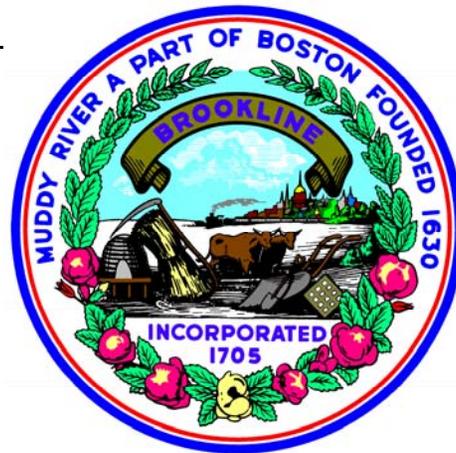


# TOWN OF BROOKLINE FY07 – FY12 CAPITAL IMPROVEMENT PROGRAM



March 28, 2006



# HEADLINES

- ❑ \$107.8M Six-Year CIP (FY07 – FY12).
- ❑ Conforms with the Town's CIP Policies.
- ❑ Major challenges posed due to bid climate and change in the School Building Assistance program.
- ❑ Undertakes three major building renovation projects: Town Hall, Runkle School, and Devotion School.
- ❑ Continues to upgrade Public Safety equipment.
- ❑ Continues investment in the Town's infrastructure (streets, sidewalks, water/sewer system, parks/playgrounds).
- ❑ Includes funding to help meet the high demand for playing fields (Landfill Park, Fisher Hill Reservoir).
- ❑ Includes additional funding for the Landfill Closure and for renovations at the Swimming Pool.
- ❑ Postpones major renovation work at the Old Lincoln School.
- ❑ Assumes Town funding for Runkle School at \$12M and Devotion School at \$24M. SBA funding can not be assumed at this time.
- ❑ Includes funding for Energy Efficiency projects.
- ❑ Includes funding for the Gateway East project.



# CHANGES FROM CIP AS PRESENTED ON DEC 13, 2005

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- 1. Town Hall Renovations** – Moved bond authorization to FY08. Frees-up \$1.3M in debt service that would have hit in FY08. That \$1.3M to be used to support the \$16.1M project.
- 2. Fisher Hill Reservoir Re-Use** – moved bond authorization to FY08. Frees-up \$210K in debt service that would have hit in FY08. Used that capacity by moving Larz Anderson Park (\$100K) and Rehab of 2 Town-owned Parking Lots (Babcock St. and School St.) to FY08 – projects that had been moved to “Future Years” to accommodate the cost increase in the Landfill project.

# CHANGES FROM CIP AS PRESENTED ON DEC 13, 2005 (con't.)

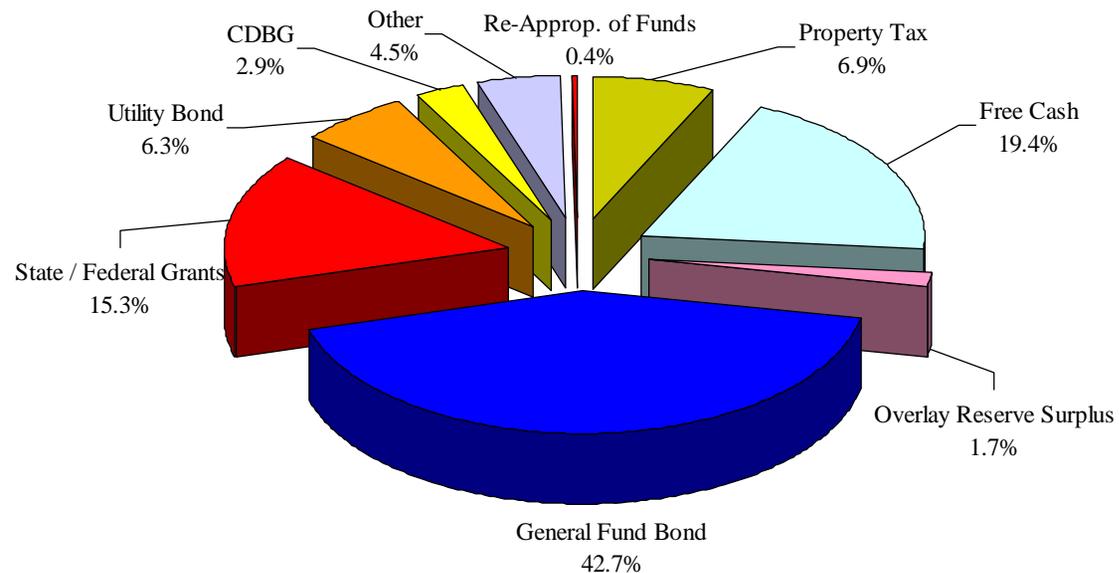
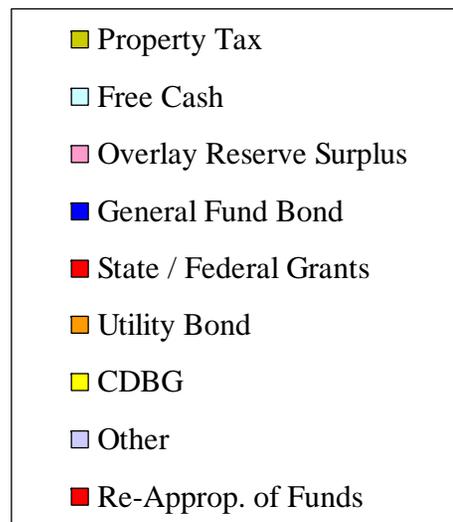
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3. **CDBG-Funded Projects** – the recommendations of the CDBG Committee result in 5 changes:
  - a. \$125K for Gateway East (\$105K in Prelim CIP)
  - b. \$30K for Juniper Playground (\$0 in Prelim CIP)
  - c. \$0 for Tree Replacement (\$30K in Prelim CIP)
  - d. \$0 for Street Rehab (\$150K in Prelim CIP)
  - e. \$0 for ADA / Handicapped Improvements (\$40K in Prelim CIP)
4. **Add'l Free Cash** – when the CIP was presented in December, Free Cash was not certified. The official Certification resulted in an add'l \$160K for the CIP, which was added to Energy Conservation, bringing the FY07 recommended amount to \$185K for that project.

# SUMMARIES

## GRAND TOTAL BY SOURCE (in thousands)

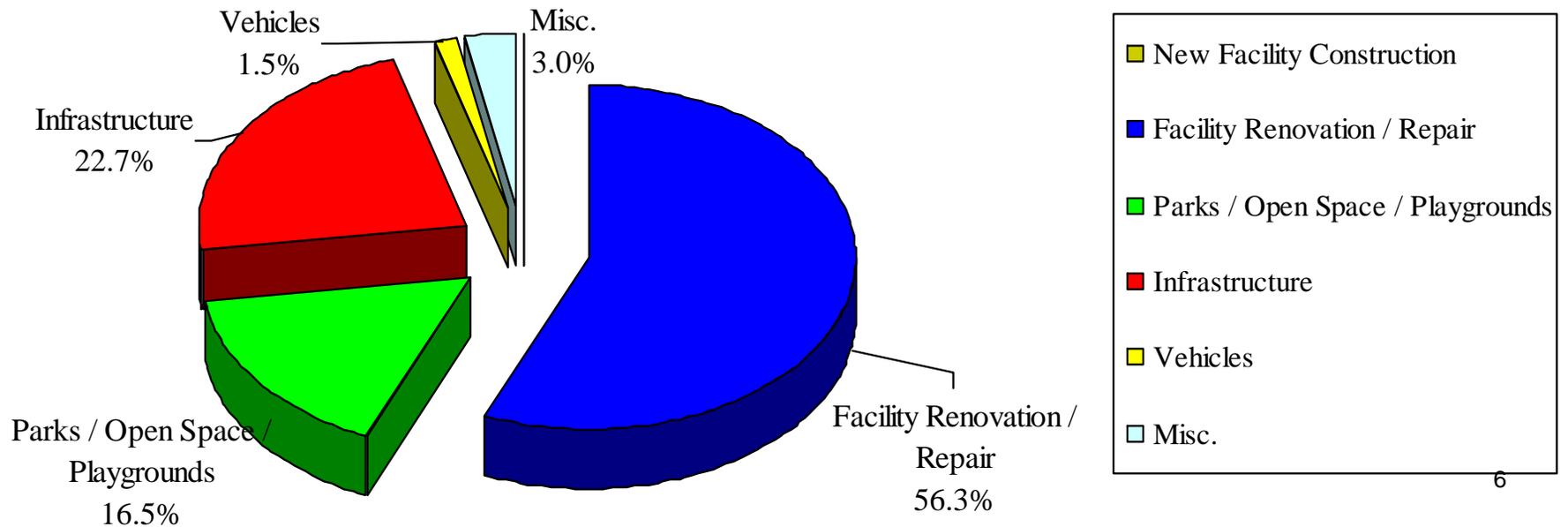
	FY07	FY08	FY09	FY10	FY11	FY12	TOTAL	% OF TOTAL
Property Tax	1,809.8	2,141.2	1,004.4	1,182.2	225.4	1,029.9	7,392.9	6.9%
Free Cash	4,491.7	3,301.3	3,312.1	3,304.5	3,296.1	3,182.6	20,888.4	19.4%
Overlay Reserve Surplus	0.0	1,800.0	0.0	0.0	0.0	0.0	1,800.0	1.7%
General Fund Bond	3,600.0	15,875.0	2,400.0	16,400.0	1,200.0	6,600.0	46,075.0	42.7%
State / Federal Grants	568.8	1,068.8	568.8	13,168.8	568.8	568.8	16,512.7	15.3%
Utility Bond	6,000.0	250.0	0.0	500.0	0.0	0.0	6,750.0	6.3%
CDBG	155.0	2,120.0	220.0	220.0	220.0	220.0	3,155.0	2.9%
Other	0.0	1,600.0	3,250.0	0.0	0.0	0.0	4,850.0	4.5%
Re-Appropriation of Funds	414.0	0.0	0.0	0.0	0.0	0.0	414.0	0.4%
<b>TOTAL</b>	<b>17,039.3</b>	<b>28,156.3</b>	<b>10,755.3</b>	<b>34,775.5</b>	<b>5,510.3</b>	<b>11,601.3</b>	<b>107,837.9</b>	<b>100.0%</b>



# SUMMARIES (con't)

## GRAND TOTAL BY CATEGORY (in thousands)

	FY07	FY08	FY09	FY10	FY11	FY12	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	3,894.0	19,534.0	3,515.0	25,573.0	1,925.0	6,300.0	60,741.0	56.3%
Parks / Open Space / Playgrounds	3,160.0	2,705.0	4,310.0	4,875.0	820.0	1,900.0	17,770.0	16.5%
Infrastructure	8,322.5	5,082.3	2,566.3	3,673.5	2,321.3	2,521.3	24,487.2	22.7%
Vehicles	1,140.0	0.0	0.0	315.0	0.0	130.0	1,585.0	1.5%
Miscellaneous	522.8	835.0	364.0	339.0	444.0	750.0	3,254.8	3.0%
<b>TOTAL</b>	<b>17,039.3</b>	<b>28,156.3</b>	<b>10,755.3</b>	<b>34,775.5</b>	<b>5,510.3</b>	<b>11,601.3</b>	<b>107,837.9</b>	<b>100%</b>





# MAJOR PROJECTS

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- Devotion School Rehab – Needs Assessment programmed for FY07, with \$24M of Town funding + possibility of \$24M of State funding in FY13 for construction
- Town Hall Rehab - \$16.1M (FY08)
- Runkle School Rehab - Feasibility Study programmed for FY07, with \$12M of Town funding + possibility of \$12M of State funding in FY10 for construction
- Wastewater System - \$6M (FY07)
- Newton St. Landfill - \$5.7M (FY07/FY10)
- Fisher Hill Reservoir Re-Use - \$4.6M (FY08-FY09)
- High School / UAB Proj's - \$4.1M (FY08/FY11)
- Gateway East - \$2M (FY07-FY08)



# CONTINUED MAJOR INVESTMENT

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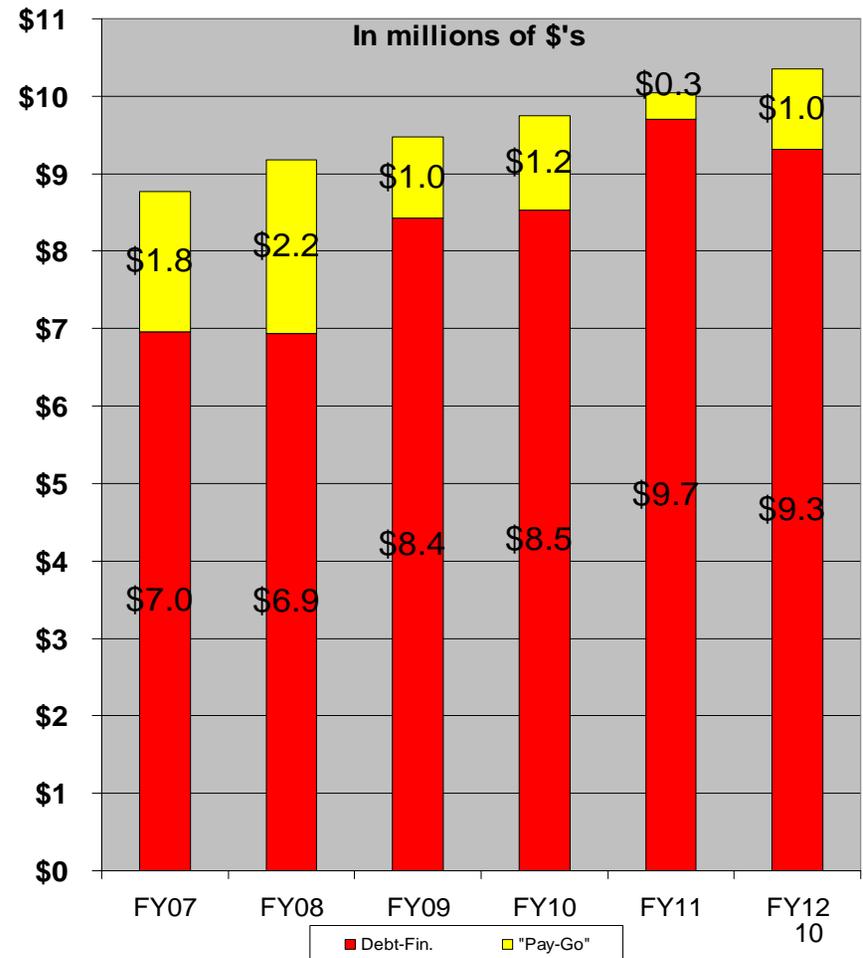
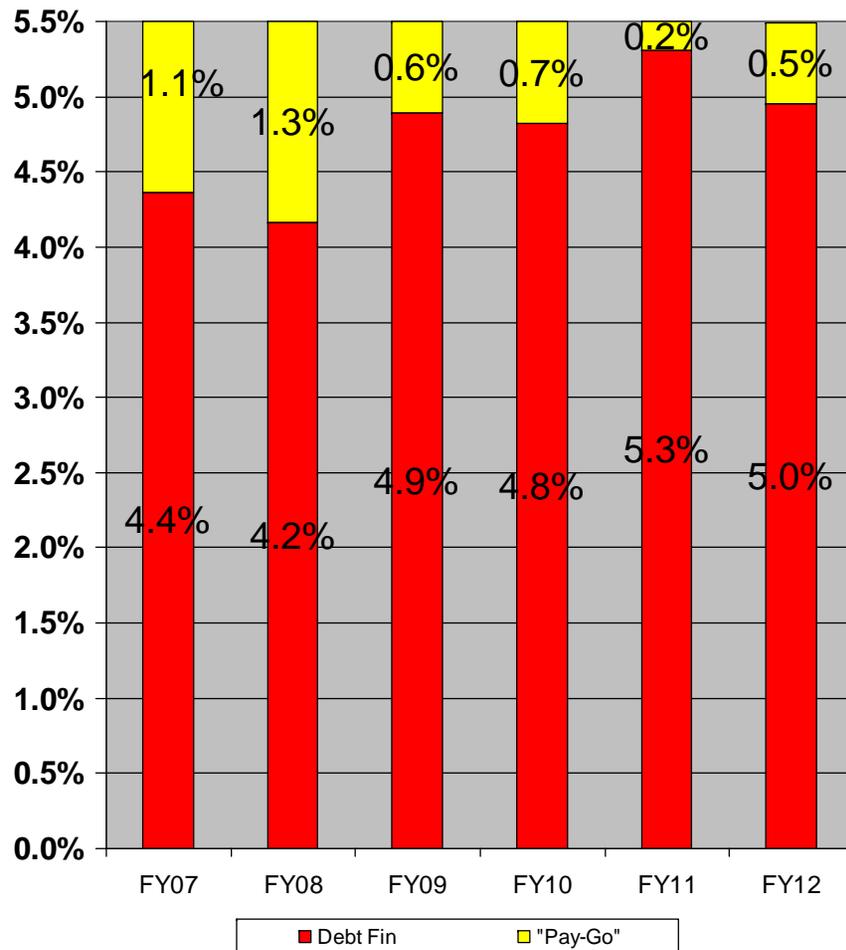
- ❑ Parks & Open Space - \$12.2M (FY07–FY12)
- ❑ Street & Sidewalk Rehab - \$11.4M (FY07-FY12)
- ❑ Information Technology - \$1.5M (FY07-FY12)
- ❑ General Town/School Bldg. Repairs (ADA, Security, Roof, Energy Efficiency) - \$1.8M (FY07-FY12)
- ❑ Fire Apparatus / Public Safety Equipment - \$2M (FY07-FY12)
- ❑ Parking Meters - \$1.3M (FY08-FY12)
- ❑ RFID Tech. in Libraries - \$617K (FY08-FY11)
- ❑ Branch Libraries - \$500K (FY07-FY11)

# CIP FINANCING

The FY07-FY12 CIP follows the CIP Policy that 5.5% of the prior year's net revenue be dedicated to the CIP.

	2007	2008	2009	2010	2011	2012
Total Gen Fund Rev	182,025,329	187,420,228	190,758,045	196,374,168	202,103,245	207,936,774
<u>LESS:</u>						
Non Appropriations	7,727,481	7,883,156	8,042,722	8,206,278	8,373,922	8,545,758
Net Debt Exclusions	1,614,854	1,568,947	1,542,140	1,516,517	1,486,729	1,381,510
Free Cash	5,387,435	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Stabilization Fund	0	0	4,948	0	98,500	117,088
Overlay Surplus	0	1,800,000	0	0	0	0
Capital Project Surplus	413,960	0	0	0	0	0
Chapter 90	0	0	0	0	0	0
<b>Net Revenue</b>	<b>166,881,600</b>	<b>172,168,125</b>	<b>177,168,236</b>	<b>182,651,374</b>	<b>188,144,093</b>	<b>193,892,419</b>
<b>CIP ACTUAL vs. REQUIREMENTS</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Actual Debt Financed \$\$	6,955,944	6,936,365	8,424,170	8,534,660	9,707,216	9,309,561
Actual Revenue Financed \$\$	1,809,819	2,242,123	1,045,077	1,209,593	338,610	1,038,364
Actual Debt Financed %	4.36%	4.16%	4.89%	4.82%	5.31%	4.95%
Actual Revenue Financed %	1.14%	1.34%	0.61%	0.68%	0.19%	0.55%
4.25% Debt Financed	6,773,544	7,092,468	7,317,145	7,529,650	7,762,683	7,996,124
1.25% Revenue Financed	1,992,219	2,086,020	2,152,102	2,214,603	2,283,142	2,351,801
<b>5.5% Total Dedicated to CIP</b>	<b>8,765,763</b>	<b>9,178,488</b>	<b>9,469,247</b>	<b>9,744,253</b>	<b>10,045,826</b>	<b>10,347,925</b>
Debt Financed Actual vs Required in \$\$	182,400	(156,103)	1,107,024	1,005,010	1,944,532	1,313,437
Revenue Financed Actual vs Required in \$\$	(182,400)	156,103	(1,107,024)	(1,005,010)	(1,944,532)	(1,313,437)
Debt Financed Actual vs Required in %	-0.11%	0.09%	-0.64%	-0.57%	-1.06%	-0.70%
Revenue Financed Actual vs Required in %	0.11%	-0.09%	0.64%	0.57%	1.06%	0.70%

# DEBT-FINANCED vs “PAY-AS-YOU-GO”





# CIP FINANCING – FREE CASH

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- The FY07-FY12 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.
- For FY07, of the estimated Free Cash of \$5.2M, \$4.3M is used to support the CIP.
- In the out-years, a certification of \$4M is used, resulting in approximately \$3.5M for use in the CIP.

# DEBT MANAGEMENT PLAN

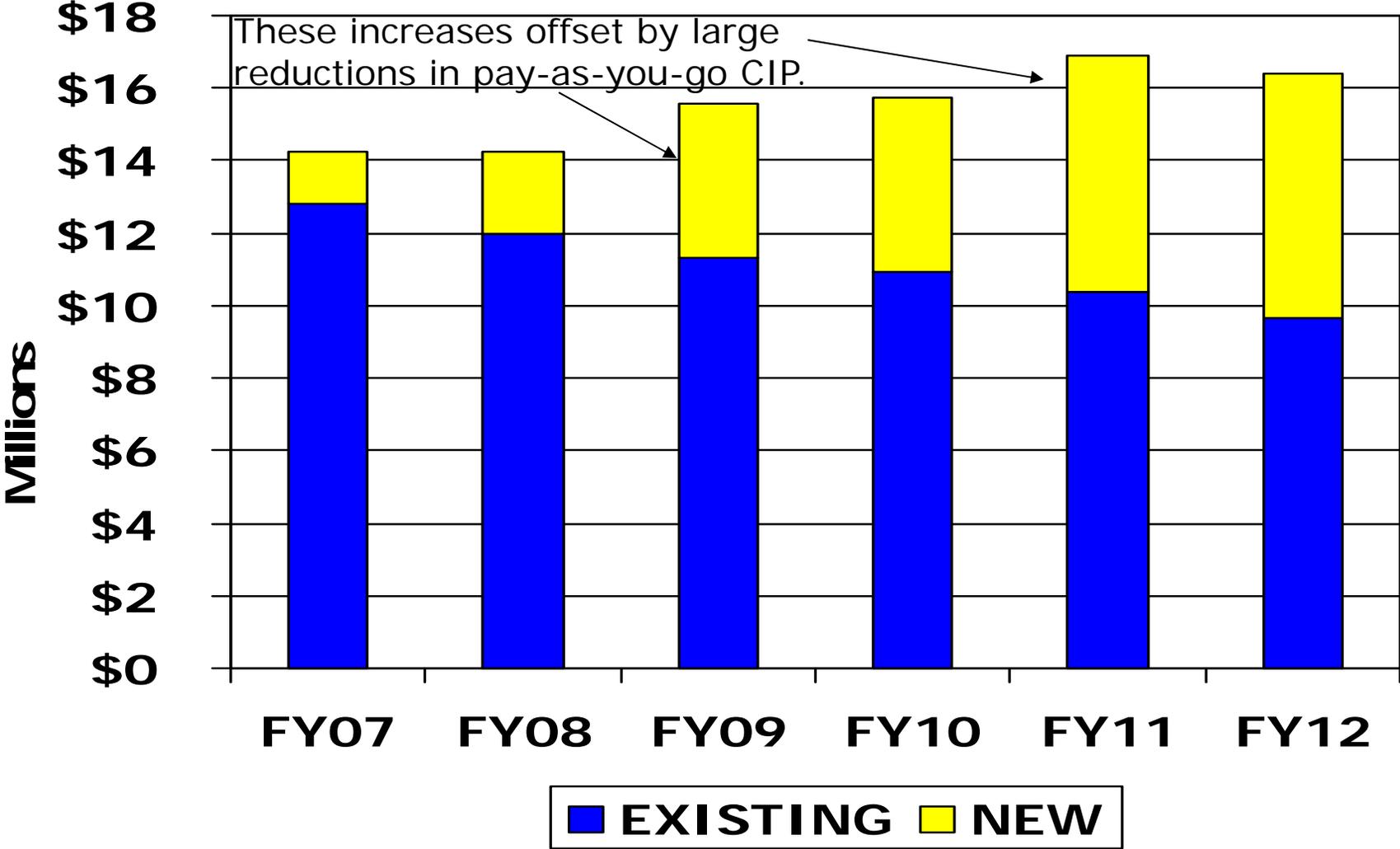
<u>Project</u>	<u>Yrs</u>	<u>Authorization</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Lawrence School/Longwood Playground - (\$1M from previous authorization)	10	17,075,000	145,000	140,500	136,000	131,500	127,000	122,500
Health Dept (previously authorized)	20	4,100,000	410,000	399,750	389,500	379,250	369,000	358,750
Town Hall Design (previously authorized)	10	1,260,000	182,700	177,030	171,360	165,690	160,020	154,350
Muddy River (previously authorized)	10	745,000		109,888	106,349	102,810	99,271	95,733
Landfill / Transfer Station (seeking authorization)	10	2,000,000		295,000	285,500	276,000	266,500	257,000
Swimming Pool (seeking authorization)	10	1,600,000		236,000	228,400	220,800	213,200	205,600
Town Hall (seeking authorization)	20	13,000,000			1,332,500	1,298,375	1,264,250	1,230,125
Fisher Hill (seeking authorization)	10	1,350,000			199,125	192,713	186,300	179,888
HS Projects (seeking authorization)	10	2,875,000			424,063	410,406	396,750	383,094
Runkle School Design (seeking authorization)	10	2,400,000				354,000	342,600	331,200
Runkle School - TOWN @ 50% (seeking authorization)	20	12,000,000					1,230,000	1,198,500
Devotion School Windows (seeking authorization)	10	700,000					103,250	99,925
Rear Landfill (seeking authorization)	15	3,700,000					431,667	419,333
UAB Roof/Chimney/Gutters & Downspouts (seeking auth.)	10	1,200,000						177,000
<b>NEW GEN FUND DEBT SERVICE (cumulative)</b>			<b>737,700</b>	<b>1,358,168</b>	<b>3,272,796</b>	<b>3,531,544</b>	<b>5,189,808</b>	<b>5,212,997</b>
Water Meters (previously authorized)	15	2,000,000	228,333	222,000	215,667	209,333	203,000	196,667
Storm Drains (previously authorized)	10	1,000,000	71,250	69,125	67,000	64,875	136,500	132,000
Wastewater <sup>1</sup> (see footnote)	15	12,000,000	381,317	604,073	586,830	802,920	779,010	988,433
Singletree Tank (seeking authorization)	10	250,000			36,875	35,688	34,500	33,313
Golf Course <sup>2</sup> (previously authorized)	15	2,840,000			57,183	111,457	150,599	200,657
<b>NEW ENTERPRISE FUND DEBT SERVICE (cumulative)</b>			<b>680,900</b>	<b>895,198</b>	<b>963,555</b>	<b>1,224,273</b>	<b>1,303,609</b>	<b>1,551,069</b>
<b>TOTAL NEW DEBT SERVICE (cumulative)</b>			<b>1,418,600</b>	<b>2,253,366</b>	<b>4,236,351</b>	<b>4,755,817</b>	<b>6,493,417</b>	<b>6,764,066</b>

<sup>1</sup> Of the \$12M authorization, \$2.74M has already been borrowed from a FY02 \$6M authorization, leaving \$3.34M, plus a new \$6M authorization for FY07.

<sup>2</sup> Of the \$2.84M authorization, \$1.1M has already been borrowed from the FY02 authorization, leaving \$1.74M phased-in.

# DEBT SERVICE – ALL FUNDS

## DEBT SERVICE



# DEBT MANAGEMENT POLICIES

VARIABLE	FY06	FY07	FY08	FY09	FY10	FY11	FY12
<u>Legal Limit for Out. Debt = 5% of Equalized Valuation (EQV)</u>							
EQV for 1/1/04 = \$12.676 billion. Assume 2.5% annual growth. (In millions)	\$12,993.2	\$13,318.0	\$13,651.0	\$13,992.3	\$14,342.1	\$14,700.6	\$15,068.1
Outstanding Debt as a % of EQV	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%
Total Outstanding Debt (in millions)	\$105.2	\$102.4	\$110.7	\$105.0	\$111.5	\$103.2	\$98.4
General Fund Outstanding Debt (in millions)	\$85.3	\$82.1	\$91.8	\$85.8	\$93.5	\$85.4	\$82.8
Total Debt Service (in millions)	\$13.5	\$14.2	\$14.2	\$15.6	\$15.7	\$16.9	\$16.4
General Fund Debt Service (in millions)	\$11.0	\$11.1	\$11.1	\$12.5	\$12.7	\$13.8	\$13.3
Total Debt Service Per Capita	\$237	\$249	\$249	\$272	\$275	\$295	\$287
General Fund Debt Service Per Capita	\$189	\$195	\$194	\$220	\$222	\$242	\$233
A. Total Outstanding Debt Per Capita as a % of Per Capita Income	3.2%	3.4%	3.2%	2.9%	3.0%	2.7%	2.5%
General Fund Outstanding Debt Per Capita as a % of Per Capita Income	2.6%	2.8%	2.6%	2.4%	2.5%	2.3%	2.1%
B. Total Outstanding Debt Per Capita	\$1,846	\$1,797	\$1,942	\$1,842	\$1,957	\$1,811	\$1,727
General Fund Outstanding Debt Per Capita	\$1,496	\$1,440	\$1,611	\$1,506	\$1,641	\$1,498	\$1,452
C. Total Outstanding Debt as a %age of Assessed Value (AV)	0.9%	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%
General Fund Outstanding Debt as a %age of Assessed Value (AV)	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%
D. Total Debt Maturing Within 10 Years	75%	79%	80%	84%	84%	85%	85%
General Fund Debt Maturing Within 10 Years	73%	78%	78%	83%	83%	84%	84%
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	4.37%	4.36%	4.16%	4.89%	4.82%	5.31%	4.95%
Revenue-Financed CIP as a %age of Prior Year's Net Revenue	1.12%	1.14%	1.34%	0.61%	0.68%	0.19%	0.55%

## 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 \$2,230 (for FY07).
- 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** – \$3.2M is used, including utilizing the Section 108 Loan Guarantee Program.
  
- **State / Federal Grants** – \$16.5M is anticipated, including the assumption that SBA funds cover 50%, or \$12M, of the cost of the Runkle School project. Without SBA funding, this will be a \$12M project funded by the Town.
  
- **Proposed Private Development** - \$4M total, the largest piece being \$3.25M for Fisher Hill Reservoir Re-Use (FY07).
  
- **Re-Appropriation of Funds** - \$414K of existing CIP project accounts will be re-appropriated in FY07 to help balance the<sub>15</sub> CIP.