of \$22.1M of State funding in FY11-FY14 for feasibility, design, and construction
- Runkle School Rehab - \$15.8M of Town funding + possibility of \$10.6M of State funding in FY10-FY11 for design and construction
- Newton St. Landfill - \$4.3M (FY10) + \$4.4M (FY15)
- Fisher Hill Reservoir Re-Use - \$3.25M (FY11)
- Village Square - \$3M (FY11)
- Wastewater System - \$3M (FY14)
- Baldwin School - \$2M (FY14-FY15)
- UAB - \$1.4M (FY12-FY13)
- Brookline Reservoir Park - \$1.4M (FY15)
- Parking Meters - \$1.36M (FY10-FY13)
- Town Hall/Main Libr. Garages + Driveway - \$1.2M (FY10)



CONTINUED MAJOR INVESTMENT

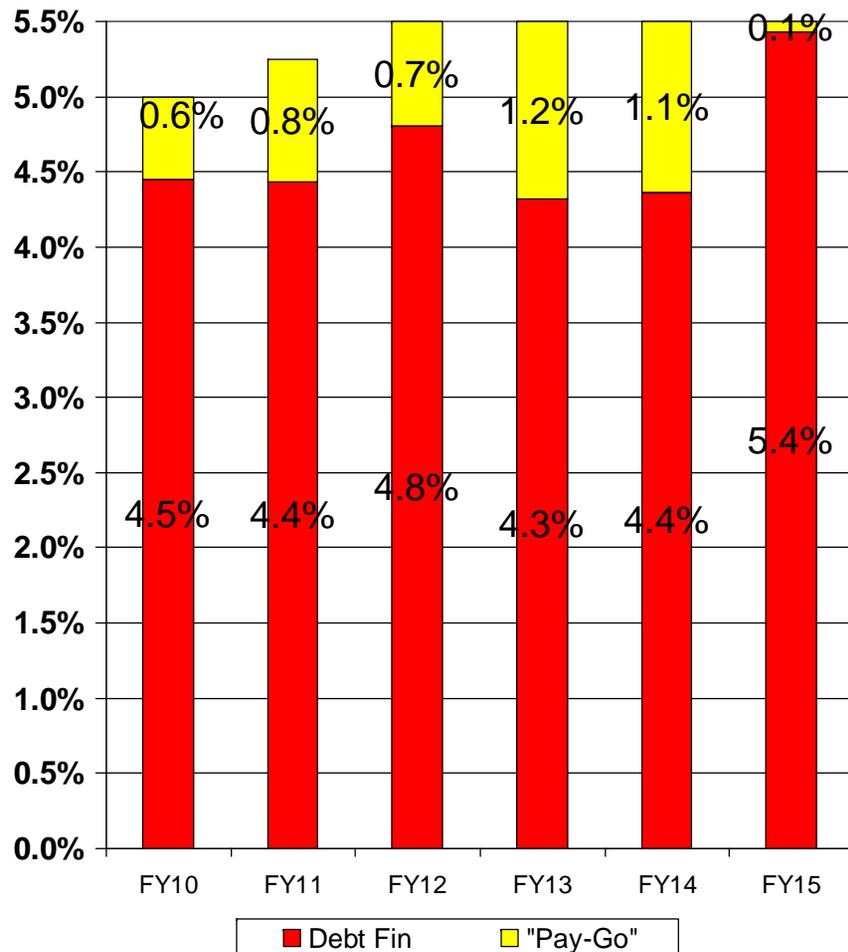
- Street & Sidewalk Rehab - \$15.9M
- Parks & Open Space - \$11.9M
- Water & Sewer Infrastructure - \$5M
- General Town/School Bldg. Repairs - \$4.5M
- Town/School Roof Repairs/Repl. - \$2.6M
- Public Safety Equipment - \$1.7M
- Information Technology - \$1.5M
- Pierce School Auditorium - \$825K
- Branch Libraries - \$585K
- Classroom Capacity - \$400K

CIP GENERAL FUND FUNDING SUMMARY

	2010	2011	2012	2013	2014	2015
5.5% Policy	9,170,365	9,766,976	10,515,071	10,833,910	11,146,914	11,481,947
Net-Debt *	8,164,895	8,234,727	9,197,540	8,508,802	8,845,943	11,332,393
% of Prior Yr Net Rev	4.45%	4.43%	4.81%	4.32%	4.36%	5.43%
Pay-as-you-Go	1,005,471	1,532,249	1,317,530	2,325,107	2,300,972	149,554
% of Prior Yr Net Rev	0.55%	0.82%	0.69%	1.18%	1.14%	0.07%
2008 Override Funds	768,750	787,969	807,668	827,860	848,556	869,770
Free Cash	3,121,351	3,284,906	2,901,383	3,227,025	3,218,215	3,187,104
Re-Approp.	830,000	0	0	0	0	0
Overlay Surplus	255,000	0	0	0	0	0
TOTAL	14,145,467	13,839,850	14,224,122	14,888,794	15,213,685	15,538,822

* Defined as General Fund debt less debt supported by a debt exclusion.

DEBT-FINANCED vs “PAY-AS-YOU-GO”





CIP FINANCING – FREE CASH

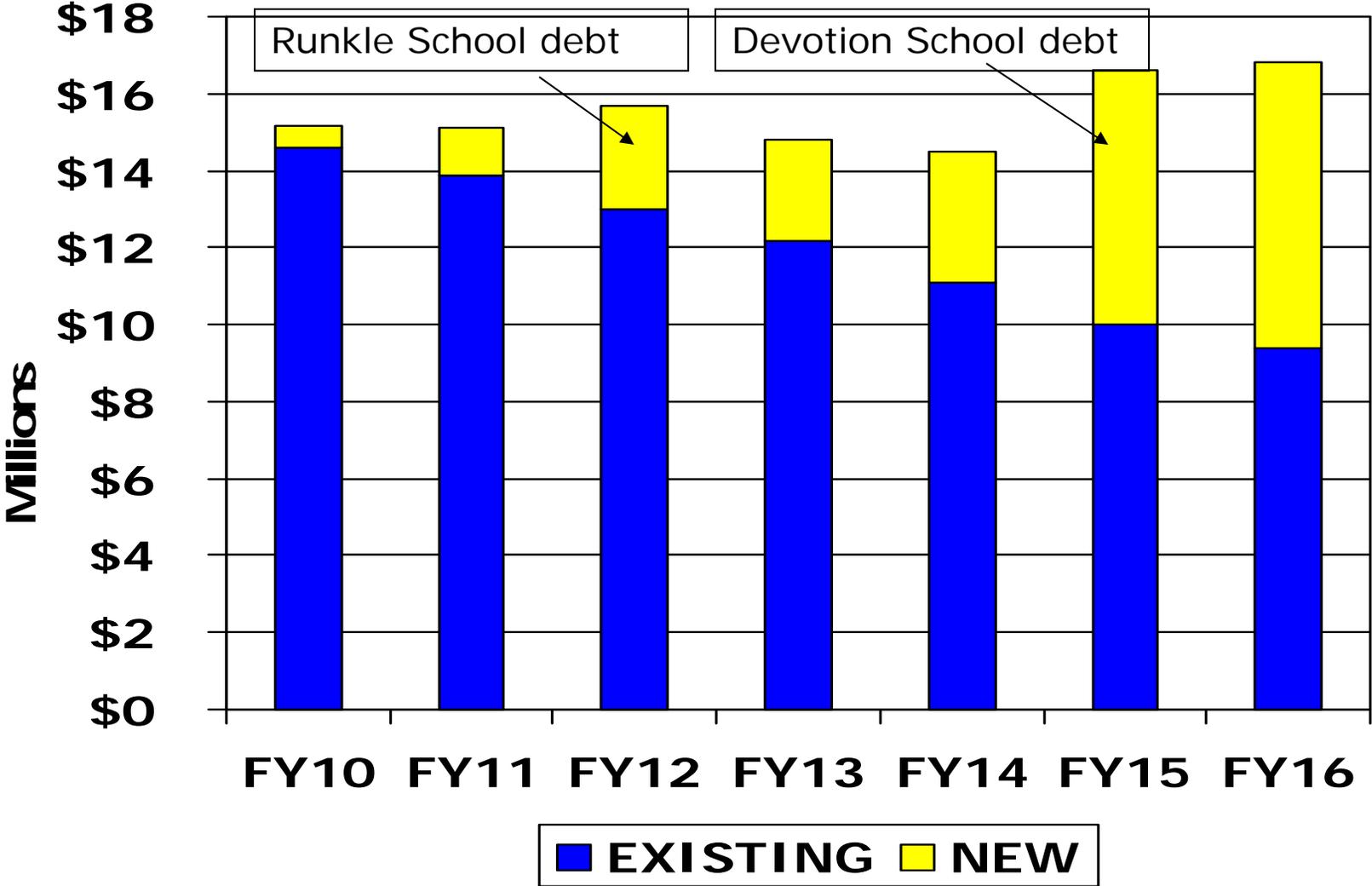
- Town's Free Cash Policy:
 - An amount equivalent to 0.25% of the prior year's net revenue shall be appropriated as part of the Town's 1% Appropriated Budget Reserve Fund.
 - To the extent necessary, Free Cash shall be used to fund the Stabilization Fund at a level equivalent to 3% of the prior year's net revenue.
 - To the extent necessary, Free Cash shall be used to reach the funding target of the Town's Liability / Catastrophe Fund (1% of the prior year's net revenue).
 - To support the Affordable Housing Trust Fund, when Free Cash exceeds \$6M.
 - Free Cash may be used to augment the trust funds related to fringe benefits and unfunded liabilities related to employee benefits.
 - Dedicate all remaining funds to the CIP.
- The FY10-FY15 CIP follows the Policy except for the diversion of the funds that would have gone to the AHTF.
- The \$7M of Free Cash for FY10 use is \$1.1M more than last year and is above the \$3.75M est used to build the out-years of the previous (FY09–FY14) CIP.
- An est. of \$3.75M is used to build the out-years of the CIP.

DEBT MANAGEMENT PLAN

<u>Project</u>	<u>Yrs</u>	<u>Authorization</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Fisher Hill (previously authorized)	10	1,350,000	199,125	192,713	186,300	179,888	173,475	167,063	160,650
Muddy River (previously authorized)	10	745,000	109,888	106,349	102,810	99,271	95,733	92,194	88,655
Runkle School Design - TOWN @ 60% (seeking authorization)	10	1,440,000		212,400	205,560	198,720	191,880	185,040	178,200
Landfill Corrective Action (seeking authorization)	20	4,275,000		438,188	426,966	415,744	404,522	393,300	382,078
Garages/Driveway @ Town Hall/Main Libr. (seeking authorization)	10	1,200,000		177,000	171,300	165,600	159,900	154,200	148,500
Runkle School - TOWN @ 60% (seeking authorization)	20	14,400,000			1,476,000	1,438,200	1,400,400	1,362,600	1,324,800
UAB Roof/Chimney/Gutters & Downspouts (seeking authorization)	10	1,275,000					188,063	182,006	175,950
Devotion School Design - TOWN @ 60%(seeking authorization)	10	3,000,000					442,500	428,250	414,000
Waldstein Playground + Warren Field (seeking authorization)	10	1,600,000					236,000	228,400	220,800
Roof Repairs / Replacements (seeking authorization)	10	1,600,000						236,000	228,400
Devotion School - TOWN @ 60%(seeking authorization)	20	30,000,000						3,075,000	2,996,250
Baldwin School (seeking authorization)	10	1,780,000							262,550
Rear Landfill (seeking authorization)	15	4,400,000							513,333
Brookline Reservoir Park (seeking authorization)	10	1,400,000							206,500
NEW GEN FUND DEBT SERVICE (cumulative)			309,013	1,126,649	2,568,936	2,497,423	3,292,472	6,504,053	7,300,666
Water Main Improvements (seeking authorization)	10	1,000,000				145,000	140,500	136,000	131,500
Wastewater (seeking authorization) *	10	3,000,000							217,500
NEW ENTERPRISE FUND DEBT SERVICE (cumulative)			0	0	0	145,000	140,500	136,000	349,000
TOTAL NEW DEBT SERVICE (cumulative)			309,013	1,126,649	2,568,936	2,642,423	3,432,972	6,640,053	7,649,666

* Borrowings phased over multiple years.

DEBT SERVICE – ALL FUNDS



DEBT SERVICE – AS A % OF REVENUE

DESCRIPTION	FY07 (Act.)	FY08 (Act.)	FY09 (Bud.)	FY10 (Bud.)	FY11 (Proj.)	FY12 (Proj.)	FY13 (Proj.)	FY14 (Proj.)	FY15 (Proj.)
General Fund Debt Service as a % of General Fund Revenue	6.2%	5.7%	6.0%	6.2%	6.2%	6.4%	5.9%	5.7%	6.6%
Net General Fund Debt Service as a % of General Fund Revenue Without SBA Reimbursement	4.4%	3.9%	4.4%	4.6%	4.7%	4.9%	4.7%	4.5%	5.5%
Water & Sewer Enterprise Fund Debt Service as a % of Revenue	12.1%	11.6%	10.7%	10.3%	9.2%	8.4%	8.5%	8.3%	7.4%
Golf Course Enterprise Fund Debt Service as a % of Revenue	17.0%	15.4%	15.3%	14.6%	13.5%	10.6%	10.2%	9.4%	7.4%
TOTAL Debt Service as a % of Total Rev. Supporting Debt Svc.	6.9%	6.4%	6.5%	6.6%	6.6%	6.7%	6.2%	6.0%	6.7%

DEBT MANAGEMENT POLICIES

VARIABLE	FY10	FY11	FY12	FY13	FY14	FY15
Legal Limit for Out. Debt = 5% of Equalized Valuation (EQV) EQV for 1/1/08 = \$15.524 billion. Assume 2.5% annual growth. (In millions)	\$15,912.1	\$16,309.9	\$16,717.6	\$17,135.5	\$17,563.9	\$18,003.0
Outstanding Debt as a % of EQV	0.6%	0.6%	0.6%	0.5%	0.6%	0.6%
Total Outstanding Debt (in millions)	\$97.4	\$101.9	\$92.7	\$88.9	\$110.6	\$107.7
General Fund Outstanding Debt (in millions)	\$83.6	\$89.2	\$80.0	\$77.0	\$99.9	\$97.4
Total Debt Service (in millions)	\$14.9	\$15.2	\$15.8	\$15.2	\$15.1	\$17.4
General Fund Debt Service (in millions)	\$12.2	\$12.4	\$13.3	\$12.5	\$12.4	\$14.9
Total Debt Service Per Capita	\$271	\$277	\$289	\$278	\$276	\$317
General Fund Debt Service Per Capita	\$223	\$227	\$243	\$229	\$226	\$271
Total Debt Service as a % of Revenue	6.6%	6.6%	6.7%	6.2%	6.0%	6.7%
General Fund Debt Service as a % of General Fund Revenue	6.2%	6.2%	6.4%	5.9%	5.7%	6.6%
A. Total Outstanding Debt Per Capita as a % of Per Capita Income	2.8%	2.8%	2.5%	2.3%	2.8%	2.7%
General Fund Outstanding Debt Per Capita as a % of Per Capita Income	2.4%	2.5%	2.2%	2.0%	2.6%	2.4%
B. Total Outstanding Debt Per Capita	\$1,777	\$1,859	\$1,691	\$1,622	\$2,018	\$1,965
General Fund Outstanding Debt Per Capita	\$1,525	\$1,627	\$1,459	\$1,405	\$1,822	\$1,778
C. Total Outstanding Debt as a %age of Assessed Value (AV)	0.6%	0.6%	0.6%	0.5%	0.6%	0.6%
General Fund Outstanding Debt as a %age of Assessed Value (AV)	0.5%	0.6%	0.5%	0.5%	0.6%	0.6%
D. Total Debt Maturing Within 10 Years	89%	85%	86%	88%	78%	83%
General Fund Debt Maturing Within 10 Years	88%	82%	83%	85%	75%	80%
E. CIP Financing as a %age of Prior Year's Net Revenue	5.00%	5.25%	5.50%	5.50%	5.50%	5.50%
Debt-Financed CIP as a %age of Prior Year's Net Revenue	4.45%	4.43%	4.81%	4.32%	4.36%	5.43%
Revenue-Financed CIP as a %age of Prior Year's Net Revenue	0.55%	0.82%	0.69%	1.18%	1.14%	0.07%

Town Policies

- A. Total Outstanding Debt Per Capita = shall not exceed 6% of Per Capita Income.
- B. Total Outstanding Debt Per Capita = shall not exceed \$2,334 (for FY09).
- C. Total Outstanding Debt = shall not exceed 2.5% of Assessed Value (AV).
- D. Bond Maturities = 60% of General Fund principal shall mature within 10 years.
- E. CIP Financing = 5.5% of Prior Year's Net Revenue, with a goal of 4.25% from Debt-Financed and 1.25% from Revenue-Financed.



ADDITIONAL REVENUE SOURCES

- **CDBG Funds** – \$2.25M is used, including utilizing the Section 108 Loan Guarantee Program.

- **State / Federal Grants** – \$38.2M is anticipated, including the assumption that SBA funds cover 40% of the Runkle School and Devotion School projects.

- **Proposed Private Development** - \$4.2M total, with \$3.25M for Fisher Hill Reservoir Re-Use (FY11) and \$750K from 2 Brookline Pl for Gateway East (FY11).

- **Cemetery Trust Funds** - \$200K for Old Burial Ground projects.

- **Re-Appropriation of Funds** - \$830K of existing CIP project accounts will be re-appropriated in FY10 to help balance the CIP, \$500K of which is from the Town Hall proj.