

# TOWN OF BROOKLINE FY09 – FY14 CAPITAL IMPROVEMENT PROGRAM



April 1, 2008



## HEADLINES – AS RECOMMENDED TO BOARD

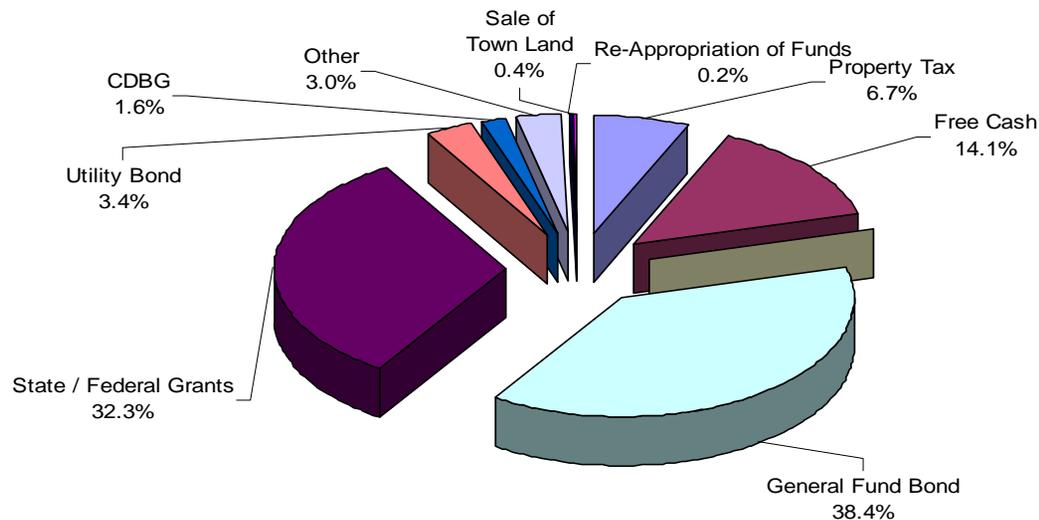
- \$141.5M Six-Year CIP (FY09 – FY14).
- Conforms with the Town's CIP Policies.
- Major challenges posed due to infrastructure needs, uncertainty about School Building Assistance, and landfill requirements.
- Undertakes major (Runkle School, Devotion School) and minor (High School, UAB, Baldwin School) School renovation projects.
- Includes funding for facility studies (Fire Sta's, Parks Facil, Bldg Craftsmen Garage).
- New infrastructure maintenance needs to be funded (Town Hall/Main Library Garage & Driveway, masonry, elevators, emergency generators, HS Quad).
- Continues to upgrade Public Safety equipment and funds furniture replacement at all Fire Sta's.
- Continues to investment in the Town's infrastructure (streets, sidewalks, water/sewer system, parks/playgrounds) and in IT.
- Incorporates a funding plan for the Village Square project.
- Includes funding for RFID at Libraries (in coordination with neighboring cnty's).
- Assumes Town funding for Runkle School at \$13.2M and Devotion School at \$27.7M, or 50% of each project. (Pushed both back 1 yr.)

# SUMMARIES – AS RECOMMENDED TO BOARD

## GRAND TOTAL BY SOURCE (in thousands)

	FY09	FY10	FY11	FY12	FY13	FY14	TOTAL	% OF TOTAL
Property Tax	1,409.9	1,620.6	1,394.6	1,054.9	1,795.9	2,248.2	9,524.1	6.7%
Free Cash	5,020.9	2,949.4	2,985.4	3,021.1	3,006.6	2,991.8	19,975.2	14.1%
Overlay Reserve Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
General Fund Bond	3,300.0	7,615.0	12,000.0	2,075.0	2,500.0	26,780.0	54,270.0	38.4%
State / Federal Grants	701.2	1,901.2	12,851.2	1,301.2	3,201.2	25,701.2	45,657.2	32.3%
Utility Bond	0.0	500.0	0.0	1,000.0	250.0	3,000.0	4,750.0	3.4%
CDBG	0.0	2,250.0	0.0	0.0	0.0	0.0	2,250.0	1.6%
Other	150.0	4,000.0	0.0	100.0	0.0	0.0	4,250.0	3.0%
Re-Appropriation of Funds	240.0	0.0	0.0	0.0	0.0	0.0	240.0	0.2%
Sale of Town-owned Land Fund	550.0	0.0	0.0	0.0	0.0	0.0	550.0	0.4%
<b>TOTAL</b>	<b>11,371.9</b>	<b>20,836.2</b>	<b>29,231.2</b>	<b>8,552.2</b>	<b>10,753.7</b>	<b>60,721.2</b>	<b>141,466.5</b>	<b>100.0%</b>

## CIP FUNDING BY SOURCE - 6 YR. TOTAL

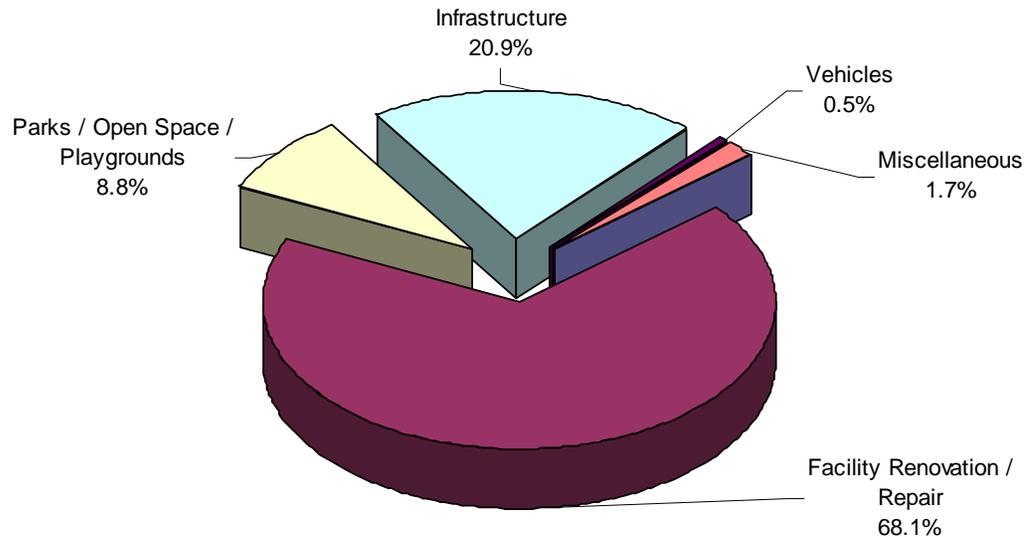


# SUMMARIES – AS RECOMMENDED TO BOARD (con't)

## GRAND TOTAL BY CATEGORY (in thousands)

	FY09	FY10	FY11	FY12	FY13	FY14	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	4,500.7	4,965.0	25,395.0	2,181.0	6,332.5	52,990.0	96,364.2	68.1%
Parks / Open Space / Playgrounds	980.0	3,980.0	1,460.0	2,220.0	1,600.0	2,140.0	12,380.0	8.8%
Infrastructure	5,001.2	11,271.2	2,031.2	3,681.2	2,396.2	5,191.2	29,572.2	20.9%
Vehicles	0.0	300.0	0.0	150.0	150.0	150.0	750.0	0.5%
Miscellaneous	890.0	320.0	345.0	320.0	275.0	250.0	2,400.0	1.7%
<b>TOTAL</b>	<b>11,371.9</b>	<b>20,836.2</b>	<b>29,231.2</b>	<b>8,552.2</b>	<b>10,753.7</b>	<b>60,721.2</b>	<b>141,466.5</b>	<b>100%</b>

## CIP BY CATEGORY - 6 YR. TOTAL





# MAJOR PROJECTS – AS RECOMMENDED TO BOARD

- Devotion School Rehab - \$27.7M of Town funding + possibility of \$27.7M of State funding in FY11-FY14 for feasibility, design, and construction
- Runkle School Rehab - \$13.2M of Town funding + possibility of \$13.2M of State funding in FY10-FY11 for design and construction
- Newton St. Landfill - \$2.99M (FY09) + 3.9M (FY10)
- High School- \$3.3M (FY09)
- Fisher Hill Reservoir Re-Use - \$3.25M (FY10)
- Village Square - \$3M (FY10)
- Baldwin School - \$2M (FY13-FY14)
- UAB - \$1.4M (FY11-FY12)
- Parking Meters - \$1.3M (FY10)
- Town Hall/Main Libr. Garages+Driveway - \$1.3M (FY09-FY10)



# CONTINUED MAJOR INVESTMENT – AS RECOMMENDED TO BOARD

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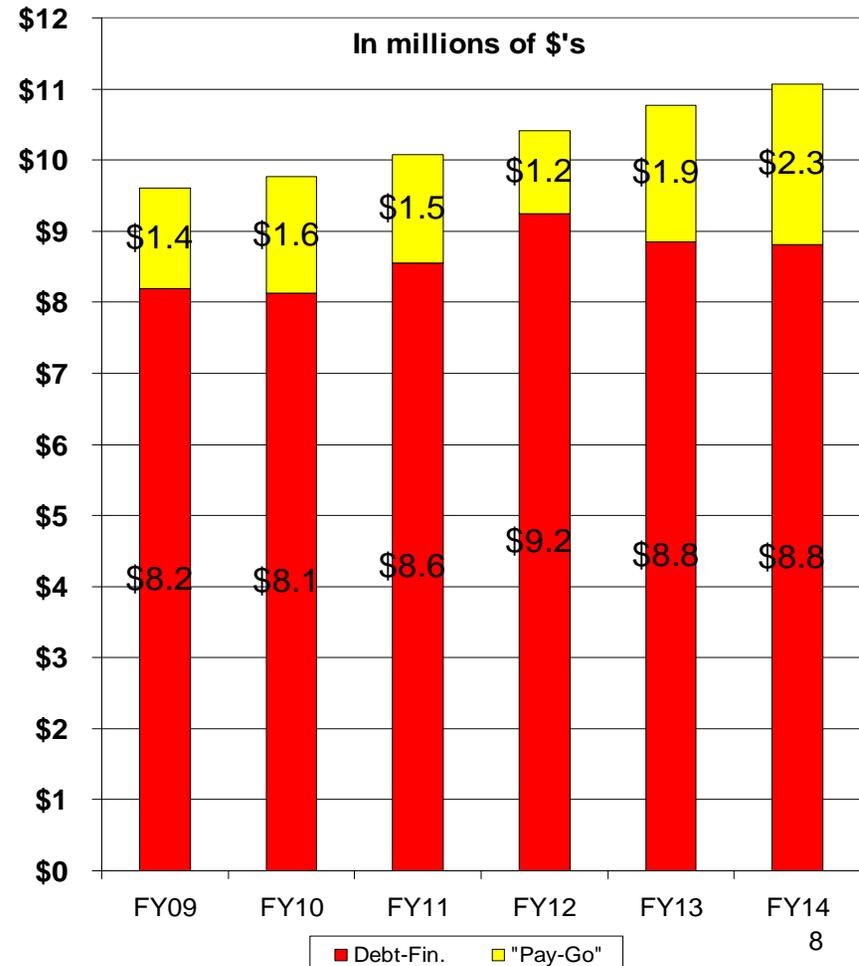
- Street & Sidewalk Rehab - \$11.8M
- Parks & Open Space - \$9.2M
- Water & Sewer Infrastructure - \$4.75M
- General Town/School Bldg. Repairs -- ADA, Security, Roof, Masonry, Elevators, Emer Generators, Energy Mgmt/Conserv. - \$3.6M
- Information Technology - \$1.35M
- Public Safety Equipment - \$875K
- RFID Tech. in Libraries - \$675K
- Branch Libraries - \$760K

# CIP FINANCING

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Gen Fund Rev	193,211,249	195,931,785	202,285,210	208,800,027	215,030,492	220,987,231
<b>LESS:</b>						
Non Appropriations	7,154,940	7,323,245	7,495,757	7,672,581	7,853,827	8,039,604
Net Debt Exclusions	1,692,697	1,667,074	1,637,286	1,532,067	2,109,552	1,611,719
Free Cash	5,954,963	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Stabilization Fund	0	0	0	0	0	53,760
Overlay Surplus	0	0	0	0	0	0
Capital Project Surplus	240,000	0	0	0	0	0
Chapter 90	0	0	0	0	0	0
Sale of Town-owned Land Fund	550,000	0	0	0	0	0
<b>Net Revenue</b>	<b>177,618,649</b>	<b>183,191,467</b>	<b>189,402,167</b>	<b>195,845,378</b>	<b>201,317,113</b>	<b>207,532,148</b>
<b>Prior Year Net Revenue</b>	<b>174,654,540</b>	<b>177,618,649</b>	<b>183,191,467</b>	<b>189,402,167</b>	<b>195,845,378</b>	<b>201,317,113</b>
<b>Net Debt Financed<sup>1</sup></b>	<b>8,196,103</b>	<b>8,127,407</b>	<b>8,552,111</b>	<b>9,245,720</b>	<b>8,846,140</b>	<b>8,806,207</b>
Net Debt Financed as a % of Prior Yr Net Rev	4.69%	4.58%	4.67%	4.88%	4.52%	4.37%
<b>Revenue Financed</b>	<b>1,409,896</b>	<b>1,641,619</b>	<b>1,523,420</b>	<b>1,171,399</b>	<b>1,925,356</b>	<b>2,266,234</b>
Revenue Financed as a % of Prior Yr Net Rev	0.81%	0.92%	0.83%	0.62%	0.98%	1.13%
<b>SUB-TOTAL 5.5% Dedicated to CIP</b>	<b>9,606,000</b>	<b>9,769,026</b>	<b>10,075,531</b>	<b>10,417,119</b>	<b>10,771,496</b>	<b>11,072,441</b>
<b>Free Cash for CIP</b>	<b>5,020,852</b>	<b>3,155,953</b>	<b>3,192,021</b>	<b>3,226,495</b>	<b>3,210,387</b>	<b>3,196,707</b>
<b>Capital Project Surplus -- Re-approp. of Funds</b>	<b>240,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Funds (e.g., Overlay Surplus, Sale of Town-owned land, Cemetery Funds)</b>	<b>700,000</b>	<b>4,000,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNDS AVAILABLE FOR CIP THROUGH GEN. FUND</b>	<b>15,566,851</b>	<b>16,924,979</b>	<b>13,267,552</b>	<b>13,743,614</b>	<b>13,981,882</b>	<b>14,269,148</b>

<sup>1</sup> As defined in the CIP Policies, "Net Debt" is total debt service exclusive of debt service related to a Debt Exclusion and debt service funded by enterprise fund revenues.

# DEBT-FINANCED vs “PAY-AS-YOU-GO”





# CIP FINANCING – FREE CASH

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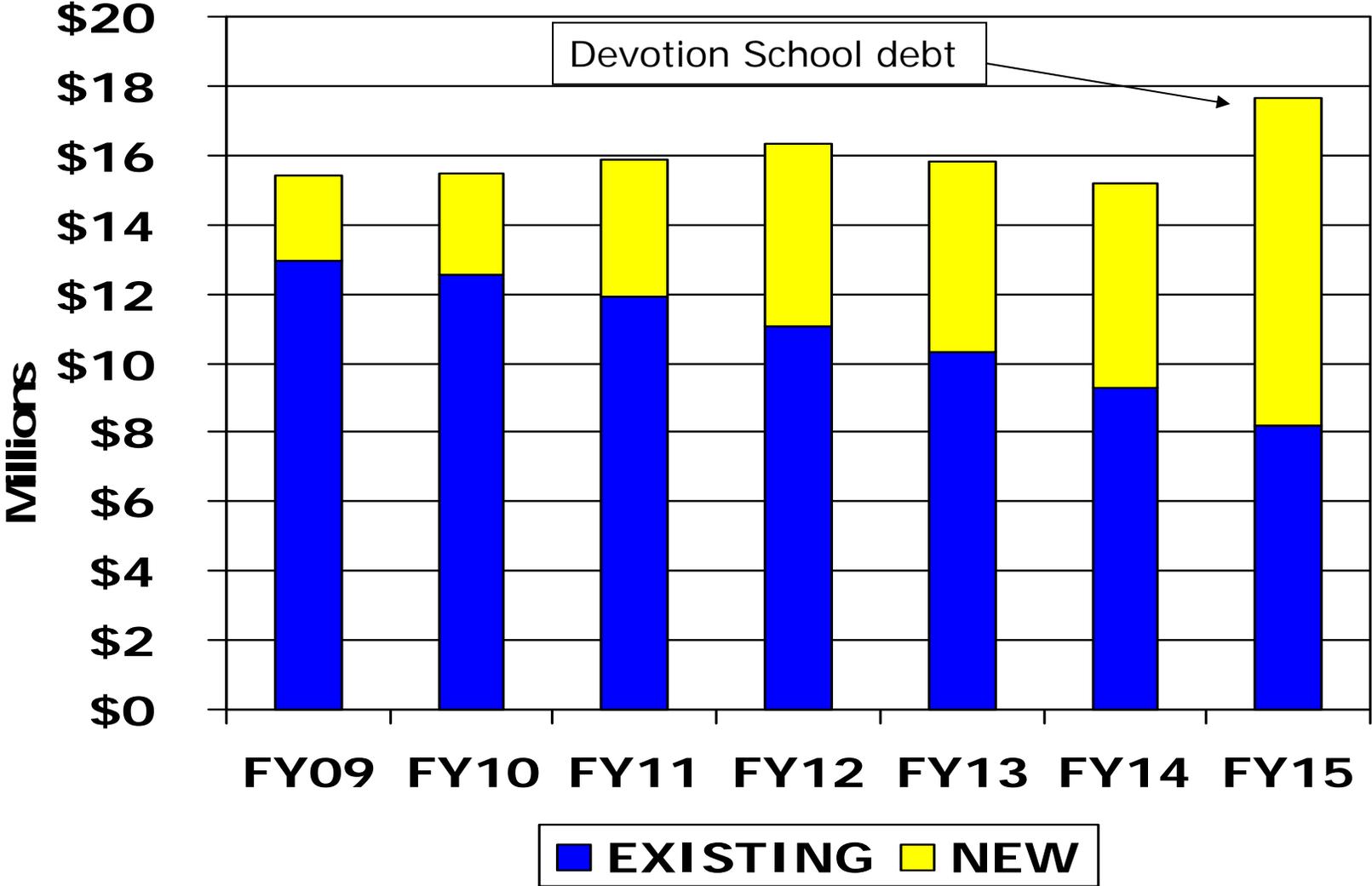
- The FY09-FY14 CIP follows the Town’s Free Cash Policy:
  - An amount equivalent to 0.25% of the prior year’s net revenue shall be appropriated as part of the Town’s 1% Appropriated Budget Reserve Fund.
  - To the extent necessary, Free Cash shall be used to fund the Stabilization Fund at a level equivalent 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 \$5.9M est of Free Cash for FY09 use is \$2.1M more than last year and is above the \$3.75M est used to build the out-years of the FY08 – FY13 CIP.
- For FY09, of the \$5.9M, \$5M is used to support the CIP. It enabled the \$2.975M approp. for the Landfill to be included without negatively impacting the CIP.
- In the out-years, a certification of \$3.75M is used, resulting in approximately \$3.2M for use in the CIP.

# DEBT MANAGEMENT PLAN

<u>Project</u>	<u>Yrs</u>	<u>Authorization</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Landfill / Transfer Station (previously authorized) - borrow \$1.26M of the \$2M	10	2,000,000	182,700	177,030	171,360	165,690	160,020	154,350	148,680
Town Hall (previously authorized) - borrow \$6.9M of the \$13.8M	20	13,800,000	1,330,000	610,750	595,000	579,250	563,500	547,750	527,000
Fisher Hill (previously authorized)	10	1,350,000	195,750	189,675	183,600	177,525	171,450	165,375	159,300
Muddy River (previously authorized)	10	745,000		108,025	104,673	101,320	97,968	94,615	91,263
Landfill / Transfer Station (previously authorized) - last \$740K of the \$2M	10	2,000,000		109,150	105,635	102,120	98,605	95,090	91,575
Town Hall (previously authorized) - last \$6.9M of the \$13.8M	20	13,800,000		690,000	672,750	655,500	638,250	621,000	603,750
HS Projects (seeking authorization)	15	3,300,000		368,500	358,600	348,700	338,800	328,900	319,000
Runkle School Design - TOWN @ 50% (seeking authorization)	10	1,200,000			177,000	171,300	165,600	159,900	154,200
Parking Meters (seeking authorization)	10	1,350,000			191,750	185,575	179,400	173,225	167,050
Rear Landfill (seeking authorization)	15	3,915,000			456,750	443,700	430,650	417,600	404,550
Garages/Driveway @ Town Hall/Main Libr. (seeking authorization)	10	1,200,000			177,000	171,300	165,600	159,900	154,200
Runkle School - TOWN @ 50% (seeking authorization)	20	12,000,000				1,230,000	1,198,500	1,167,000	1,135,500
UAB Roof/Chimney/Gutters & Downspouts (seeking authorization)	10	1,275,000					188,063	182,006	175,950
Waldstein Playground (seeking authorization)	10	800,000					118,000	114,200	110,400
Devotion School Design - TOWN @ 50%(seeking authorization)	10	2,500,000						368,750	356,875
Fire Station # 7 Rehab (seeking authorization)	10	1,000,000						147,500	142,750
Baldwin School (seeking authorization)	10	1,780,000							262,550
Devotion School - TOWN @ 50%(seeking authorization)	20	25,000,000							2,562,500
Old Lincoln HVAC / Sprinklers (seeking authorization)	10	1,780,000							717,500
<b>NEW GEN FUND DEBT SERVICE (cumulative)</b>			<b>1,708,450</b>	<b>2,253,130</b>	<b>3,194,118</b>	<b>4,331,980</b>	<b>4,514,405</b>	<b>4,897,161</b>	<b>8,284,593</b>
Golf Course <sup>1</sup> (previously authorized)	15	2,840,000	21,750	21,075	20,400	19,725	19,050	18,375	17,700
Singletree Tank Interior Painting (previously authorized)	10	250,000		36,875	35,688	34,500	33,313	32,125	30,938
Storm Drains (previously authorized)	10	500,000	72,500	70,250	68,000	65,750	63,500	61,250	59,000
Wastewater (previously authorized)	15	6,000,000	14,500	159,050	299,100	434,650	565,700	692,250	832,289
Storm Drains (seeking authorization)	10	500,000			73,750	71,375	69,000	66,625	64,250
Water Main Improvements (seeking authorization)	15	1,000,000					145,000	140,500	136,000
Singletree Tank Exterior Painting (seeking authorization)	10	250,000						36,250	35,125
<b>NEW ENTERPRISE FUND DEBT SERVICE (cumulative)</b>			<b>108,750</b>	<b>287,250</b>	<b>496,938</b>	<b>626,000</b>	<b>895,563</b>	<b>1,047,375</b>	<b>1,175,302</b>
<b>TOTAL NEW DEBT SERVICE (cumulative)</b>			<b>1,817,200</b>	<b>2,540,380</b>	<b>3,691,055</b>	<b>4,957,980</b>	<b>5,409,968</b>	<b>5,944,536</b>	<b>9,459,894</b>

<sup>1</sup> Of the \$2.84M authorization, \$1.25M has already been borrowed from the FY02 authorization, leaving \$1.59M. This plan calls for using \$150K of the remaining authorization.

# DEBT SERVICE – ALL FUNDS



# DEBT MANAGEMENT POLICIES

TABLE 1

VARIABLE	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Legal Limit for Out. Debt = 5% of Equalized Valuation (EQV) EQV for 1/1/06 = \$14.827 billion. Assume 2.5% annual growth. (In millions)	\$15,197.4	\$15,577.4	\$15,966.8	\$16,366.0	\$16,775.1	\$17,194.5	\$17,624.3
Outstanding Debt as a % of EQV	0.7%	0.7%	0.7%	0.6%	0.6%	0.7%	0.6%
Total Outstanding Debt (in millions)	\$98.9	\$103.8	\$111.8	\$101.8	\$97.1	\$114.9	\$113.5
General Fund Outstanding Debt (in millions)	\$83.2	\$88.9	\$97.4	\$88.5	\$83.9	\$102.6	\$100.9
Total Debt Service (in millions)	\$13.7	\$14.9	\$15.2	\$15.7	\$16.0	\$15.5	\$14.9
General Fund Debt Service (in millions)	\$10.8	\$12.2	\$12.5	\$12.9	\$13.4	\$13.0	\$12.5
Total Debt Service Per Capita	\$246	\$268	\$273	\$283	\$287	\$279	\$267
General Fund Debt Service Per Capita	\$195	\$219	\$225	\$232	\$242	\$234	\$224
A. Total Outstanding Debt Per Capita as a % of Per Capita Income	2.9%	3.0%	3.1%	2.8%	2.6%	3.0%	2.9%
General Fund Outstanding Debt Per Capita as a % of Per Capita Income	2.4%	2.6%	2.7%	2.4%	2.2%	2.7%	2.6%
B. Total Outstanding Debt Per Capita	\$1,779	\$1,867	\$2,012	\$1,831	\$1,747	\$2,067	\$2,042
General Fund Outstanding Debt Per Capita	\$1,496	\$1,599	\$1,753	\$1,593	\$1,509	\$1,846	\$1,814
C. Total Outstanding Debt as a %age of Assessed Value (AV)	0.7%	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%
General Fund Outstanding Debt as a %age of Assessed Value (AV)	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%	0.6%
D. Total Debt Maturing Within 10 Years	82%	83%	88%	84%	86%	84%	74%
General Fund Debt Maturing Within 10 Years	80%	81%	86%	82%	84%	82%	72%
E. CIP Financing as a %age of Prior Year's Net Revenue	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Debt-Financed CIP as a %age of Prior Year's Net Revenue	4.69%	4.70%	4.58%	4.67%	4.88%	4.52%	4.37%
Revenue-Financed CIP as a %age of Prior Year's Net Revenue	0.81%	0.80%	0.92%	0.83%	0.62%	0.98%	1.13%

## 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 \$2,315 (for FY08).
- 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

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- **CDBG Funds** – \$2.25M is used, including utilizing the Section 108 Loan Guarantee Program.
  
- **State / Federal Grants** – \$45.7M is anticipated, including the assumption that SBA funds cover 50% of the Runkle School and Devotion School projects. Without SBA funding, these will be \$13.2M and \$27.5M projects, respectively, funded by the Town.
  
- **Proposed Private Development** - \$4M total, with \$3.25M for Fisher Hill Reservoir Re-Use (FY09) and \$750K from 2 Brookline Pl for Gateway East.
  
- **Cemetery Trust Funds** - \$200K for Old Burial Ground projects.
  
- **Re-Appropriation of Funds** - \$240K of existing CIP project accounts will be re-appropriated in FY09 to help balance the CIP.



# MAJOR ISSUES GOING FORWARD

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- SBA funding for Runkle and Devotion Schools
- Construction costs
- Newton St. Landfill Corrective Action
- Future Free Cash levels
- Addressing the impact of inflation on a number of CIP accounts
- Override



# CAPITAL SUB-COMMITTEE VOTES – Differences from CIP Presented in the Fin. Plan

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1. Craftsmen Garage / Parks Facility Improvement Study (\$10K less)
2. Reservoir Transformer Building and Gatehouse (\$0 instead of \$30K)
3. Putterham Library Renovations (defer roof/windows until further study)
4. Library RFID (\$0 instead of \$465K)
5. High School projects (\$3.3M revised figure reflects Bldg Dept's recent update)
6. Tree Replacement / Removal (add'l \$50K)
7. Landfill Corrective Action (place remaining savings from #'s 1-4 into this project)