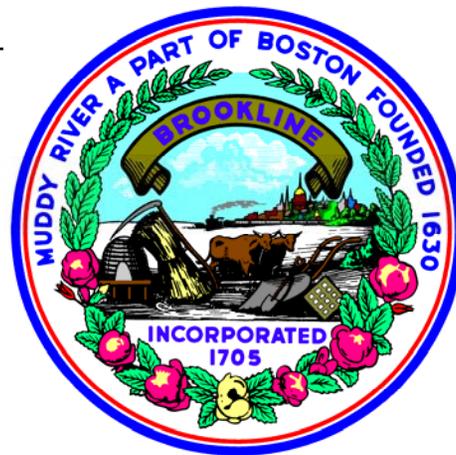


TOWN OF BROOKLINE FY12 – FY17 CAPITAL IMPROVEMENT PROGRAM



April 5, 2011



HEADLINES

- ❑ \$158.7M Six-Year CIP (FY12 – FY17) conforms with CIP Policies.
- ❑ Completes phase-up back to 5.5% from 5% in FY10.
- ❑ Devotion School places great pressure on the CIP in FY17-FY18.
- ❑ Assumes Town funding for Heath School at \$5.25M (State share at 39.93%) and Devotion School at \$50M (State share at 35%).
- ❑ Continues the additional funding for streets and sidewalks included in the 2008 Override.
- ❑ Continues to upgrade Public Safety equipment and includes funding for Fire Stations repairs.
- ❑ Moves two playground projects (Billy Ward and Clark) to FY12.
- ❑ Continues to invest in the Town's infrastructure and in IT.
- ❑ Continues to fund energy conservation efforts.
- ❑ Incorporates a funding plan for the Village Square project (all outside funding).
- ❑ Final component of landfill project (capping rear landfill) funded in FY15.
- ❑ Includes funding for Town/School roofs, masonry repairs, elevators, and generators.
- ❑ Includes funding in out-years for the golf course maintenance shed, a HRIS, and the Gatehouse roof.



CHANGES FROM CIP AS PRESENTED ON DEC 7, 2010

1. **Commercial Areas Improvements** - \$50K / year included, with funding coming from Parking Meter Receipts.
2. **Chapter 90 (Roads)** – the State announced a \$200M program, resulting in \$945K for Brookline (was \$720K).
3. **Bicycle Access Improvements** – recommend following the vote of Adv Cmte and approving \$48,040 instead of \$50K. Balance of \$1,960 being reviewed by Adv Cmte (may go toward “No Bicycles Allowed” stenciling on sidewalks in commercial areas).
4. **Billy Ward Playground** – recommend following the vote of Adv Cmte and approving \$630K instead of \$660K.
5. **Tree Removal/Replacement** – recommend following the vote of Adv Cmte and approving \$190K instead of \$160K.



ADVISORY COMMITTEE HOLDS AND RESTRICTIONS

- 1. \$250K for the Masonry Study – Capital Sub-Cmte working with Building Dept on scope of work.**
- 2. \$750K for the Pierce School Auditorium – Advisory Committee would like to see design before voting for funds. If not, may restrict funds to design only prior to Dec 1, 2011.**
- 3. Restricted funding for Billy Ward and Clark Playgrounds so that only design monies can be spent prior to Dec 1, 2011.**
- 4. Restricted funding for Bicycle Access Improvements so that lane marking and symbols used shall be in compliance the with 2009 Manual on Uniform Traffic Control Devices (MUTCD).**



MAJOR PROJECTS

- Devotion School Rehab - \$50M of Town funding + possibility of \$27M of State funding (FY14-FY15)
- Heath School Rehab - \$5.25M of Town funding + \$3.25M of State funding (FY12)
- Newton St. Landfill (Rear Landfill Closure) - \$4.6M (FY15)
- Village Square - \$4.5M (FY13) - - all outside funding
- Fire Station Renovations - \$3.3M (all years)
- Fisher Hill Reservoir Re-Use - \$3.25M (FY14) - - all outside funding
- Waldstein Playground & Warren Field - \$2.1M (FY12-FY13)
- Baldwin School - \$2M (FY14-FY15)
- Driscoll School HVAC - \$1.65M (FY16-FY17)
- UAB - \$1.4M (FY12-FY13)
- Brookline Reservoir Park - \$1.4M (FY16)
- Pierce School - \$1.1M (FY12-FY14)



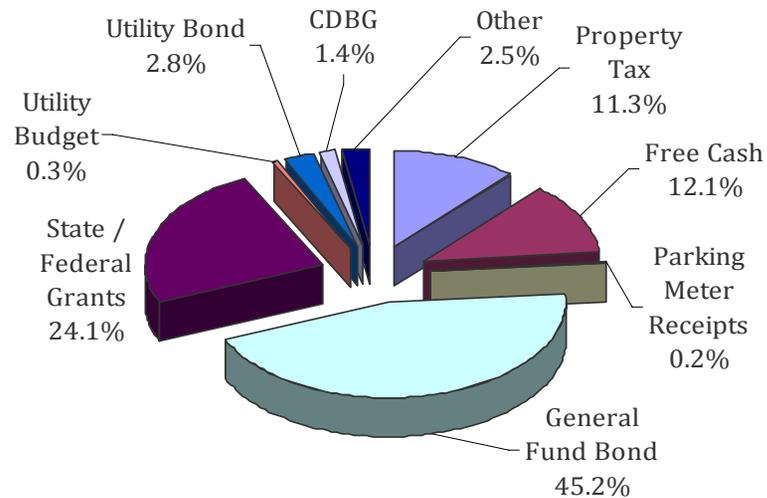
CONTINUED MAJOR INVESTMENT

- Street & Sidewalk Rehab - \$16.9M
- Parks & Open Space - \$14.7M
- General Town/School Bldg. Repairs - \$7.4M
- Water & Sewer Infrastructure - \$4.8M
- Public Safety Equipment - \$3M
- Information Technology - \$2M
- Rec Facilities - \$1.3M
- Tree Replacement - \$1M
- Energy Conservation - \$1M

FINANCING SUMMARY

GRAND TOTAL BY SOURCE (in thousands)

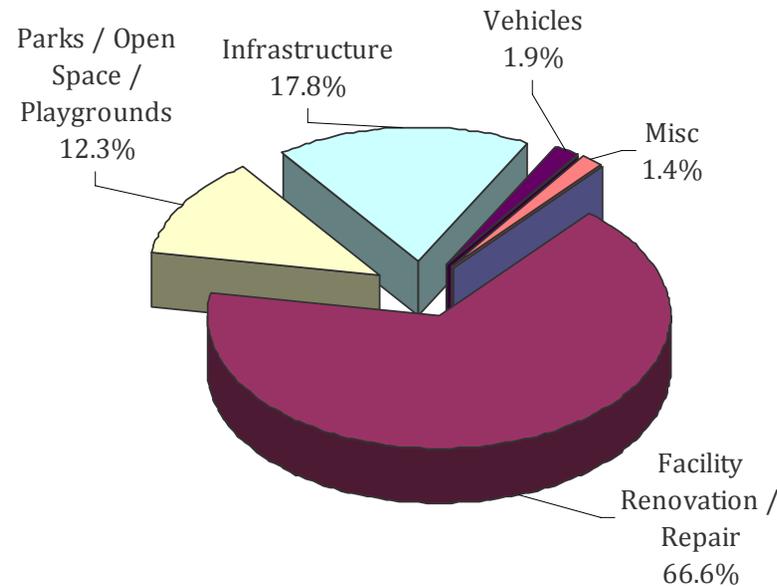
	FY12	FY13	FY14	FY15	FY16	FY17	TOTAL	% OF TOTAL
Property Tax	2,513.3	2,789.4	2,978.9	3,703.6	3,737.5	2,144.1	17,866.7	11.3%
Free Cash	4,413.8	2,811.6	3,014.1	2,991.4	2,959.5	2,944.9	19,135.3	12.1%
Parking Meter Receipts	50.0	50.0	50.0	50.0	50.0	50.0	300.0	0.2%
General Fund Bond	5,250.0	3,300.0	2,820.0	54,350.0	3,200.0	2,900.0	71,820.0	45.2%
State / Federal Grants	4,194.6	2,444.6	2,199.6	27,194.6	1,344.6	944.6	38,322.8	24.1%
Utility Budget	0.0	280.0	260.0	0.0	0.0	0.0	540.0	0.3%
Utility Bond	1,500.0	0.0	0.0	3,000.0	0.0	0.0	4,500.0	2.8%
CDBG	0.0	2,250.0	0.0	0.0	0.0	0.0	2,250.0	1.4%
Other	0.0	750.0	3,250.0	0.0	0.0	0.0	4,000.0	2.5%
TOTAL	17,921.7	14,675.6	14,572.6	91,289.6	11,291.6	8,983.6	158,734.8	100.0%



CATEGORY SUMMARY

GRAND TOTAL BY CATEGORY (in thousands)

	FY12	FY13	FY14	FY15	FY16	FY17	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	11,015.0	3,410.0	5,800.0	77,520.0	4,755.0	3,265.0	105,765.0	66.6%
Parks / Open Space / Playgrounds	1,935.0	2,845.0	4,375.0	6,510.0	3,085.0	810.0	19,560.0	12.3%
Infrastructure	4,631.7	7,745.6	3,777.6	5,934.6	2,966.6	3,183.6	28,239.8	17.8%
Vehicles	50.0	0.0	320.0	1,000.0	185.0	1,400.0	2,955.0	1.9%
Miscellaneous	290.0	675.0	300.0	325.0	300.0	325.0	2,215.0	1.4%
TOTAL	17,921.7	14,675.6	14,572.6	91,289.6	11,291.6	8,983.6	158,734.8	100%



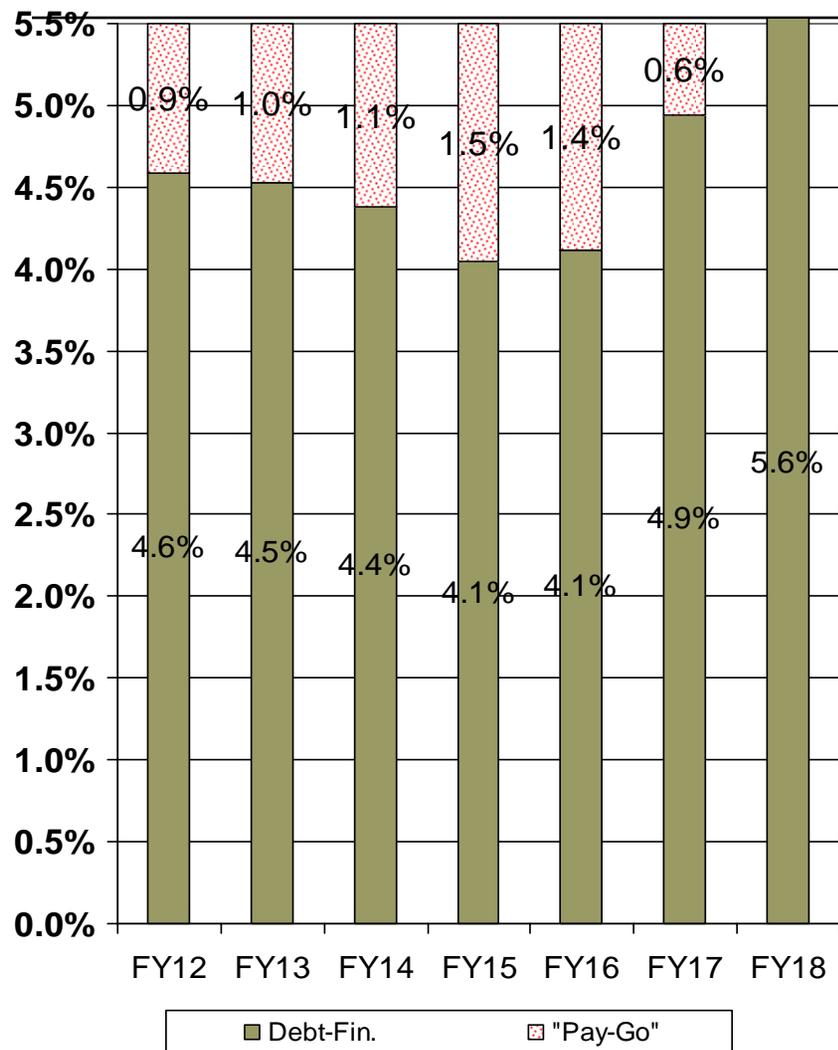
DEBT MANAGEMENT PLAN

<u>Project</u>	<u>Authorization</u>	<u>Bond Amt</u>	<u>Term</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TH/Main Library Garages (previously authorized)	950,000	950,000	10	133,000	129,200	125,400	121,600	117,800	114,000
Landfill Corr Action (previously authorized)	3,275,000	350,000	10	49,000	47,600	46,200	44,800	43,400	42,000
Carlton St. Footbridge (previously authorized)	1,400,000	1,400,000	10	196,000	190,400	184,800	179,200	173,600	168,000
Muddy River (previously authorized)	745,000	745,000	10	104,300	101,320	98,340	95,360	92,380	89,400
Heath School Addition (seeking authorization)	5,250,000	5,250,000	20	485,625	474,469	463,313	452,156	441,000	429,844
Runkle School - Constr. (previously authorized)	17,580,000	6,430,000	20	594,775	581,111	567,448	553,784	540,120	526,456
UAB Roof/Chimney/Gutters & Downspouts (future authorization)	1,275,000	1,275,000	10		185,250	179,725	174,200	168,675	163,150
Waldstein Playground + Warren Field (future authorization)	1,600,000	1,600,000	10		285,000	276,500	268,000	259,500	251,000
Devotion School - Feas. & Sch. Des. (future authorization)	1,218,750	1,218,750	10			173,672	168,492	163,313	158,133
Roof Repairs / Replacements (future authorization)	1,600,000	1,600,000	10			228,000	221,200	214,400	207,600
Devotion School - Design (future authorization)	48,750,000	5,000,000	20				487,500	475,625	463,750
Ladder #2 (future authorization)	1,000,000	1,000,000	10				142,500	138,250	134,000
Rear Landfill (future authorization)	4,600,000	4,600,000	20				448,500	437,575	426,650
Baldwin School (future authorization)	1,780,000	1,780,000	10					256,500	248,850
Devotion School - Constr. (future authorization)	48,750,000	21,875,000	20					2,132,813	2,080,859
Brookline Reservoir Park (future authorization)	1,400,000	1,400,000	10					199,500	193,550
Driscoll School HVAC (future authorization)	1,500,000	1,500,000	10						213,750
Devotion School - Constr. (future authorization)	48,750,000	21,875,000	20						2,132,813
Engine #4 (Quint) (future authorization)	1,400,000	1,400,000	10						199,500
NEW GEN FUND DEBT SERVICE (cumulative)				1,562,700	1,994,350	2,343,397	3,357,292	5,854,450	8,243,305

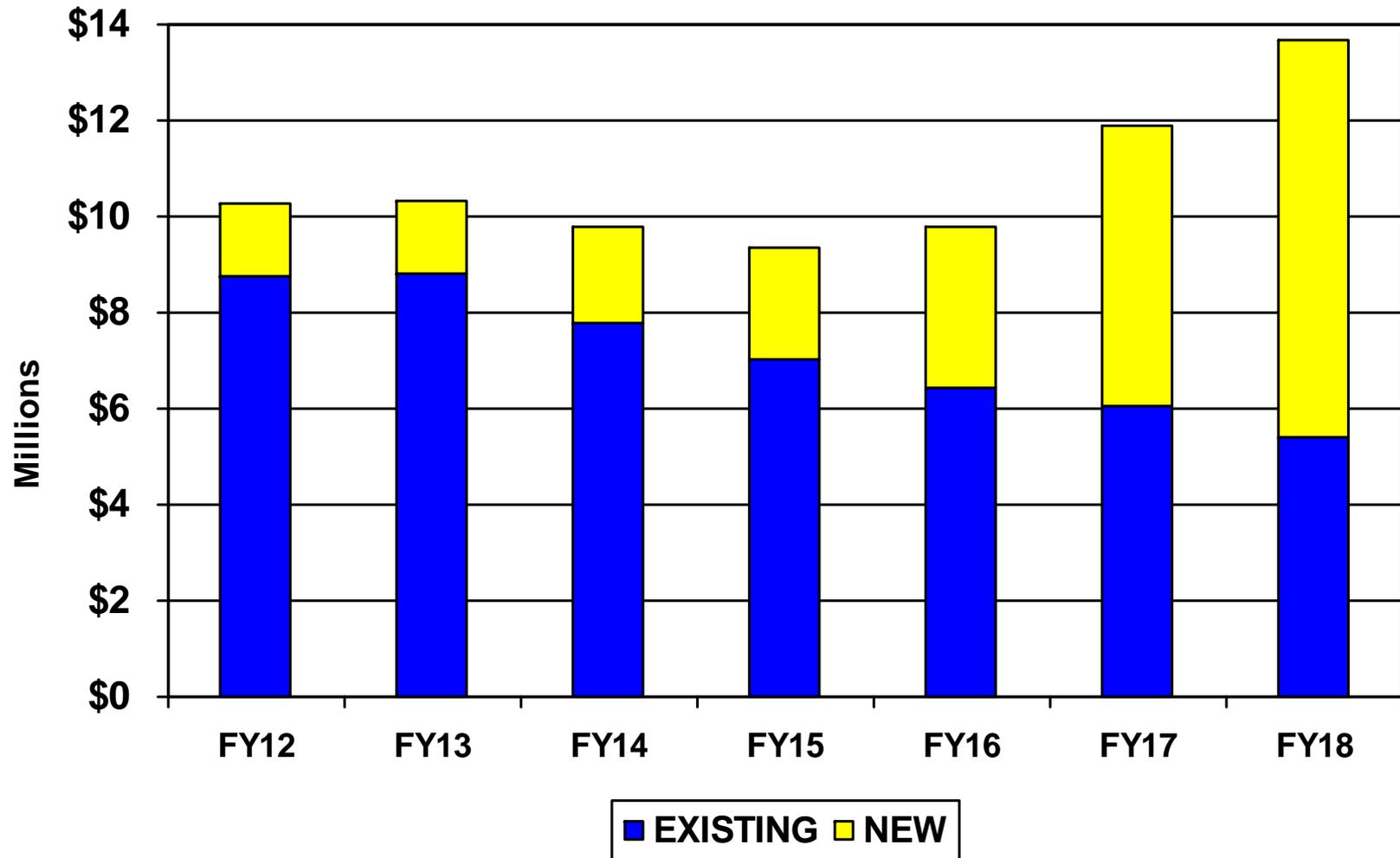
DEBT MANAGEMENT PLAN

<u>Project</u>	<u>Authorization</u>	<u>Bond Amt</u>	<u>Term</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Wastewater (previously authorized)	5,500,000	1,000,000	10	140,000	136,000	132,000	128,000	124,000	120,000
Wastewater (previously authorized)	5,500,000	1,000,000	10		142,500	138,250	134,000	129,750	125,500
Wastewater (previously authorized)	5,500,000	1,124,000	10			160,170	155,393	150,616	145,839
Wastewater (future authorization)	3,000,000	1,500,000	10				213,750	207,375	201,000
Wastewater (future authorization)	3,000,000	1,500,000	10						213,750
Water Main Improvements (future authorization)	1,000,000	1,000,000	10	140,000	136,000	132,000	128,000	124,000	120,000
Storm Drain Improvements (future authorization)	500,000	500,000	10	70,000	68,000	66,000	64,000	62,000	60,000
Golf Course (previously authorized)	2,840,000	125,000	20	11,875	11,594	11,313	11,031	10,750	10,469
Golf Course (previously authorized)	2,840,000	225,000	20			21,375	20,869	20,363	19,856
Golf Course (previously authorized)	2,840,000	590,000	20						56,050
NEW ENTERPRISE FUND DEBT SERVICE (cumulative)				361,875	494,094	661,108	855,043	828,854	1,072,464

DEBT-FINANCED vs "PAY-AS-YOU-GO"



DEBT SERVICE – GENERAL FUND



DEBT SERVICE – AS A % OF REVENUE

DESCRIPTION	FY08 (Act.)	FY09 (Act.)	FY10 (Act.)	FY11 (Proj.)	FY12 (Proj.)	FY13 (Proj.)	FY14 (Proj.)	FY15 (Proj.)	FY16 (Proj.)	FY17 (Proj.)	FY18 (Proj.)
General Fund Debt Service as a % of General Fund Revenue	5.7%	6.2%	5.9%	4.7%	5.0%	5.0%	4.6%	4.2%	4.3%	5.0%	5.6%
Net General Fund Debt Service as a % of General Fund Revenue 2	3.9%	4.6%	4.3%	4.2%	4.5%	4.7%	4.3%	4.0%	4.0%	4.8%	5.4%
Water & Sewer Enterprise Fund Debt Service as a % of Revenue	11.6%	10.9%	10.5%	10.3%	9.1%	9.4%	9.2%	8.2%	8.3%	6.9%	6.2%
Golf Course Enterprise Fund Debt Service as a % of Revenue	15.4%	15.9%	16.1%	14.9%	15.1%	15.5%	14.5%	14.9%	13.9%	13.3%	11.7%
TOTAL Debt Service as a % of Total Rev. Supporting Debt Svc.	6.4%	6.7%	6.4%	5.4%	5.5%	5.5%	5.1%	4.7%	4.8%	5.3%	5.7%

CIP/DEBT MANAGEMENT POLICIES

VARIABLE	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Legal Limit for Outstanding Debt = 5% of Equalized Valuation (EQV) EQV for 1/1/10 = \$15.985 billion. Assume 2.5% annual growth. (In millions)	\$15,985.3	\$16,384.9	\$16,794.6	\$17,214.4	\$17,644.8	\$18,085.9	\$18,538.0
Outstanding Debt as a % of EQV	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%	0.5%
General Fund Outstanding Debt as a % of EQV	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%	0.5%
Net General Fund Outstanding Debt as a % of EQV	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%	0.5%
Total Outstanding Debt (in millions)	\$76.0	\$83.2	\$78.8	\$72.2	\$73.8	\$90.2	\$104.9
General Fund Outstanding Debt (in millions)	\$62.6	\$69.3	\$66.1	\$60.5	\$62.7	\$80.8	\$96.0
Net General Fund Outstanding Debt (in millions)	\$58.2	\$65.6	\$63.2	\$57.9	\$60.5	\$79.0	\$94.4
Total Debt Service (in millions)	\$12.2	\$12.9	\$13.2	\$12.6	\$12.0	\$12.6	\$14.3
General Fund Debt Service (in millions)	\$9.5	\$10.3	\$10.5	\$9.9	\$9.5	\$9.9	\$12.0
Net General Fund Debt Service (in millions)	\$8.4	\$9.1	\$9.9	\$9.3	\$8.9	\$9.3	\$11.4
Total Debt Service Per Capita	\$221	\$232	\$239	\$229	\$217	\$227	\$259
General Fund Debt Service Per Capita	\$172	\$186	\$189	\$179	\$171	\$179	\$217
Net General Fund Debt Service Per Capita	\$152	\$166	\$181	\$170	\$163	\$170	\$208
Total Debt Service as a % of Revenue	5.4%	5.5%	5.5%	5.1%	4.7%	4.7%	5.2%
General Fund Debt Service as a % of General Fund Revenue	4.7%	5.0%	4.9%	4.5%	4.2%	4.2%	5.0%
Net General Fund Debt Service as a % of General Fund Revenue	4.2%	4.4%	4.6%	4.2%	3.9%	4.0%	4.7%
A. Total Outstanding Debt Per Capita as a % of Per Capita Income	2.1%	2.3%	2.1%	1.9%	1.9%	2.2%	2.5%
General Fund Outstanding Debt Per Capita as a % of Per Capita Income	1.7%	1.9%	1.7%	1.6%	1.6%	2.0%	2.3%
Net General Fund Outstanding Debt Per Capita as a % of Per Capita Income	1.6%	1.8%	1.7%	1.5%	1.5%	1.9%	2.2%
B. Total Outstanding Debt Per Capita	\$1,386	\$1,518	\$1,437	\$1,317	\$1,346	\$1,646	\$1,914
General Fund Outstanding Debt Per Capita	\$1,143	\$1,264	\$1,207	\$1,104	\$1,144	\$1,475	\$1,751
Net General Fund Outstanding Debt Per Capita	\$1,062	\$1,197	\$1,152	\$1,057	\$1,104	\$1,441	\$1,723
C. Total Outstanding Debt as a % of Assessed Value (AV)	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%	0.6%
General Fund Outstanding Debt as a % of Assessed Value (AV)	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
Net General Fund Outstanding Debt as a % of Assessed Value (AV)	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
D. Total Debt Maturing Within 10 Years	83%	80%	82%	83%	84%	79%	76%
General Fund Debt Maturing Within 10 Years	80%	76%	78%	81%	82%	76%	74%
E. CIP Financing as a % of Prior Year's Net Revenue	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Debt-Financed CIP as a % of Prior Year's Net Revenue	4.11%	4.59%	4.53%	4.38%	4.05%	4.11%	4.93%
Revenue-Financed CIP as a % of Prior Year's Net Revenue	1.14%	0.91%	0.97%	1.12%	1.45%	1.39%	0.57%

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 \$2,385 (for FY11).
- 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.

NOTE: "Net General Fund Debt" is total General Fund Debt less the share paid for by the State for the Lincoln, Heath, and Baker projects.



CIP FINANCING – FREE CASH

- The FY12-FY17 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 Certified 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.

- As previously discussed, it is recommended that \$1.7M of Certified Free Cash be left unappropriated because of the unreserved fund balance concern.

- The recommended use of \$5.375M of Free Cash for FY12 is \$785K more than last year, and above the \$3.75M est used to build the out-years of the FY11–FY16 CIP.

CIP GENERAL FUND FUNDING SUMMARY

	2012	2013	2014	2015	2016	2017
5.5% Policy	10,321,062	10,701,948	11,004,952	11,349,825	11,768,829	12,171,438
Net-Debt *	8,613,482	8,812,116	8,762,032	8,365,344	8,807,906	10,925,230
% of Prior Yr Net Rev	4.59%	4.53%	4.38%	4.05%	4.12%	4.94%
Pay-as-you-Go	1,707,580	1,889,832	2,242,920	2,984,481	2,960,923	1,246,207
% of Prior Yr Net Rev	0.91%	0.97%	1.12%	1.45%	1.38%	0.56%
2008 Override Funds	807,668	827,860	848,556	869,770	891,514	913,802
Free Cash	4,413,752	2,811,588	3,014,142	2,991,404	2,959,507	2,944,949
Parking Meter Receipts	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL	15,592,483	14,391,396	14,917,650	15,260,999	15,669,850	16,080,189

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



ADDITIONAL REVENUE SOURCES

- CDBG Funds – \$2.25M is used, including utilizing the Section 108 Loan Guarantee Program.
- State / Federal Grants – \$38.3M is anticipated, including the assumption that MSBA funds cover 35% of the Heath School and Devotion School projects, a \$200M statewide Ch. 90 program annually, and the Village Sq project is awarded \$1.5M from the State TIP.
- Proposed Private Development – \$4.2M total, with \$3.25M for Fisher Hill Reservoir Re-Use (FY14) and \$750K from 2 Brookline Pl for the Village Square project (FY13).
- 2008 Override Funds – continues the additional funding for streets and sidewalks (\$5.2M over 6 yrs; \$808K in FY12).