

TOWN OF BROOKLINE FY08 – FY13 PRELIMINARY CAPITAL IMPROVEMENT PROGRAM



December 5, 2006

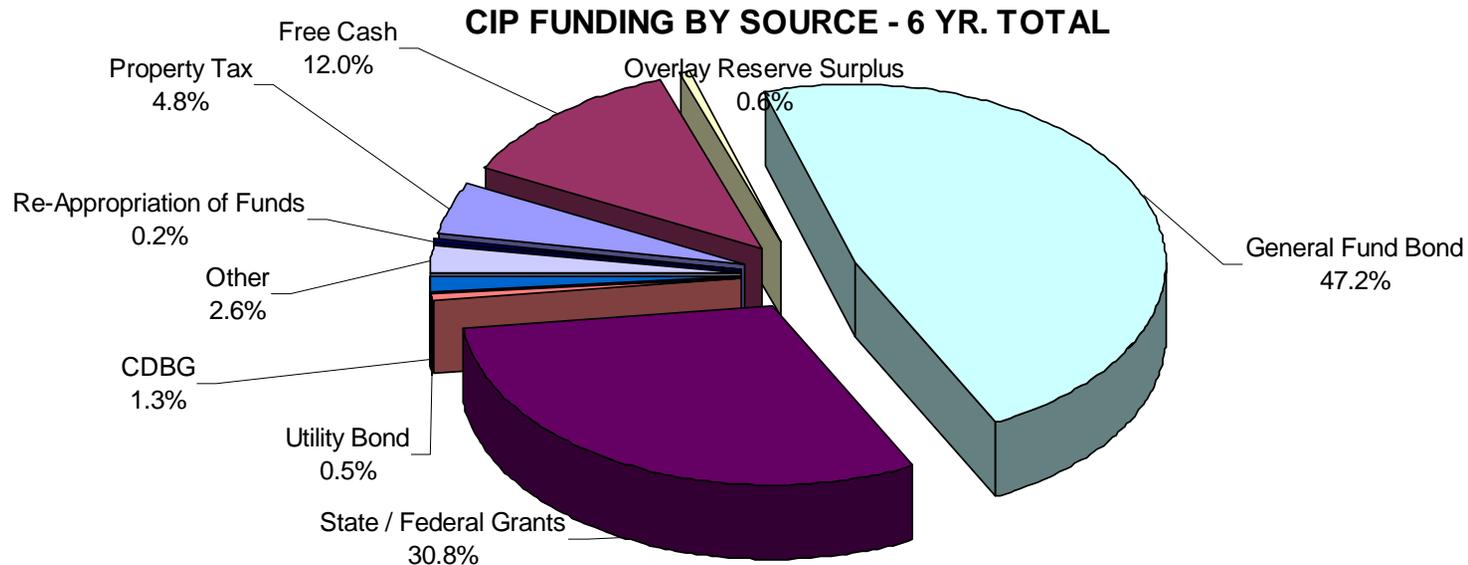
HEADLINES

- ❑ \$146.5M Six-Year CIP (FY08 – FY13).
- ❑ Conforms with the Town's CIP Policies.
- ❑ Major challenges posed due to bid climate, uncertainty about School Building Assistance funding, and a reduced level of Free Cash.
- ❑ Undertakes major (Town Hall, Runkle School, Devotion School) and minor (High School, UAB, Baldwin School, Fire Sta #7) building renovation projects.
- ❑ Continues to upgrade Public Safety equipment.
- ❑ Continues investment in the Town's infrastructure (streets, sidewalks, water/sewer system, parks/playgrounds) and in information technology.
- ❑ Includes funding to help meet the high demand for playing fields (Fisher Hill Reservoir Re-Use).
- ❑ Assumes Town funding for Runkle School at \$13.2M and Devotion School at \$27.7M, or 50% of each project.
- ❑ Includes funding for a School Facilities Master Plan and for modular classrooms.
- ❑ Incorporates a funding plan for the Village Square project.

SUMMARIES

GRAND TOTAL BY SOURCE (in thousands)

	FY08	FY09	FY10	FY11	FY12	FY13	TOTAL	% OF TOTAL
Property Tax	2,447.7	994.1	977.0	341.3	1,040.3	1,257.8	7,058.3	4.8%
Free Cash	2,913.7	2,870.9	2,819.2	2,968.7	3,003.7	3,042.2	17,618.4	12.0%
Overlay Reserve Surplus	850.0	0.0	0.0	0.0	0.0	0.0	850.0	0.6%
General Fund Bond	18,350.0	2,500.0	15,800.0	0.0	4,575.0	27,947.5	69,172.5	47.2%
State / Federal Grants	818.8	1,768.8	13,318.8	568.8	3,068.8	25,568.8	45,112.7	30.8%
Utility Bond	250.0	0.0	500.0	0.0	0.0	0.0	750.0	0.5%
CDBG	400.0	1,500.0	0.0	0.0	0.0	0.0	1,900.0	1.3%
Other	0.0	3,750.0	0.0	0.0	0.0	0.0	3,750.0	2.6%
Re-Appropriation of Funds	333.5	0.0	0.0	0.0	0.0	0.0	333.5	0.2%
TOTAL	26,363.7	13,383.8	33,415.0	3,878.8	11,687.8	57,816.3	146,545.4	100.0%

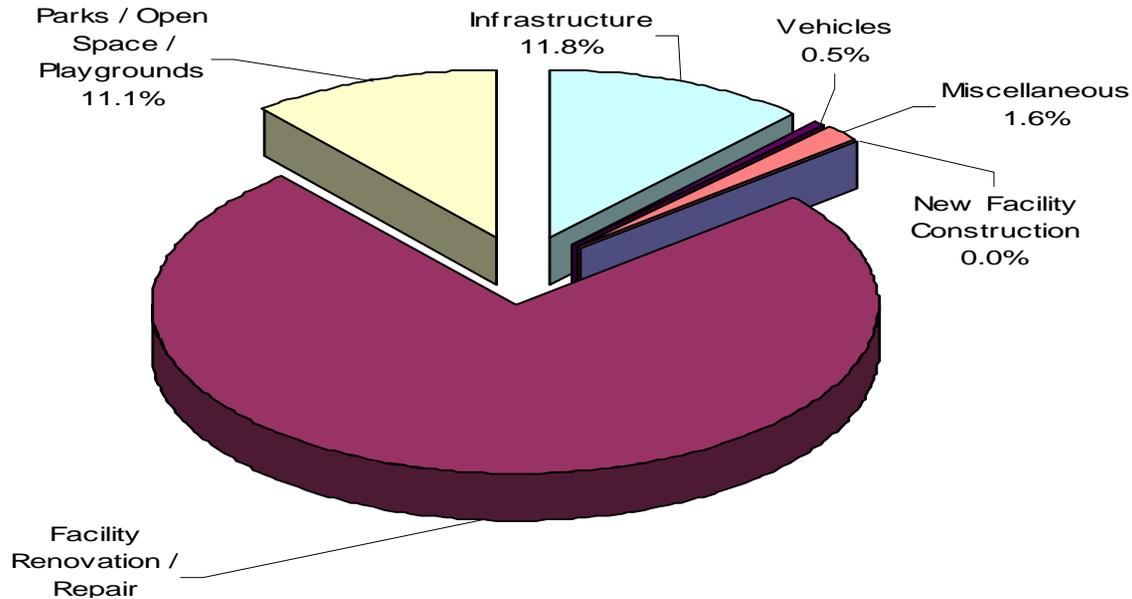


SUMMARIES II

GRAND TOTAL BY CATEGORY (in thousands)

	FY08	FY09	FY10	FY11	FY12	FY13	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	20,515.0	2,965.0	25,425.0	166.0	7,215.0	53,597.5	109,883.5	75.0%
Parks / Open Space / Playgrounds	2,600.0	4,270.0	4,330.0	1,350.0	2,010.0	1,700.0	16,260.0	11.1%
Infrastructure	2,663.8	5,448.8	3,046.0	1,943.8	2,018.8	2,098.8	17,220.0	11.8%
Vehicles	200.0	0.0	300.0	0.0	130.0	145.0	775.0	0.5%
Miscellaneous	385.0	700.0	314.0	419.0	314.0	275.0	2,407.0	1.6%
TOTAL	26,363.7	13,383.8	33,415.0	3,878.8	11,687.8	57,816.3	146,545.4	100%

CIP BY CATEGORY - 6 YR. TOTAL



MAJOR PROJECTS

- ❑ Devotion School Rehab - \$27.7M of Town funding + possibility of \$27.7M of State funding in FY10-FY13 for feasibility, design, and construction
- ❑ Town Hall Rehab - \$15.15M (FY08)
- ❑ Runkle School Rehab - \$13.2M of Town funding + possibility of \$13.2M of State funding in FY09-FY10 for design and construction
- ❑ Newton St. Landfill - \$3.8M (FY10)
- ❑ Fisher Hill Reservoir Re-Use - \$4.6M (FY08-FY09)
- ❑ High School- \$4M (FY08)
- ❑ Village Square - \$2M (FY09)
- ❑ Baldwin School - \$2M (FY13)
- ❑ UAB - \$1.4M (FY10-FY12)
- ❑ Parking Meters - \$1.3M (FY09)
- ❑ Fire Station #7 - \$1.125M (FY10-FY13)

CONTINUED MAJOR INVESTMENT

- Parks & Open Space - \$16.3M
- Street & Sidewalk Rehab - \$11M
- Information Technology - \$1.35M
- General Town/School Bldg. Repairs (ADA, Security, Roof) - \$1.2M
- RFID Tech. in Libraries - \$617K
- Modular Classrooms - \$560K
- Branch Libraries - \$510K

CIP FINANCING – THE CHALLENGE

- CIP as Requested by Departments

	2008	2009	2010	2011	2012
Free Cash for CIP	3,045,204	3,122,229	2,933,161	3,098,466	3,085,000
Tax-Supported CIP	2,367,650	956,959	1,126,377	8,750	709,552
Overlay Surplus	1,800,000	0	0	0	0
TOTAL FUNDS FOR CIP	7,214,862	4,081,197	4,061,548	3,109,227	3,796,564
Requested Projects	7,435,500	5,827,500	6,156,750	5,822,500	5,566,500
BALANCE	(220,638)	(1,746,303)	(2,095,202)	(2,713,273)	(1,769,936)

CIP ACTUAL vs. REQUIREMEN	2008	2009	2010	2011	2012	2013	2014
Actual Debt Financed \$\$	6,845,480	8,579,878	8,685,763	10,095,908	9,696,957	9,793,668	11,660,471
Actual Revenue Financed \$\$	2,367,642	956,959	1,126,377	8,750	709,552	915,013	(644,371)
5.5% Total Dedicated to CIP	9,213,122	9,536,837	9,812,140	10,104,657	10,406,508	10,708,681	11,016,100
Actual Debt Financed %	4.09%	4.95%	4.87%	5.50%	5.12%	5.03%	5.82%
Actual Revenue Financed %	1.41%	0.55%	0.63%	0.00%	0.38%	0.47%	-0.32%

What does this mean?

1. Top box shows not enough rev to support pay-go CIP in any year.
2. If adopted CIP as requested, would (a) have to reduce the Operating Budget by \$644K in FY14 and (b) have virtually no rev-fin CIP in FY11.

CIP FINANCING – END RESULT

- The FY08-FY13 CIP follows the CIP Policy that 5.5% of the prior year's net revenue be dedicated to the CIP.

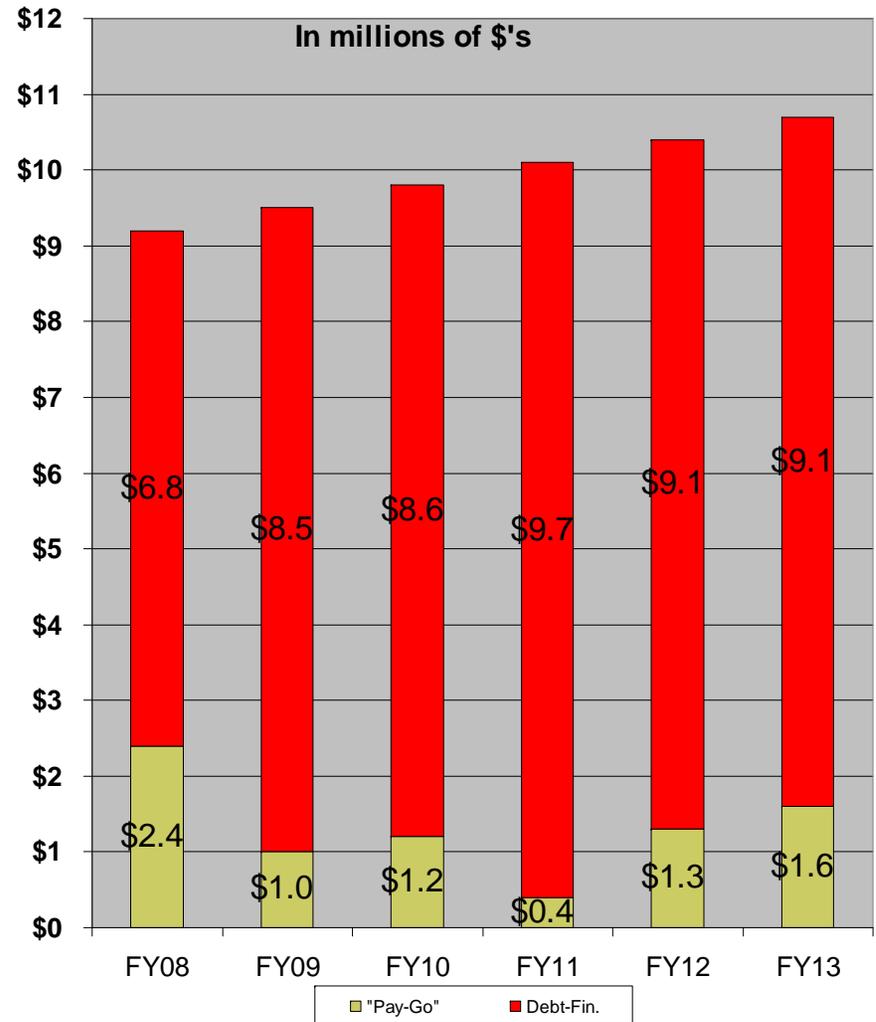
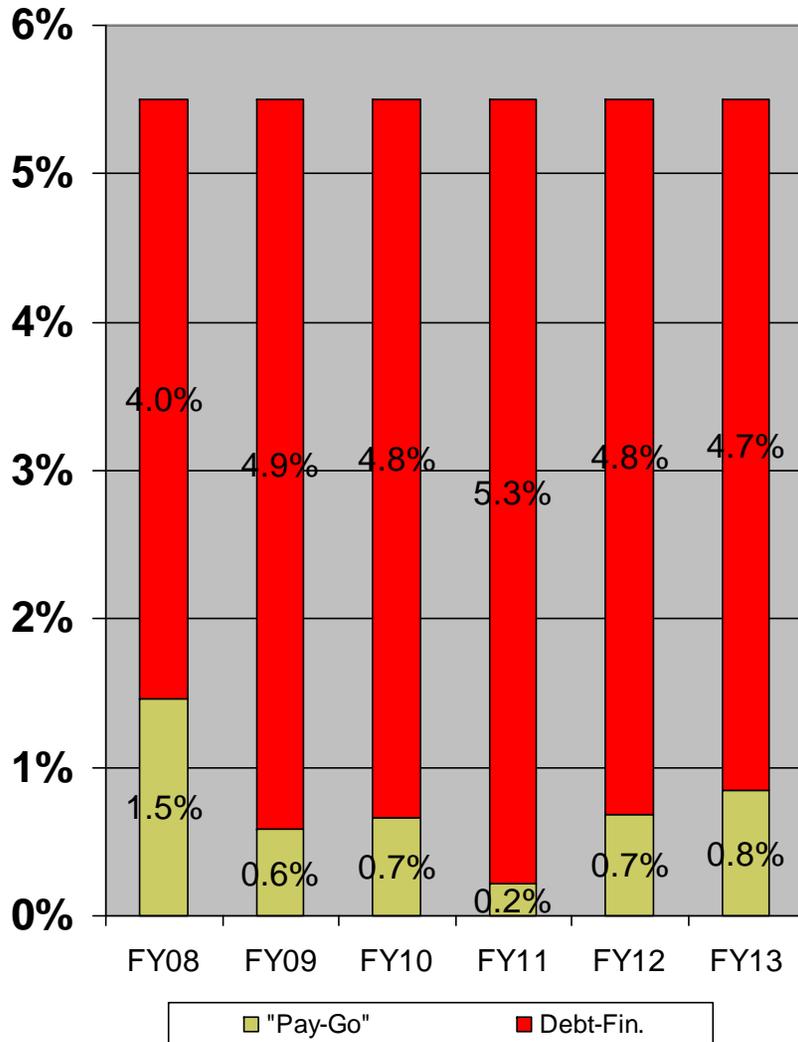
CIP ACTUAL vs. REQUIREMENTS	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actual Debt Financed \$\$	6,770,355	8,521,593	8,644,571	9,722,806	9,148,406	9,109,350	11,246,080
Actual Revenue Financed \$\$	2,442,767	1,012,294	1,168,833	399,534	1,288,682	1,647,849	(165,542)
5.5% Total Dedicated to CIP	9,213,122	9,533,886	9,813,404	10,122,340	10,437,088	10,757,199	11,080,537

Actual Debt Financed %	4.04%	4.92%	4.84%	5.28%	4.82%	4.66%	5.58%
Actual Revenue Financed %	1.46%	0.58%	0.66%	0.22%	0.68%	0.84%	-0.08%

CIP FINANCING – FREE CASH

- ❑ The FY08-FY13 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 \$3.8M of Free Cash for FY08 use is \$1.6M less than last year and is below the \$4M est used to build the out-years of the FY07 – FY12 CIP. It's also the lowest level since FY95.
- ❑ For FY08, of the estimated Free Cash of \$3.8M, \$2.9M is used to support the CIP.
- ❑ In the out-years, a certification of \$3.75M is used, resulting in approximately \$3.1M for use in the CIP.

DEBT-FINANCED vs “PAY-AS-YOU-GO”



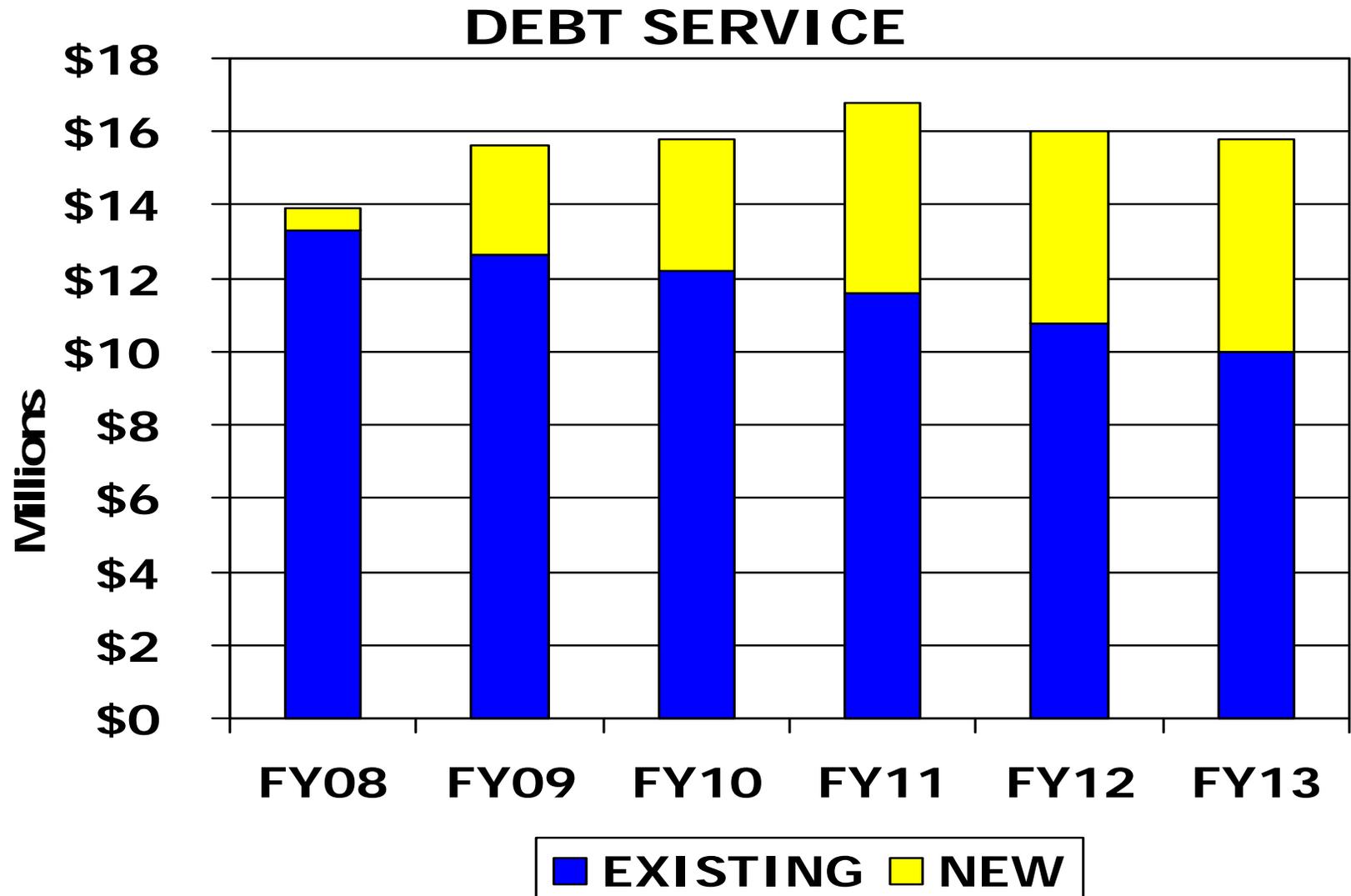
DEBT MANAGEMENT PLAN

<u>Project</u>	<u>Yrs</u>	<u>Authorization</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Lawrence School/Longwood Playground - (\$766K from previous authorization)	10	17,075,000	114,900	111,070	107,240	103,410	99,580	95,750	91,920
Swimming Pool (previously authorized)	10	1,600,000	240,000	232,000	224,000	216,000	208,000	200,000	192,000
Landfill / Transfer Station (previously authorized)	10	2,000,000		300,000	290,000	280,000	270,000	260,000	250,000
Muddy River (previously authorized)	10	745,000		109,888	106,349	102,810	99,271	95,733	92,194
Town Hall (seeking authorization)	20	13,000,000		1,332,500	1,298,375	1,264,250	1,230,125	1,196,000	1,161,875
Fisher Hill (seeking authorization)	10	1,350,000		199,125	192,713	186,300	179,888	173,475	167,063
HS Projects (seeking authorization)	10	4,000,000		466,667	453,333	440,000	426,667	413,333	400,000
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
Runkle School - TOWN @ 50% (seeking authorization)	20	12,000,000				1,230,000	1,198,500	1,167,000	1,135,500
Rear Landfill (seeking authorization)	15	3,800,000				443,333	430,667	418,000	405,333
UAB Roof/Chimney/Gutters & Downspouts (seeking authorization)	10	1,275,000						188,063	182,006
Devotion School Design - TOWN @ 50%(seeking authorization)	10	2,500,000						368,750	356,875
Waldstein Playground (seeking authorization)	10	800,000						118,000	114,200
Fire Staion # 7 Rehab (seeking authorization)	10	1,000,000							147,500
Devotion School - TOWN @ 50%(seeking authorization)	20	25,000,000							2,562,500
NEW GEN FUND DEBT SERVICE (cumulative)			354,900	2,751,249	3,040,760	4,622,978	4,487,697	5,027,228	7,580,216
Wastewater ¹ (see footnote)	15	6,000,000	223,333	217,333	444,667	432,000	652,667	633,333	633,333
Singletree Tank (seeking authorization)	10	250,000		36,875	35,688	34,500	33,313	33,313	33,313
Golf Course ² (previously authorized)	15	2,840,000		16,225	30,703	29,680	28,658	27,635	27,635
Storm Drains (seeking authorization)	10	500,000				73,750	71,375	69,000	69,000
NEW ENTERPRISE FUND DEBT SERVICE (cumulative)			223,333	270,433	511,057	569,930	786,012	763,281	763,281
TOTAL NEW DEBT SERVICE (cumulative)			578,233	3,021,683	3,551,816	5,192,908	5,273,709	5,790,509	8,343,497

¹ Of the \$6M authorization, \$5.5M has already been borrowed from a FY02 \$6M authorization, leaving \$0.5M, plus a new \$5.5M authorization for FY07.

² Of the \$2.84M authorization, \$1.1M has already been borrowed from the FY02 authorization, leaving \$1.74M. This plan calls for using \$210K of the remaining authorization.

DEBT SERVICE – ALL FUNDS



DEBT SERVICE – BREAKDOWN

DEBT SERVICE

DESCRIPTION	FY01	FY02	FY03	FY04	FY05	FY06	% CHANGE FY01-FY06
Total General Fund Supported Debt Service	10,078,477	9,611,353	9,838,795	10,323,355	10,042,930	11,208,209	11.2%
a.) Exempt (Debt Exclusion) ¹	4,698,448	4,668,390	4,575,673	4,536,146	4,507,187	4,479,537	-4.7%
b.) Non-Exempt	5,380,030	4,942,963	5,263,122	5,787,209	5,535,743	6,728,671	25.1%
Minus SBA Reimbursements	3,116,964	3,116,964	3,606,860	3,570,791	3,442,794	3,442,794	10.5%
Net General Fund Debt Service	6,961,513	6,494,389	6,231,935	6,752,564	6,600,136	7,765,415	11.5%
Water & Sewer Enterprise Fund Supported Debt Svc.	3,027,482	3,002,215	3,157,105	2,693,654	2,629,240	2,360,635	-22.0%
Golf Course Enterprise Fund Supported Debt Svc.	61,378	109,430	194,969	214,848	208,744	209,219	240.9%
TOTAL Debt Service	13,167,337	12,722,998	13,190,869	13,231,858	12,880,914	13,778,063	4.6%
General Fund Debt Service as a % of General Fund Operating Revenue	7.1%	6.4%	6.2%	6.5%	6.0%	6.6%	-6.8%
Net General Fund Debt Service as a % of General Fund Operating Revenue Without SBA Reimbursement	5.0%	4.4%	4.0%	4.4%	4.1%	4.6%	-6.7%
Water & Sewer Enterprise Fund Debt Service as a % of Revenue	17.9%	16.6%	16.3%	13.5%	12.8%	11.6%	-35.3%
Golf Course Enterprise Fund Debt Service as a % of Revenue	6.9%	9.1%	17.6%	18.4%	17.7%	17.5%	154.3%
TOTAL Debt Service as a % of Total Rev. Supporting Debt Svc.	8.2%	7.5%	7.4%	7.4%	6.9%	7.2%	-12.5%
% Change		-8.2%	-1.9%	-0.1%	-6.9%	4.6%	
Population	57,131	57,103	56,925	56,642	56,188	55,590	-2.7%
General Fund Debt Service Per Capita	\$176	\$168	\$173	\$182	\$179	\$202	14.3%
Net General Fund Debt Service Per Capita	\$122	\$114	\$109	\$119	\$117	\$140	14.6%
Water & Sewer Enterprise Fund Debt Service Per Capita	\$53	\$53	\$55	\$48	\$47	\$42	-19.9%
Golf Course Enterprise Fund Debt Service Per Capita	\$1	\$2	\$3	\$4	\$4	\$4	250.3%
TOTAL Debt Service Per Capita	\$230	\$223	\$232	\$234	\$229	\$248	7.5%
% Change		-3.3%	4.0%	0.8%	-1.9%	8.1%	

DEBT MANAGEMENT POLICIES

VARIABLE	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Legal Limit for Out. Debt = 5% of Equalized Valuation (EQV) EQV for 1/1/04 = \$12.676 billion. Assume 2.5% annual growth. (In millions)	\$14,785	\$15,154.2	\$15,533.0	\$15,921.4	\$16,319.4	\$16,727.4	\$17,145.6
Outstanding Debt as a % of EQV	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%
Total Outstanding Debt (in millions)	\$99.3	\$111.2	\$105.1	\$110.5	\$101.0	\$94.4	\$109.2
General Fund Outstanding Debt (in millions)	\$80.1	\$93.9	\$88.0	\$95.0	\$85.6	\$81.1	\$98.0
Total Debt Service (in millions)	\$14.2	\$13.9	\$15.7	\$15.8	\$16.8	\$16.0	\$15.8
General Fund Debt Service (in millions)	\$10.9	\$10.6	\$12.6	\$12.7	\$13.8	\$13.1	\$13.1
Total Debt Service Per Capita	\$255	\$250	\$282	\$284	\$302	\$289	\$284
General Fund Debt Service Per Capita	\$196	\$191	\$226	\$228	\$248	\$236	\$235
A. Total Outstanding Debt Per Capita as a % of Per Capita Income	3.0%	3.3%	3.0%	3.1%	2.8%	2.5%	2.8%
General Fund Outstanding Debt Per Capita as a % of Per Capita Income	2.4%	2.8%	2.5%	2.7%	2.3%	2.2%	2.5%
B. Total Outstanding Debt Per Capita	\$1,786	\$2,000	\$1,891	\$1,988	\$1,816	\$1,698	\$1,965
General Fund Outstanding Debt Per Capita	\$1,441	\$1,689	\$1,582	\$1,709	\$1,541	\$1,460	\$1,763
C. Total Outstanding Debt as a %age of Assessed Value (AV)	0.7%	0.8%	0.7%	0.7%	0.6%	0.6%	0.7%
General Fund Outstanding Debt as a %age of Assessed Value (AV)	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.6%
D. Total Debt Maturing Within 10 Years	79%	79%	83%	84%	85%	88%	80%
General Fund Debt Maturing Within 10 Years	77%	77%	78%	79%	81%	84%	78%
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	4.34%	4.03%	4.91%	4.84%	5.29%	4.83%	4.68%
Revenue-Financed CIP as a %age of Prior Year's Net Revenue	1.16%	1.47%	0.59%	0.66%	0.21%	0.67%	0.82%

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 \$2,319 (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

- **CDBG Funds** – \$1.9M is used, including utilizing the Section 108 Loan Guarantee Program.
- **State / Federal Grants** – \$45M 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** - \$3.75M total, the largest piece being \$3.25M for Fisher Hill Reservoir Re-Use (FY09).
- **Re-Appropriation of Funds** - \$334K of existing CIP project accounts will be re-appropriated in FY08 to help balance the CIP.