

TOWN OF BROOKLINE FY07 – FY12 CAPITAL IMPROVEMENT PROGRAM



December 13, 2005

HEADLINES

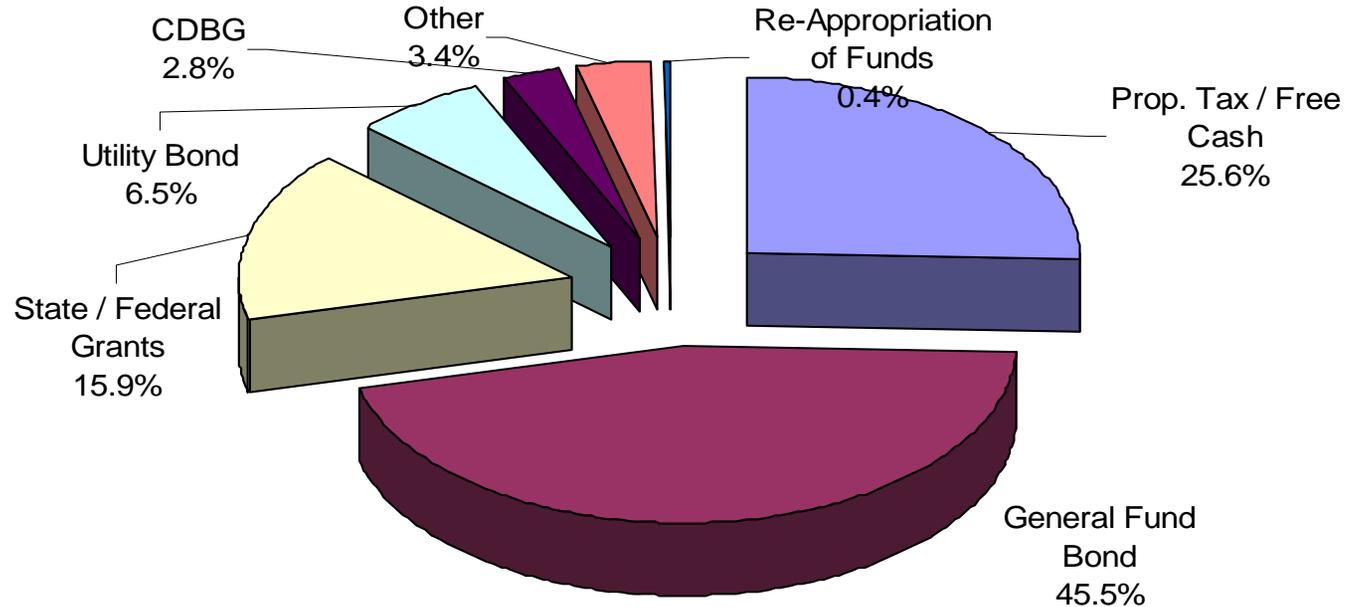
- ❑ \$104.1M Six-Year CIP (FY07 – FY12).
- ❑ Conforms with the Town's CIP Policies.
- ❑ Major challenges posed due to bid climate and change in the School Building Assistance program.
- ❑ Undertakes three major building renovation projects: Town Hall, Runkle School, and Devotion School.
- ❑ Continues 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).
- ❑ 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.

SUMMARIES

GRAND TOTAL BY SOURCE (in thousands)

	FY07	FY08	FY09	FY10	FY11	FY12	TOTAL	% OF TOTAL
Prop. Tax / Free Cash	6,141.5	3,931.5	4,316.5	4,486.8	3,521.5	4,212.5	26,610.2	25.6%
General Fund Bond	17,950.0	2,875.0	2,400.0	16,400.0	1,200.0	6,600.0	47,425.0	45.5%
State / Federal Grants	568.8	1,068.8	568.8	13,168.8	568.8	568.8	16,512.7	15.9%
Utility Bond	6,000.0	250.0	0.0	500.0	0.0	0.0	6,750.0	6.5%
CDBG	325.0	1,720.0	220.0	220.0	220.0	220.0	2,925.0	2.8%
Other	0.0	3,500.0	0.0	0.0	0.0	0.0	3,500.0	3.4%
Re-Appropriation of Funds	414.0	0.0	0.0	0.0	0.0	0.0	414.0	0.4%
TOTAL	31,399.2	13,345.3	7,505.3	34,775.5	5,510.3	11,601.3	104,136.9	100.0%

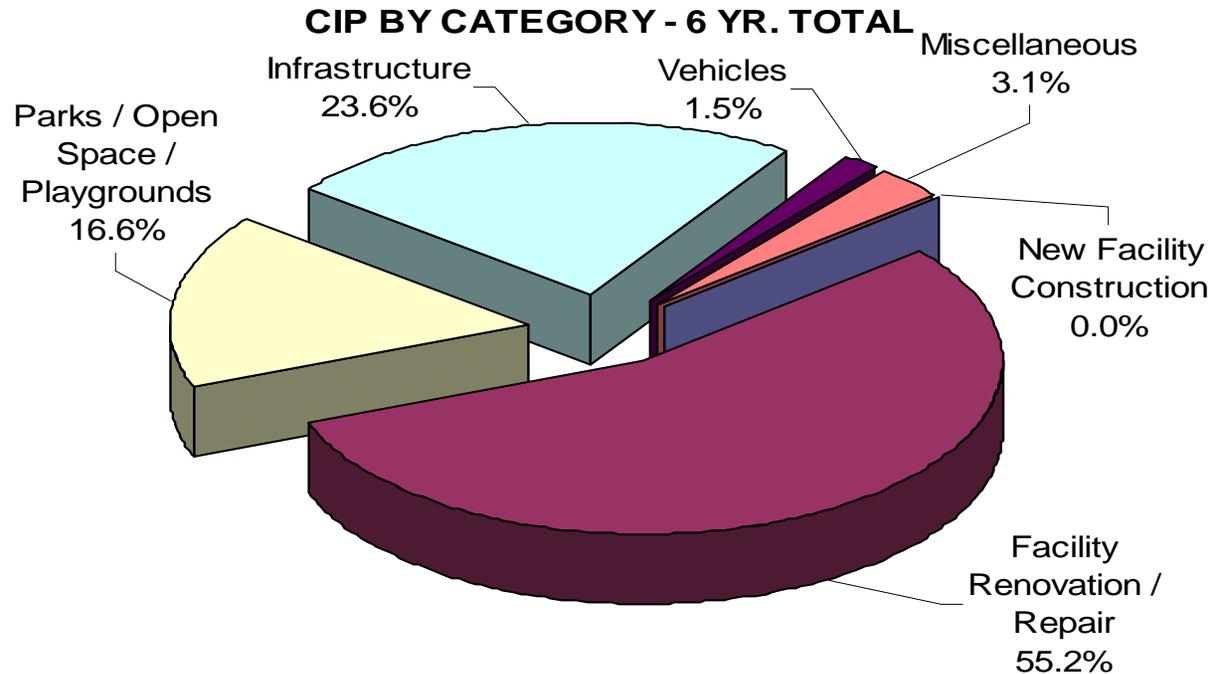
CIP FUNDING BY SOURCE - 6 YR. TOTAL



SUMMARIES II

GRAND TOTAL BY CATEGORY (in thousands)

	FY07	FY08	FY09	FY10	FY11	FY11	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	16,734.0	3,434.0	3,515.0	25,573.0	1,925.0	6,300.0	57,481.0	55.2%
Parks / Open Space / Playgrou	4,510.0	4,105.0	1,060.0	4,875.0	820.0	1,900.0	17,270.0	16.6%
Infrastructure	8,492.5	4,971.3	2,566.3	3,673.5	2,321.3	2,521.3	24,546.2	23.6%
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	3.1%
TOTAL	31,399.2	13,345.3	7,505.3	34,775.5	5,510.3	11,601.3	104,136.9	100%



MAJOR PROJECTS

- Devotion School Rehab – Needs Assessment programmed for FY07, with \$24M of Town funding + possibility of \$24M of State funding in FY13 for construction
- Runkle School Rehab - Feasibility Study programmed for FY07, with \$12M of Town funding + possibility of \$12M of State funding in FY10 for construction
- Town Hall Rehab - \$13M (FY07)
- Wastewater System - \$6M (FY07)
- Newton St. Landfill - \$5.7M (FY07/FY10)
- Fisher Hill Reservoir Re-Use - \$4.6M (FY07-FY08)
- High School / UAB Proj's - \$4.1M (FY08/FY11)
- Gateway East - \$2M (FY07-FY08)

CONTINUED MAJOR INVESTMENT

- Parks & Open Space - \$11.7M (FY07–FY12)
- Street & Sidewalk Rehab - \$11.1M (FY07-FY12)
- Information Technology - \$1.5M (FY07-FY12)
- General Town/School Bldg. Repairs (ADA, Security, Roof) - \$1.6M (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 CHALLENGE

- CIP as Requested by Departments

CIP ACTUAL vs. REQUIREMENTS	2007	2008	2009	2010	2011	2012
Actual Debt Financed \$\$	7,072,228	8,924,639	9,379,521	14,212,270	16,591,966	20,350,728
Actual Revenue Financed \$\$	1,666,906	96,156	(104,226)	(4,661,252)	(6,752,013)	(10,219,467)
Actual Debt Financed %	4.45%	5.44%	5.56%	8.18%	9.27%	11.05%
Actual Revenue Financed %	1.05%	0.06%	-0.06%	-2.68%	-3.77%	-5.55%
4.25% Debt Financed	6,752,967	6,970,615	7,167,273	7,380,332	7,603,600	7,828,702
1.25% Revenue Financed	1,986,167	2,050,181	2,108,022	2,170,686	2,236,353	2,302,559
5.5% Total Dedicated to CIP	8,739,133	9,020,796	9,275,295	9,551,017	9,839,953	10,131,261

- ❑ What does this mean?
- ❑ If adopted CIP as requested, would have to reduce the Operating Budget by \$10.2M in FY12.
- ❑ Major factors driving this are: (1) increased project costs, directly related to the bid environment, (2) change in how School Building Assistance is administered, and (3) new needs.

CIP FINANCING – END RESULT

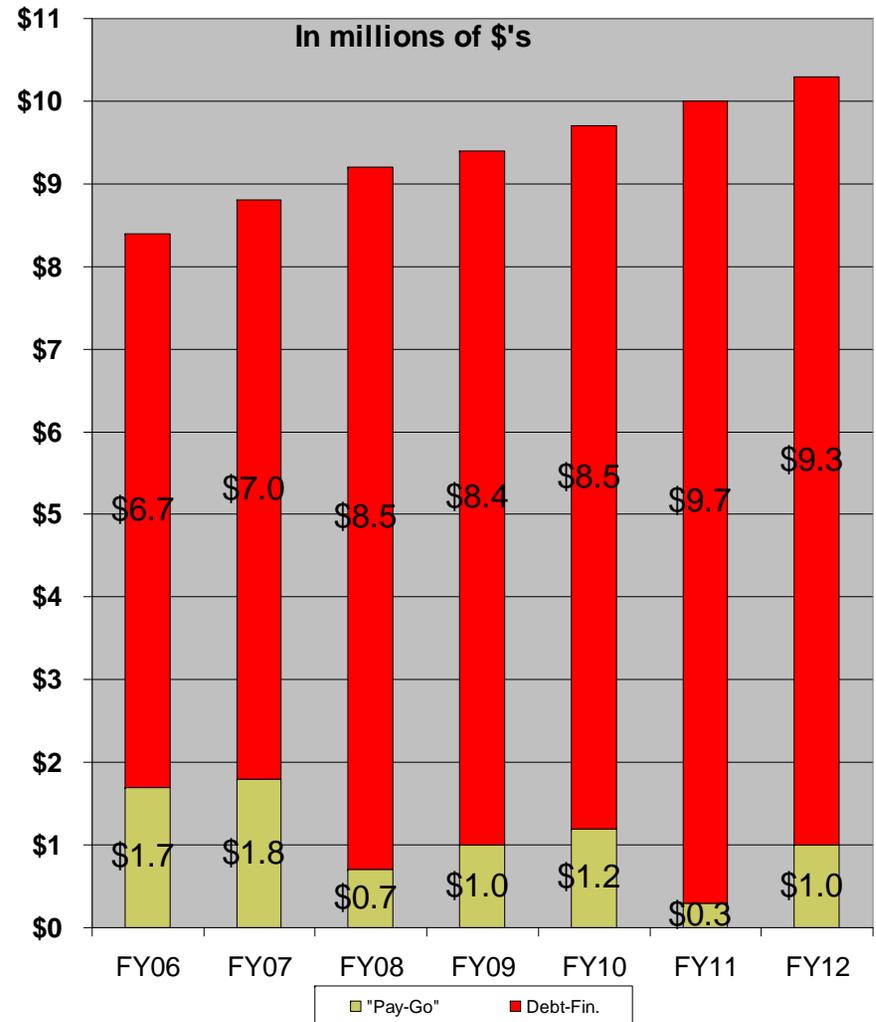
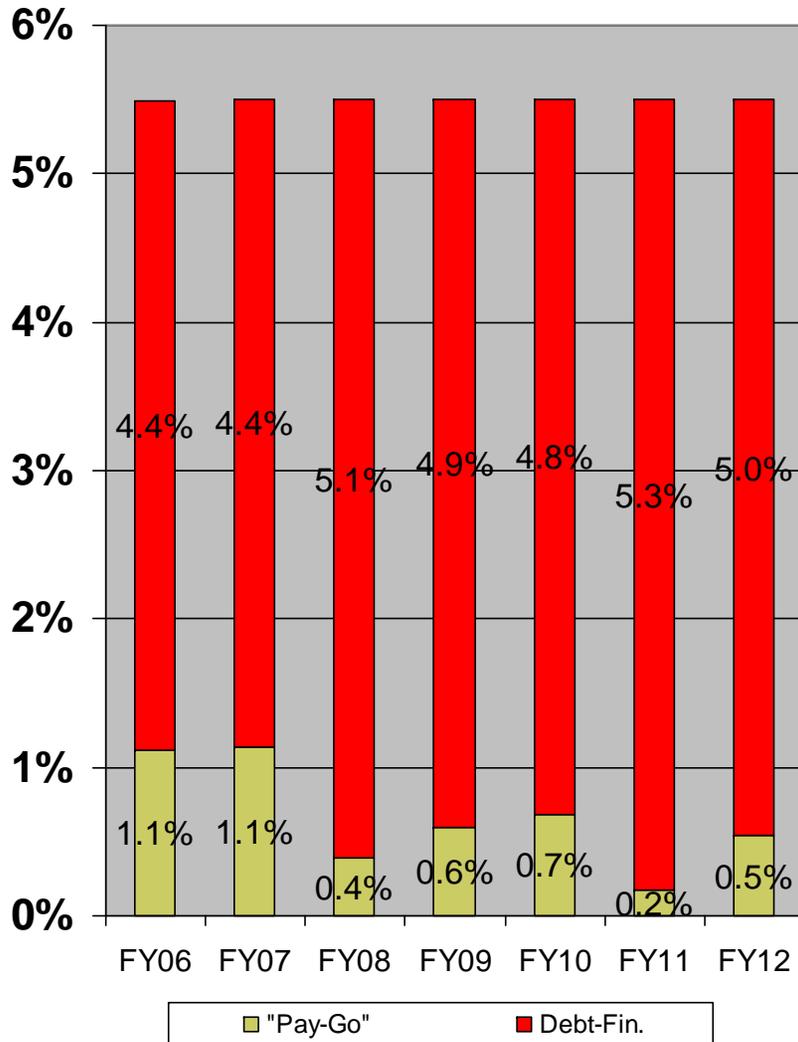
- The FY07-FY12 CIP follows the CIP Policy that 5.5% of the prior year's net revenue be dedicated to the CIP.

CIP ACTUAL vs. REQUIREMENTS	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Actual Debt Financed \$\$	6,955,944	8,467,990	8,383,632	8,494,123	9,666,678	9,269,024
Actual Revenue Financed \$\$	1,809,819	650,282	1,021,713	1,192,443	308,538	1,007,397
Actual Debt Financed %	4.36%	5.11%	4.90%	4.82%	5.33%	4.96%
Actual Revenue Financed %	1.14%	0.39%	0.60%	0.68%	0.17%	0.54%
4.25% Debt Financed	6,773,544	7,045,937	7,267,767	7,485,074	7,708,122	7,940,871
1.25% Revenue Financed	1,992,219	2,072,334	2,137,578	2,201,492	2,267,095	2,335,550
5.5% Total Dedicated to CIP	8,765,763	9,118,272	9,405,345	9,686,566	9,975,216	10,276,421

CIP FINANCING – FREE CASH

- ❑ 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-FINANCED vs “PAY-AS-YOU-GO”



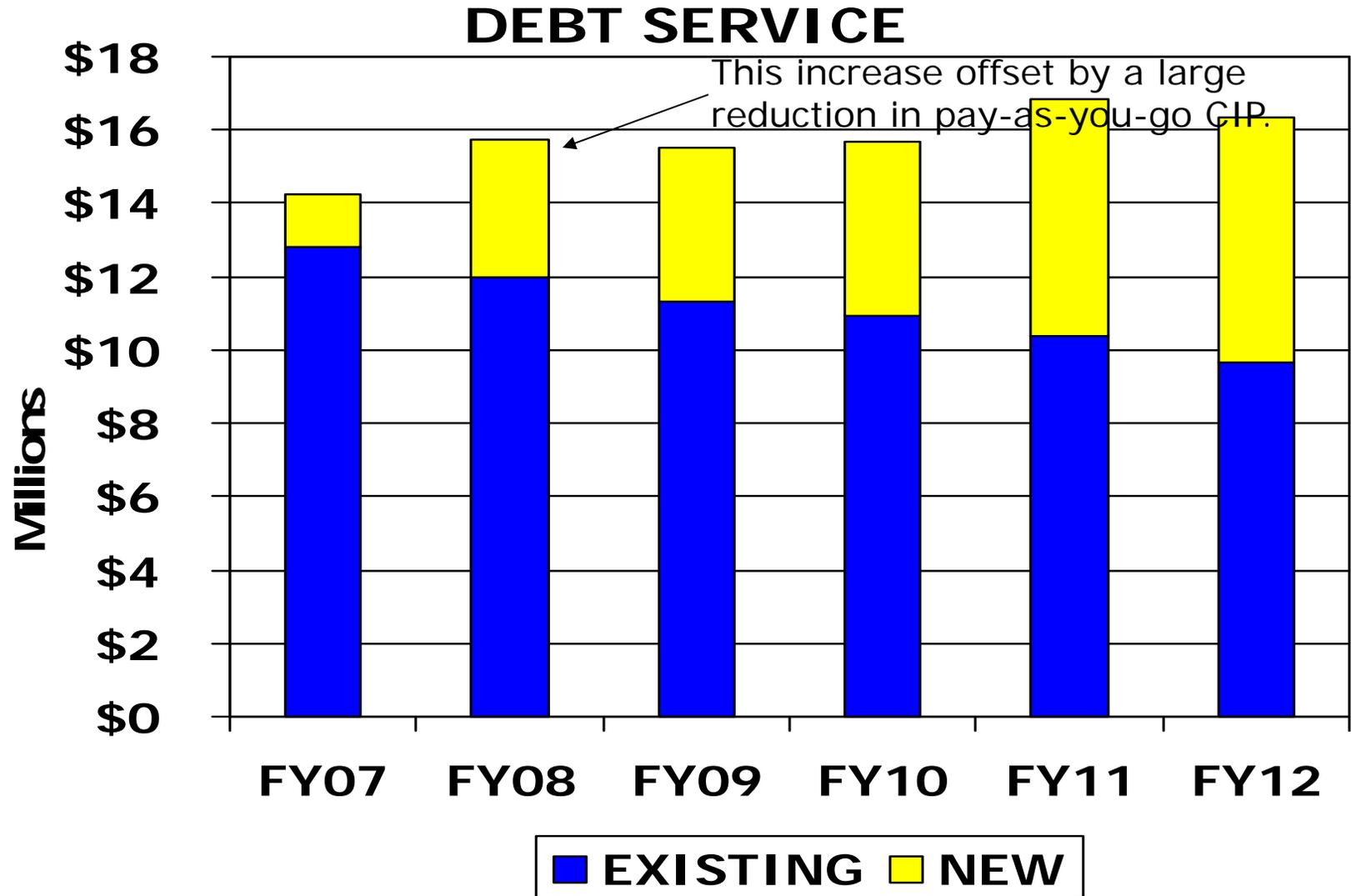
DEBT MANAGEMENT PLAN

<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)	10	17,075,000	145,000	140,500	136,000	131,500	127,000	122,500
Health Dept	20	4,100,000	410,000	399,750	389,500	379,250	369,000	358,750
Town Hall Design	10	1,260,000	182,700	177,030	171,360	165,690	160,020	154,350
Muddy River	10	745,000		109,888	106,349	102,810	99,271	95,733
Town Hall	20	13,000,000		1,332,500	1,298,375	1,264,250	1,230,125	1,196,000
Fisher Hill	10	1,350,000		199,125	192,713	186,300	179,888	173,475
Landfill / Transfer Station	10	2,000,000		295,000	285,500	276,000	266,500	257,000
Swimming Pool	10	1,600,000		236,000	228,400	220,800	213,200	205,600
HS Projects	10	2,875,000			424,063	410,406	396,750	383,094
Runkle School Design	10	2,400,000				354,000	342,600	331,200
Runkle School - TOWN @ 50%	20	12,000,000					1,230,000	1,198,500
Devotion School Windows	10	700,000					103,250	99,925
Rear Landfill	15	3,700,000					431,667	419,333
UAB Roof/Chimney/Gutters & Downspouts	10	1,200,000						177,000
NEW GEN FUND DEBT SERVICE (cumulative)			739,707	2,891,801	3,234,268	3,493,016	5,151,281	5,174,472
Water Meters	15	2,000,000	228,333	222,000	215,667	209,333	203,000	196,667
Storm Drains	10	1,000,000	71,250	69,125	67,000	64,875	136,500	132,000
Wastewater ¹	15	12,000,000	380,632	603,407	586,183	802,291	778,400	987,842
Singletree Tank	10	250,000			36,875	35,688	34,500	33,313
Golf Course ²	15	2,840,000			57,183	111,457	150,599	200,657
NEW ENTERPRISE FUND DEBT SERVICE (cumulative)			680,215	894,532	962,907	1,223,644	1,303,000	1,550,479
TOTAL NEW DEBT SERVICE (cumulative)			1,419,922	3,786,333	4,197,175	4,716,660	6,454,281	6,724,950

¹ 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.

² 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 – BREAKDOWN

DESCRIPTION	FY00	FY01	FY02	FY03	FY04	FY05
Total General Fund Supported Debt Service	7,339,423	10,078,477	9,611,353	9,838,795	10,323,355	10,047,359
a.) Exempt (Debt Exclusion) ¹	1,125,650	4,698,448	4,668,390	4,575,673	4,536,146	4,507,187
b.) Non-Exempt	6,213,773	5,380,030	4,942,963	5,263,122	5,787,209	5,540,172
Minus SBA Reimbursements	902,448	3,116,964	3,116,964	3,606,860	3,570,791	3,442,794
Net General Fund Debt Service	6,436,975	6,961,513	6,494,389	6,231,935	6,752,564	6,604,565
Water & Sewer Enterprise Fund Supported Debt Svc.	2,422,855	3,027,482	3,002,215	3,157,105	2,693,654	2,629,240
Golf Course Enterprise Fund Supported Debt Svc.	63,538	61,378	109,430	194,969	214,848	208,744
TOTAL Debt Service	9,825,816	13,167,337	12,722,998	13,190,869	13,231,858	12,885,343
General Fund Debt Service as a % of General Fund Operating Revenue	5.4%	7.1%	6.4%	6.2%	6.5%	6.0%
Net General Fund Debt Service as a % of General Fund Operating Revenue Without SBA Reimbursement	4.8%	5.0%	4.4%	4.0%	4.4%	4.1%
Water & Sewer Enterprise Fund Debt Service as a % of Revenue	13.5%	17.9%	16.6%	16.3%	13.5%	12.8%
Golf Course Enterprise Fund Debt Service as a % of Revenue	6.2%	6.9%	9.1%	17.6%	18.4%	17.7%
TOTAL Debt Service as a % of Total Rev. Supporting Debt Svc.	6.4%	8.2%	7.5%	7.4%	7.4%	6.9%
Population	57,107	57,131	57,103	56,925	56,642	56,642
General Fund Debt Service Per Capita	\$129	\$176	\$168	\$173	\$182	\$177
Net General Fund Debt Service Per Capita	\$113	\$122	\$114	\$109	\$119	\$117
Water & Sewer Enterprise Fund Debt Service Per Capita	\$42	\$53	\$53	\$55	\$48	\$46
Golf Course Enterprise Fund Debt Service Per Capita	\$1	\$1	\$2	\$3	\$4	\$4
TOTAL Debt Service Per Capita	\$172	\$230	\$223	\$232	\$234	\$227

¹ The Lincoln School and High School projects were financed via a Debt Exclusion.

DEBT MANAGEMENT POLICIES

VARIABLE	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Total Outstanding Debt (in millions)	\$105.2	\$116.8	\$109.9	\$104.0	\$110.7	\$102.4	\$97.7
General Fund Outstanding Debt (in millions)	\$85.3	\$96.4	\$91.0	\$85.0	\$92.7	\$84.6	\$82.0
Total Debt Service (in millions)	\$13.5	\$14.2	\$15.8	\$15.6	\$15.7	\$16.8	\$16.4
General Fund Debt Service (in millions)	\$10.8	\$11.1	\$12.6	\$12.5	\$12.6	\$13.8	\$13.3
Total Debt Service Per Capita	\$210	\$249	\$277	\$273	\$274	\$295	\$287
General Fund Debt Service Per Capita	\$161	\$195	\$220	\$219	\$221	\$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	\$2,049	\$1,928	\$1,825	\$1,943	\$1,797	\$1,713
General Fund Outstanding Debt Per Capita	\$1,496	\$1,692	\$1,597	\$1,492	\$1,627	\$1,484	\$1,439
C. Total Outstanding Debt as a %age of Assessed Value (AV)	0.9%	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%
General Fund Outstanding Debt as a %age of Assessed Value (AV)	0.7%	0.8%	0.7%	0.6%	0.7%	0.6%	0.6%
D. Total Debt Maturing Within 10 Years	75%	76%	80%	84%	84%	85%	85%
General Fund Debt Maturing Within 10 Years	73%	75%	79%	83%	84%	84%	85%
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%	5.11%	4.90%	4.82%	5.33%	4.96%
Revenue-Financed CIP as a %age of Prior Year's Net Revenue	1.12%	1.14%	0.39%	0.60%	0.68%	0.17%	0.54%

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

- **CDBG Funds** – \$2.9M is used, including utilizing the Section 108 Loan Guarantee Program.
- **State / Federal Grants** – \$16M 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 CIP.