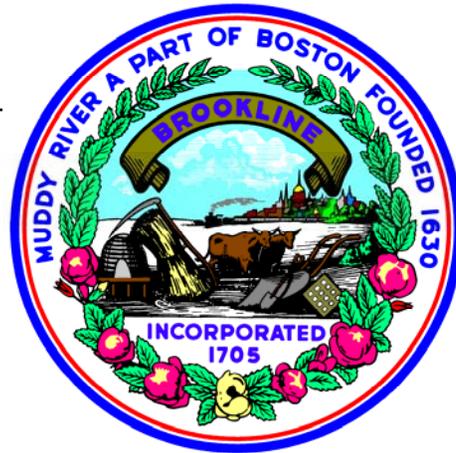


TOWN OF BROOKLINE FY11 – FY16 CAPITAL IMPROVEMENT PROGRAM



April 6, 2010



HEADLINES

- ❑ \$126.3M Six-Year CIP (FY11 – FY16) conforms with CIP Policies.
- ❑ Begins to phase back up to 5.5%: 5.25% in FY11 + 5.5% in FY12.
- ❑ Challenges posed due to classroom capacity, Town Hall/Main Library garages, and increase in Runkle budget.
- ❑ Continues the additional funding for streets and sidewalks included in the 2008 Override.
- ❑ Cost pressures in mid-years require deferral of projects.
- ❑ Assumes Town funding for Runkle School at \$17.4M and Devotion School at \$33.8M, or 60% of each project.
- ❑ Includes \$5M to increase classroom capacity.
- ❑ Continues to invest in the Town's infrastructure (streets, sidewalks, water/sewer system, parks/playgrounds) and in IT.
- ❑ Continues to upgrade Public Safety equipment.
- ❑ Includes funding for the replacement of the parking meter system.
- ❑ Includes funding for roofs, masonry repairs, and elevators.
- ❑ Reflects favorable developments in the Town's Debt Management Plan.
- ❑ Incorporates a funding plan for the Village Square project.
- ❑ Includes funding for the move to a wireless fire master box system (EIC recommendation).



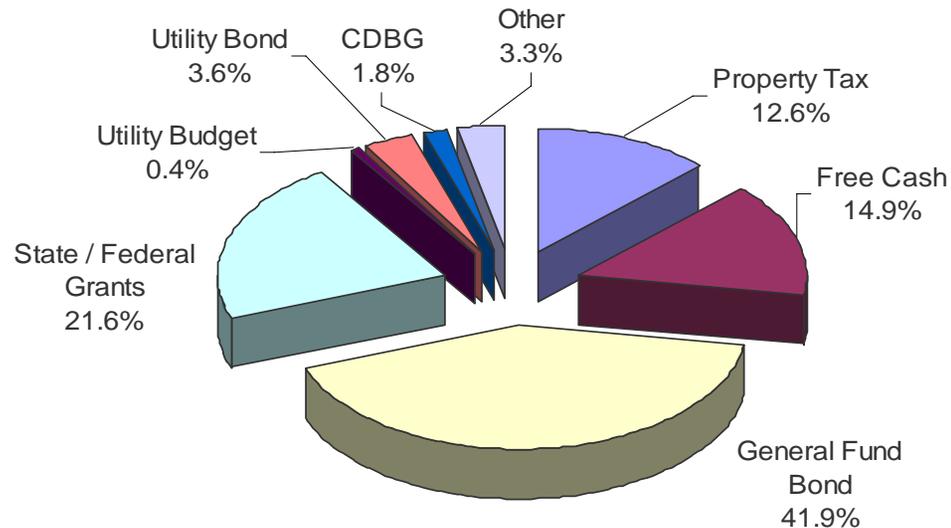
QUICK SUMMARY

- In FY11, a number of positive factors (changes to the debt management plan, additional Free Cash, bumping back of a sizeable revenue-financed project) allowed for some projects to be moved forward.
- In the out-years, however, new demands (classroom capacity, Town Hall/Main Library Garages, increased Runkle costs) resulted in additional pressure, requiring the movement backward of projects.
- Without MSBA assistance, the Devotion School project will have to be scaled back dramatically, or funded via a debt exclusion.
- Also, if the Town chooses certain options to deal with the classroom capacity issue, the logistics and/or costs associated with such projects would result in Devotion having to be pushed back even further.

FINANCING SUMMARY

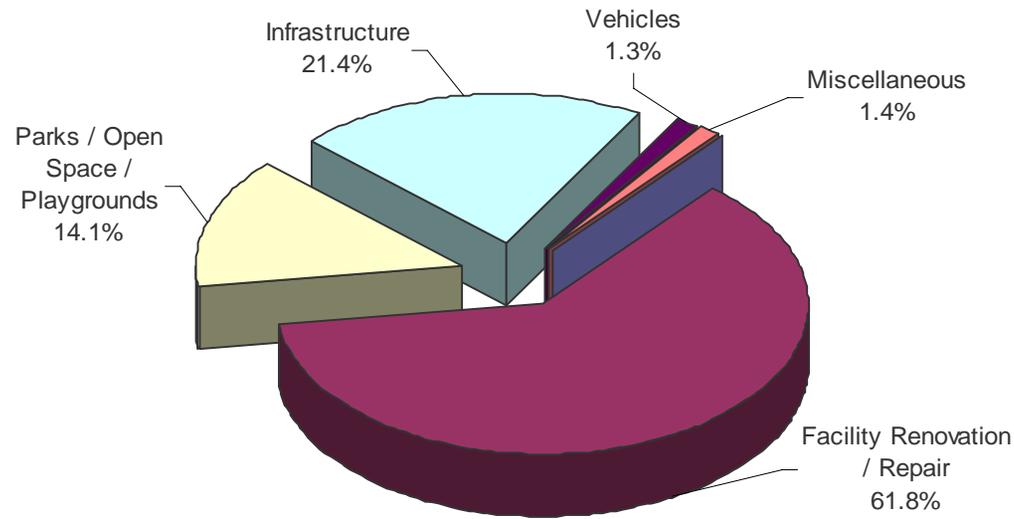
GRAND TOTAL BY SOURCE (in thousands)

	FY11	FY12	FY13	FY14	FY15	FY16	TOTAL	% OF TOTAL
Property Tax	2,901.7	2,141.7	2,239.9	2,992.3	3,561.8	2,053.8	15,891.2	12.6%
Free Cash	3,670.3	3,057.3	3,041.1	3,030.7	3,008.2	2,988.2	18,795.8	14.9%
General Fund Bond	950.0	5,000.0	2,900.0	2,350.0	40,280.0	1,400.0	52,880.0	41.9%
State / Federal Grants	699.6	699.6	699.6	1,799.6	22,699.6	699.6	27,297.3	21.6%
Utility Budget	0.0	0.0	275.0	255.0	0.0	0.0	530.0	0.4%
Utility Bond	0.0	1,500.0	0.0	3,000.0	0.0	0.0	4,500.0	3.6%
CDBG	0.0	2,250.0	0.0	0.0	0.0	0.0	2,250.0	1.8%
Other	200.0	750.0	0.0	3,250.0	0.0	0.0	4,200.0	3.3%
TOTAL	8,421.6	15,398.6	9,155.6	16,677.6	69,549.6	7,141.6	126,344.3	100.0%



CATEGORY SUMMARY

	In thousands						
	FY11	FY12	FY13	FY14	FY15	FY16	TOTAL
New Facility Construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Facility Renovation / Repair	2,560.0	6,995.0	2,925.0	5,035.0	58,845.0	1,690.0	78,050.0
Parks / Open Space / Playgrounds	755.0	715.0	2,705.0	4,735.0	6,740.0	2,130.0	17,780.0
Infrastructure	4,681.6	7,363.6	3,050.6	6,447.6	2,639.6	2,836.6	27,019.3
Vehicles	150.0	50.0	150.0	160.0	1,000.0	185.0	1,695.0
Miscellaneous	275.0	275.0	325.0	300.0	325.0	300.0	1,800.0
TOTAL	8,421.6	15,398.6	9,155.6	16,677.6	69,549.6	7,141.6	126,344.3





MAJOR PROJECTS

- Devotion School Rehab - \$33.8M of Town funding + possibility of \$22.5M of State funding in FY14-FY15 for feasibility/schematic & design/construction
- Runkle School Rehab - \$17.42M of Town funding + \$11.7M of State funding for design/construction
- Classroom Capacity - \$5M (FY12)
- Newton St. Landfill (Rear Landfill Closure) - \$4.5M (FY15)
- Fisher Hill Reservoir Re-Use - \$3.25M (FY14)
- Village Square - \$3M (FY12)
- Wastewater System - \$3M (FY14)
- Baldwin School - \$2M (FY14-FY15)
- Town Hall/Main Libr. Garages + Driveway - \$1.8M (FY11) [\$3M total proj.]
- UAB - \$1.4M (FY12-FY13)
- Brookline Reservoir Park - \$1.4M (FY16)
- Parking Meters - \$1.4M (FY11)
- Pierce School - \$1M (FY12-FY14)
- Ladder #2 Replacement - \$1M (FY15)

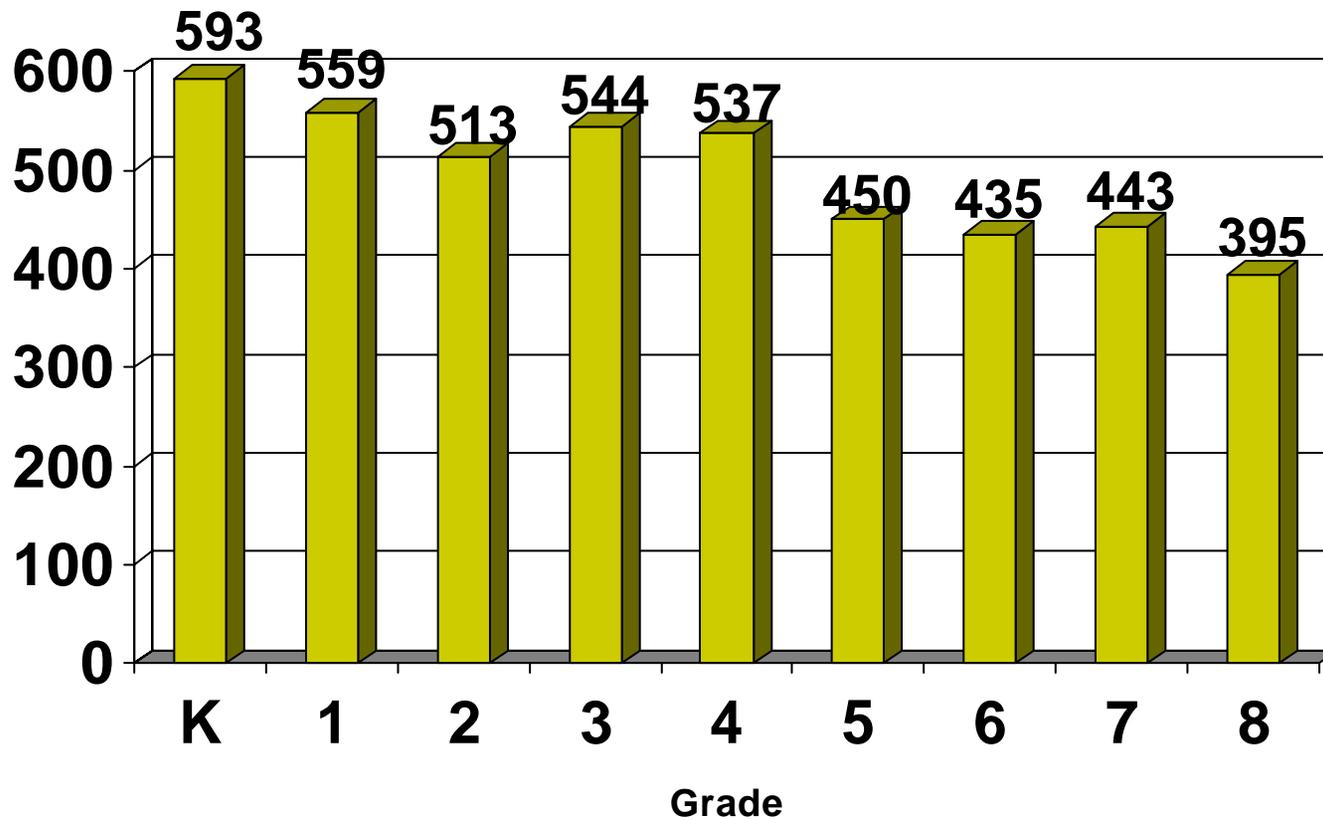


CONTINUED MAJOR INVESTMENT

- Street & Sidewalk Rehab - \$15.6M
- Parks & Open Space - \$12.4M
- General Town/School Bldg. Repairs - \$7.6M
- Water & Sewer Infrastructure - \$5M
- Information Technology - \$1.6M
- Public Safety Equipment - \$1.3M
- Tree Replacement - \$1M
- Energy Conservation - \$750K
- Branch Libraries - \$505K

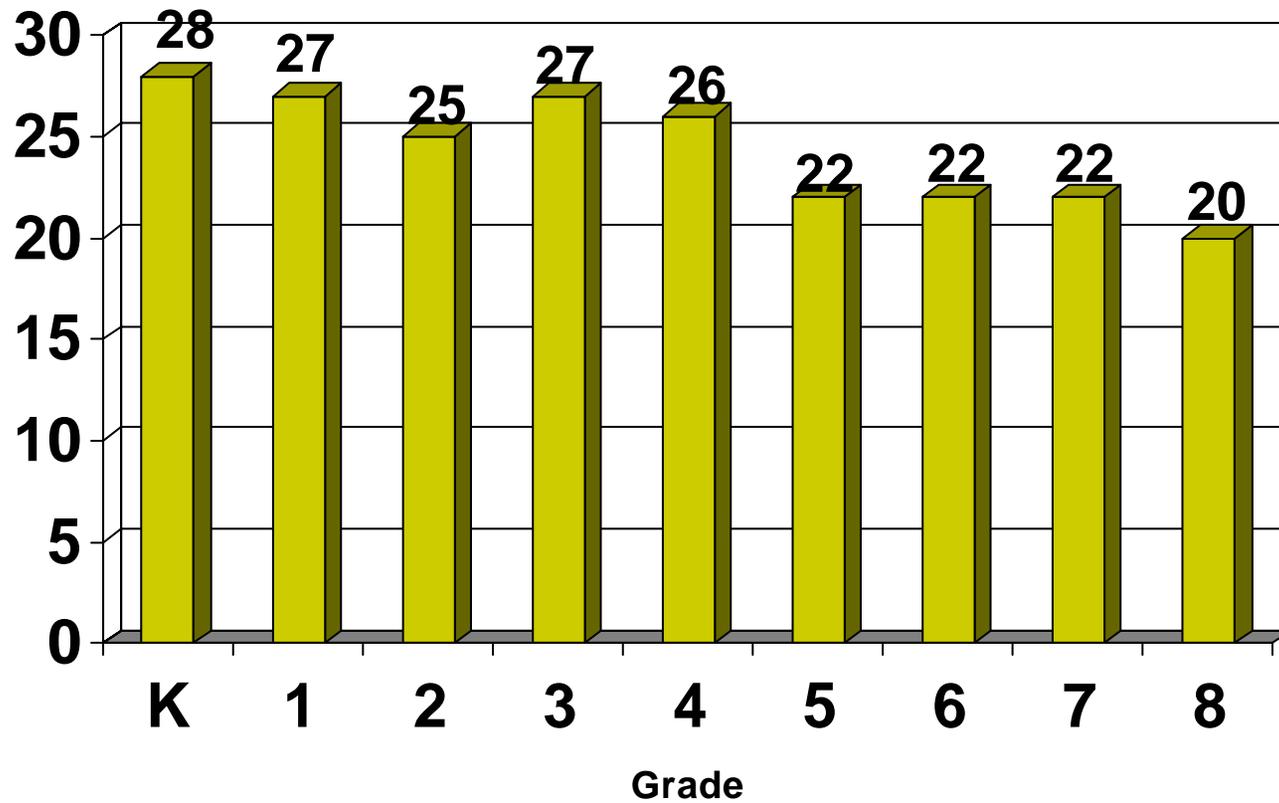
CLASSROOM CAPACITY

Total Enrollment as of 9/1/09



CLASSROOM CAPACITY (con't)

Number of Sections



CLASSROOM CAPACITY (con't)

HOMEROOM SECTIONS

	K	1	2	3	4	5	6	7	8	Total
FY05	23	23	22	22	21	20	21	21	23	196
FY06	24	22	23	22	22	21	20	22	20	196
FY07	28	24	23	22	23	22	21	20	20	203
FY08	25	27	24	23	22	23	21	20	20	205
FY09	27	25	27	26	22	22	22	20	20	211
FY10	28	27	25	27	26	22	22	22	20	219
FY11	27	28	27	25	27	26	22	22	22	226

DEBT MANAGEMENT PLAN

General Fund

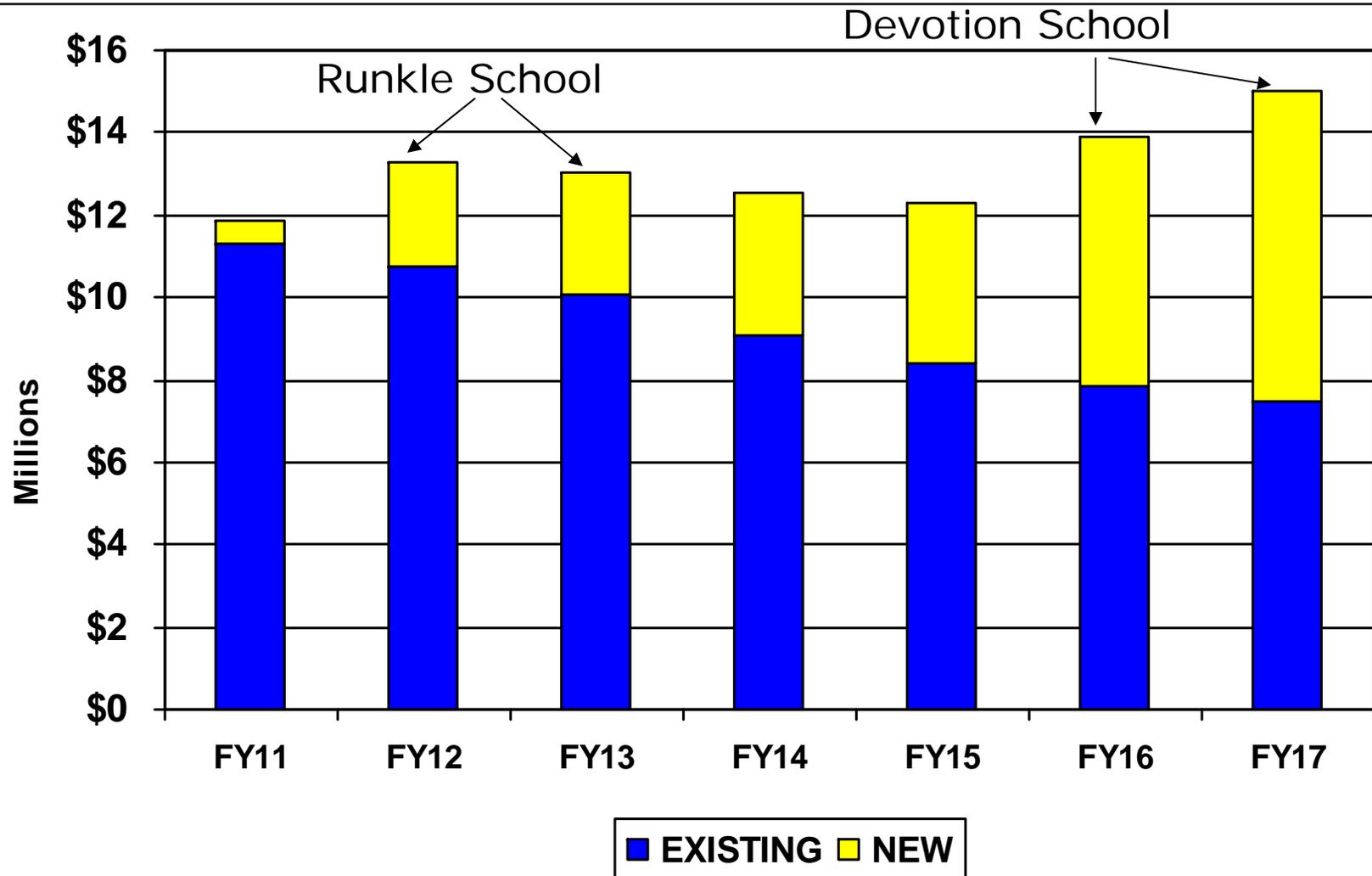
<u>Project</u>	<u>Authorization</u>	<u>Bond Amt</u>	<u>Term</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Landfill Corr Action (previously authorized)	3,275,000	350,000	10	49,875	48,388	46,900	45,413	43,925	42,438
Muddy River (previously authorized)	745,000	745,000	10	106,163	102,996	99,830	96,664	93,498	90,331
TH/Main Library Garages (seeking authorization)	950,000	950,000	10	135,375	131,338	127,300	123,263	119,225	115,188
Runkle School (previously authorized)	17,580,000	8,040,000	20	1,481,900	694,913	677,563	660,213	642,863	625,513
Carlton St. Footbridge (previously authorized)	1,400,000	1,400,000	10	199,500	193,550	187,600	181,650	175,700	169,750
Classroom Capacity (seeking authorization)	5,000,000	5,000,000	20		487,500	475,625	463,750	451,875	440,000
Runkle School (previously authorized)	17,580,000	8,040,000	20		783,900	764,805	745,710	726,615	707,520
UAB Roof/Chimney/Gutters & Downspouts (future authorization)	1,275,000	1,275,000	10			181,688	176,269	170,850	165,431
Waldstein Playground + Warren Field (future authorization)	1,600,000	1,600,000	10			228,000	221,200	214,400	207,600
Devotion School Feas. & Sch. Des. (future authorization)	750,000	750,000	10			106,875	103,688	100,500	97,313
Devotion School (future authorization)	33,000,000	3,000,000	15				335,000	326,000	317,000
Roof Repairs / Replacements (future authorization)	1,600,000	1,600,000	10				228,000	221,200	214,400
Ladder #2 (future authorization)	1,000,000	1,000,000	10					142,500	138,250
Devotion School (future authorization)	33,000,000	15,000,000	20					1,462,500	1,426,875
Baldwin School (future authorization)	1,780,000	1,780,000	10					253,650	246,085
Rear Landfill (future authorization)	4,500,000	4,500,000	20					438,750	428,063
Brookline Reservoir Park (future authorization)	1,400,000	1,400,000	10						199,500
Devotion School (future authorization)	33,000,000	15,000,000	20						1,462,500
NEW GEN FUND DEBT SERVICE (cumulative)				1,972,813	2,442,584	2,896,186	3,380,818	5,584,051	7,093,756

DEBT MANAGEMENT PLAN

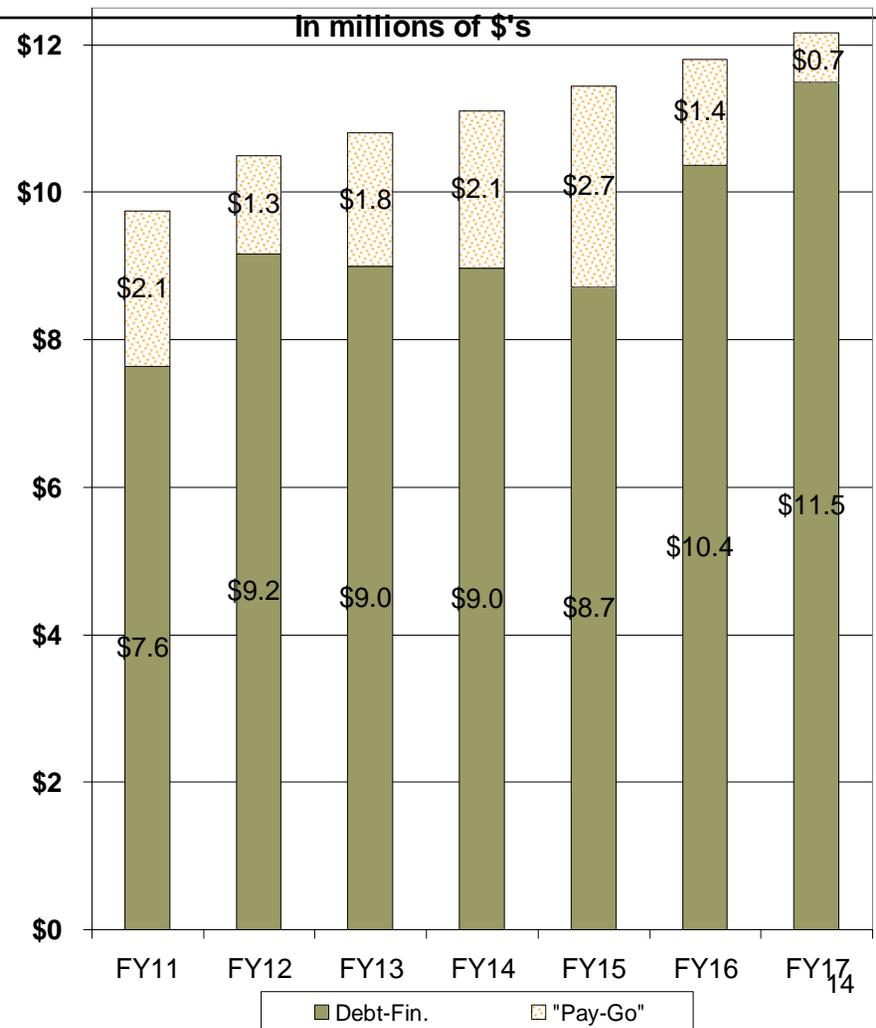
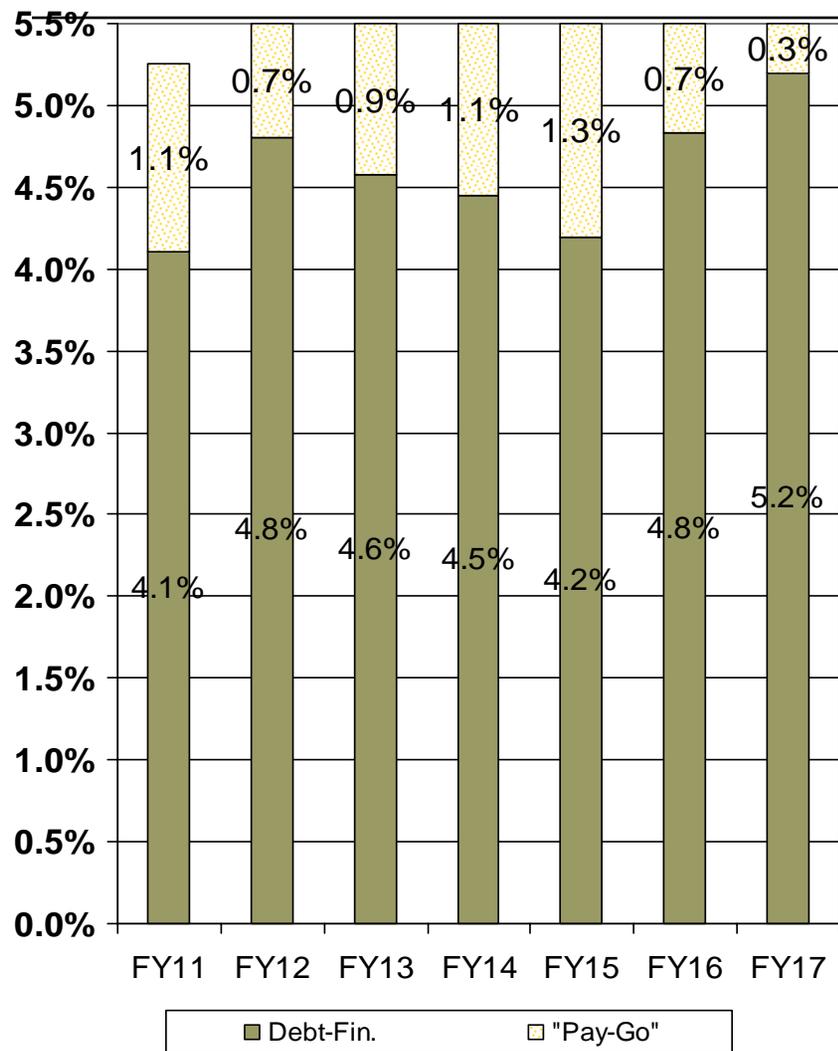
Enterprise Funds

Project	Authorization	Bond Amt	Term	2012	2013	2014	2015	2016	2017
Wastewater (previously authorized)	5,500,000	1,000,000	10	145,000	140,500	136,000	131,500	127,000	122,500
Wastewater (previously authorized)	5,500,000	1,000,000	10		145,000	140,500	136,000	131,500	127,000
Wastewater (previously authorized)	5,500,000	1,000,000	10			145,000	140,500	136,000	131,500
Wastewater (previously authorized)	5,500,000	1,124,000	10				162,989	157,931	152,873
Wastewater (future authorization)	3,000,000	1,500,000	10					217,500	210,750
Water Main Improvements (future authorization)	1,000,000	1,000,000	10		145,000	140,500	136,000	131,500	127,000
Golf Course (previously authorized)	2,840,000	375,000	20	35,625	34,781	33,938	33,094	32,250	31,406
Golf Course (previously authorized)	2,840,000	125,000	20		11,875	11,594	11,313	11,031	10,750
Golf Course (previously authorized)	2,840,000	225,000	20				33,250	32,463	31,675
NEW ENTERPRISE FUND DEBT SERVICE (cumulative)				180,625	477,156	607,531	784,646	977,175	945,454

DEBT SERVICE – GENERAL FUND



DEBT-FINANCED vs “PAY-AS-YOU-GO”



DEBT SERVICE – BREAKDOWN

DEBT SERVICE (PROJECTED)

DESCRIPTION	FY11	FY12	FY13	FY14	FY15	FY16
Total General Fund Supported Debt Service	9,534,781	10,837,233	10,581,121	10,043,768	9,777,552	11,413,339
a.) Exempt (Debt Exclusion) ¹	1,899,453	1,730,917	1,630,808	1,112,800	1,094,400	1,076,000
b.) Non-Exempt	7,635,328	9,106,316	8,950,313	8,930,968	8,683,152	10,337,339
Minus State (SBA) Reimbursed Debt ²	1,227,634	1,227,634	587,125	587,125	587,125	587,125
Net General Fund Debt Service	8,307,147	9,609,599	9,993,996	9,456,643	9,190,427	10,826,214
Water & Sewer Enterprise Fund Supported Debt Svc.	2,495,199	2,225,204	2,455,446	2,485,539	2,269,875	2,409,716
Golf Course Enterprise Fund Supported Debt Svc.	189,130	188,604	194,900	183,869	191,394	180,563
Enterprise Fund Debt Service	2,684,329	2,413,808	2,650,346	2,669,408	2,461,269	2,590,279
TOTAL Debt Service	12,219,110	13,251,041	13,231,467	12,713,176	12,238,821	14,003,618

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

² The following school projects are being reimbursed by the State: Lincoln, Heath, and Baker.

DEBT SERVICE – AS A % OF REVENUE

DESCRIPTION	FY09 (Act.)	FY10 (Bud.)	FY11 (Proj.)	FY12 (Proj.)	FY13 (Proj.)	FY14 (Proj.)	FY15 (Proj.)	FY16 (Proj.)
General Fund Debt Service as a % of General Fund Revenue	6.2%	5.8%	4.8%	5.3%	5.0%	4.6%	4.4%	5.0%
Net General Fund Debt Service as a % of General Fund Revenue ²	4.6%	4.3%	4.2%	4.7%	4.7%	4.4%	4.1%	4.7%
Water & Sewer Enterprise Fund Debt Service as a % of Revenue	10.9%	10.3%	10.4%	9.0%	9.4%	9.2%	8.2%	8.3%
Golf Course Enterprise Fund Debt Service as a % of Revenue	15.9%	14.6%	15.1%	14.9%	15.3%	14.3%	14.7%	13.8%
TOTAL Debt Service as a % of Total Rev. Supporting Debt Svc.	6.7%	6.4%	5.4%	5.7%	5.5%	5.2%	4.8%	5.4%

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

² Excludes both the debt service (expense) reimbursed by the State for school projects and the reimbursement from the State (revenue).

CIP FINANCING – FREE CASH

- The FY11-FY16 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 \$4.6M of Free Cash for FY11 is \$2.5M less than last year, but is above the \$3.75M est used to build the out-years of the FY10–FY15 CIP.

FREE CASH	2011	2012	2013	2014	2015	2016
Certified Free Cash for Use in:	4,590,079	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Free Cash appropriated for:						
Capital Improvements	3,676,271	3,057,340	3,041,094	3,030,665	3,008,210	2,988,196
Operating Budget Reserve (0.25% of Prior Yr Net Rev)	464,239	477,351	491,300	504,768	520,248	536,884
Liability Reserve	449,569	15,309	17,606	14,568	21,542	24,921
Misc		200,000	200,000	200,000	200,000	200,000
TOTAL FREE CASH	4,590,079	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
\$\$ Increase	(2,463,216)	(840,079)	0	0	0	017
% Increase	-34.9%	-18.3%	0.0%	0.0%	0.0%	0.0%

CIP FUNDING SUMMARY

(General Fund)

	2011	2012	2013	2014	2015	2016
5.5% Policy	9,749,019	10,475,382	10,782,424	11,078,559	11,419,091	11,785,019
Net-Debt *	7,635,328	9,162,817	8,998,152	8,976,631	8,718,921	10,364,133
% of Prior Yr Net Rev	4.11%	4.81%	4.59%	4.46%	4.20%	4.84%
Pay-as-you-Go	2,113,691	1,312,564	1,784,272	2,101,928	2,700,169	1,420,886
% of Prior Yr Net Rev	1.14%	0.69%	0.91%	1.04%	1.30%	0.66%
2008 Override Funds	787,969	807,668	827,860	848,556	869,770	891,514
Free Cash	3,670,340	3,057,340	3,041,094	3,030,665	3,008,210	2,988,196
TOTAL	14,207,328	14,340,390	14,651,377	14,957,780	15,297,070	15,664,729

* 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** – \$27.3M is anticipated, including the assumption that MSBA funds cover 40% of the Devotion School project.
- **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 (FY12).
- **Cemetery Trust Funds** – \$200K for Old Burial Ground projects.

CIP/DEBT MANAGEMENT POLICIES

VARIABLE	FY10	FY11	FY12	FY13	FY14	FY15	FY16
<u>Legal Limit for Out. Debt = 5% of Equalized Valuation (EQV)</u>							
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	\$18,453.1
Outstanding Debt as a % of EQV	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%
General Fund Outstanding Debt as a % of EQV	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%
Net General Fund Outstanding Debt as a % of EQV	0.4%	0.3%	0.4%	0.3%	0.3%	0.4%	0.4%
Total Outstanding Debt (in millions)	\$79.2	\$77.8	\$82.6	\$77.6	\$73.9	\$88.6	\$95.4
General Fund Outstanding Debt (in millions)	\$63.9	\$64.5	\$69.2	\$65.1	\$62.4	\$77.6	\$86.1
Net General Fund Outstanding Debt (in millions)	\$62.6	\$55.0	\$61.0	\$58.2	\$56.5	\$72.7	\$82.0
Total Debt Service (in millions)	\$14.6	\$12.1	\$13.3	\$13.2	\$12.7	\$12.2	\$14.0
General Fund Debt Service (in millions)	\$11.9	\$9.4	\$10.7	\$10.5	\$9.9	\$9.7	\$11.3
Net General Fund Debt Service (in millions)	\$8.6	\$8.3	\$9.6	\$10.0	\$9.5	\$9.2	\$10.8
Total Debt Service Per Capita	\$266	\$221	\$242	\$241	\$232	\$223	\$255
General Fund Debt Service Per Capita	\$217	\$172	\$196	\$191	\$181	\$177	\$206
Net General Fund Debt Service Per Capita	\$158	\$152	\$175	\$182	\$173	\$168	\$198
Total Debt Service as a % of Revenue	6.4%	5.4%	5.7%	5.5%	5.2%	4.8%	5.4%
General Fund Debt Service as a % of General Fund Revenue	5.8%	4.8%	5.3%	5.0%	4.6%	4.4%	5.0%
Net General Fund Debt Service as a % of General Fund Revenue	4.2%	4.2%	4.7%	4.7%	4.4%	4.1%	4.7%
A. Total Outstanding Debt Per Capita as a % of Per Capita Income	2.6%	2.2%	2.2%	2.0%	1.9%	2.2%	2.3%
General Fund Outstanding Debt Per Capita as a % of Per Capita Income	2.2%	1.8%	1.9%	1.7%	1.6%	2.0%	2.1%
Net General Fund Outstanding Debt Per Capita as a % of Per Capita Income	1.6%	1.5%	1.7%	1.5%	1.5%	1.8%	2.0%
B. Total Outstanding Debt Per Capita	\$1,686	\$1,419	\$1,507	\$1,415	\$1,349	\$1,616	\$1,741
General Fund Outstanding Debt Per Capita	\$1,432	\$1,176	\$1,263	\$1,188	\$1,139	\$1,417	\$1,572
Net General Fund Outstanding Debt Per Capita	\$1,029	\$1,003	\$1,114	\$1,062	\$1,031	\$1,326	\$1,497
C. Total Outstanding Debt as a %age of Assessed Value (AV)	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%
General Fund Outstanding Debt as a %age of Assessed Value (AV)	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%
Net General Fund Outstanding Debt as a %age of Assessed Value (AV)	0.4%	0.3%	0.4%	0.4%	0.3%	0.4%	0.5%
D. Total Debt Maturing Within 10 Years	89%	85%	81%	82%	83%	81%	78%
General Fund Debt Maturing Within 10 Years	88%	82%	77%	79%	80%	79%	76%
E. CIP Financing as a %age of Prior Year's Net Revenue	5.00%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%
Debt-Financed CIP as a %age of Prior Year's Net Revenue	4.28%	4.11%	4.80%	4.58%	4.45%	4.19%	4.83%
Revenue-Financed CIP as a %age of Prior Year's Net Revenue	0.72%	1.14%	0.70%	0.92%	1.05%	1.31%	0.67%

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 \$2,452 (for FY10).
- 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, Baker and High School projects.