

TOWN OF BROOKLINE

BOARD OF SELECTMEN

Deborah B. Goldberg
Chairman

Joseph T. Geller
Gilbert R. Hoy, Jr.
Robert L. Allen
Michael S. Sher

Richard J. Kelliher
Town Administrator

The seal of the Town of Brookline is a circular emblem. It features a central shield with a landscape scene, including a river and a building. The shield is surrounded by a wreath of flowers and leaves. The text "BROOKLINE RIVER A PART OF BOSTON FOUNDED 1830" is inscribed around the perimeter of the seal.

FY-2005 FINANCIAL PLAN

BUDGET SUMMARY

- Financial Plan Total = \$189.85 million
 - Operating Budget = \$153.75 million (+3.4%)
 - Special Approp. (Rev-Fin CIP) = \$10.64 million
 - Enterprise Funds / Other = \$26.46 million
- Town Departments Increase = 2.8%
- School Department Increase = 3.1%
- Non-Departmental Increase = 4.8%
- Assumes Governor's Local Aid package

RECENT HISTORY

- Loss of \$2.8 million in Local Aid since FY02
- Multiple years of double-digit growth in Health Insurance
- Slowdown in certain local receipts related to the downturn in the economy

FY2005 BUDGET CHALLENGE

Operating Revenue Increase	\$4.5
Town / School Collective Bargaining, Steps	(\$2.4)
Group Health Insurance	(\$1.8)
<u>Fixed Costs of Capital, Pensions, Utilities, Gen. Insurance</u>	<u>(\$0.8)</u>
Available Discretionary Funds	(\$0.5)

TOWN FISCAL POLICIES & PRACTICES

- Retention of Adequate Reserves
- CIP Financing Policies
- Town/School Partnership Agreement
- Collective Bargaining Guidelines
- Position Freeze on Total Employees
- Directives Re: Free Cash
- Override Requirements of 1994

APPROACH TO BALANCE THE FY2005 BUDGET

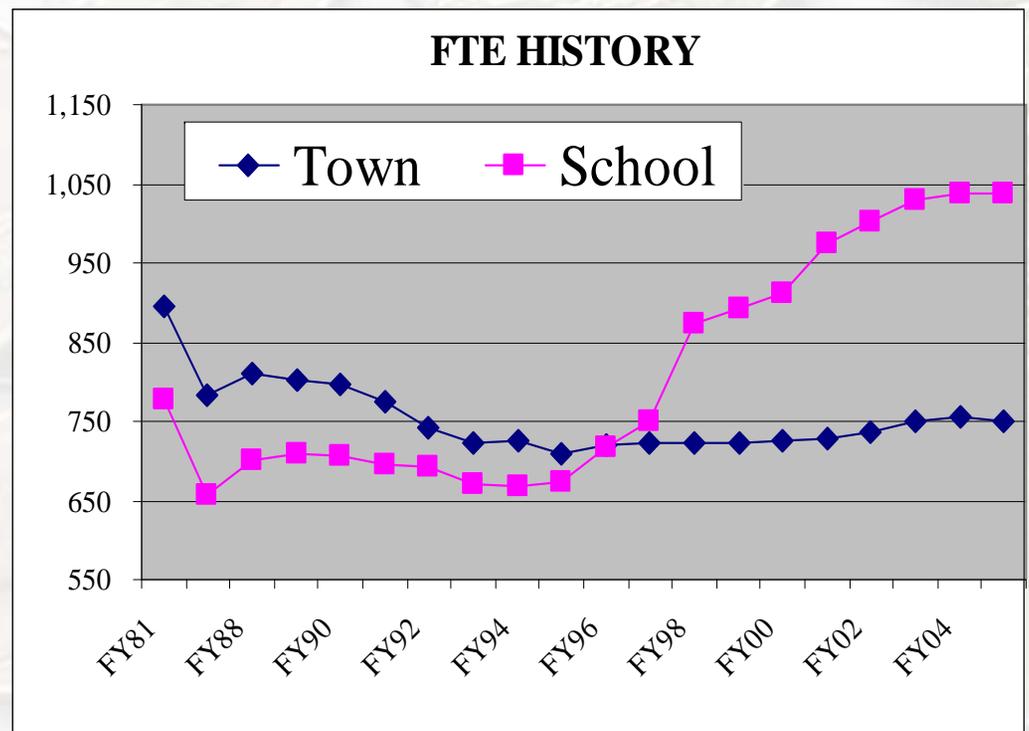
- A 3-part approach was used to balance the FY05 budget without the elimination of core services
 - Strict Cost Control
 - Effective Management of Local Receipts
 - Targeted Utilization of Reserves

STRICT COST CONTROL

- Reductions minimizing effects on direct services
- Examples:
 - Interest on Abatements (\$100,000)
 - Clerical Pool (\$10,000)
 - Events Coordinator (\$10,000)
 - Part-Time Carpenter (\$13,000)
 - Liability / Catastrophe Fund (\$100,000)

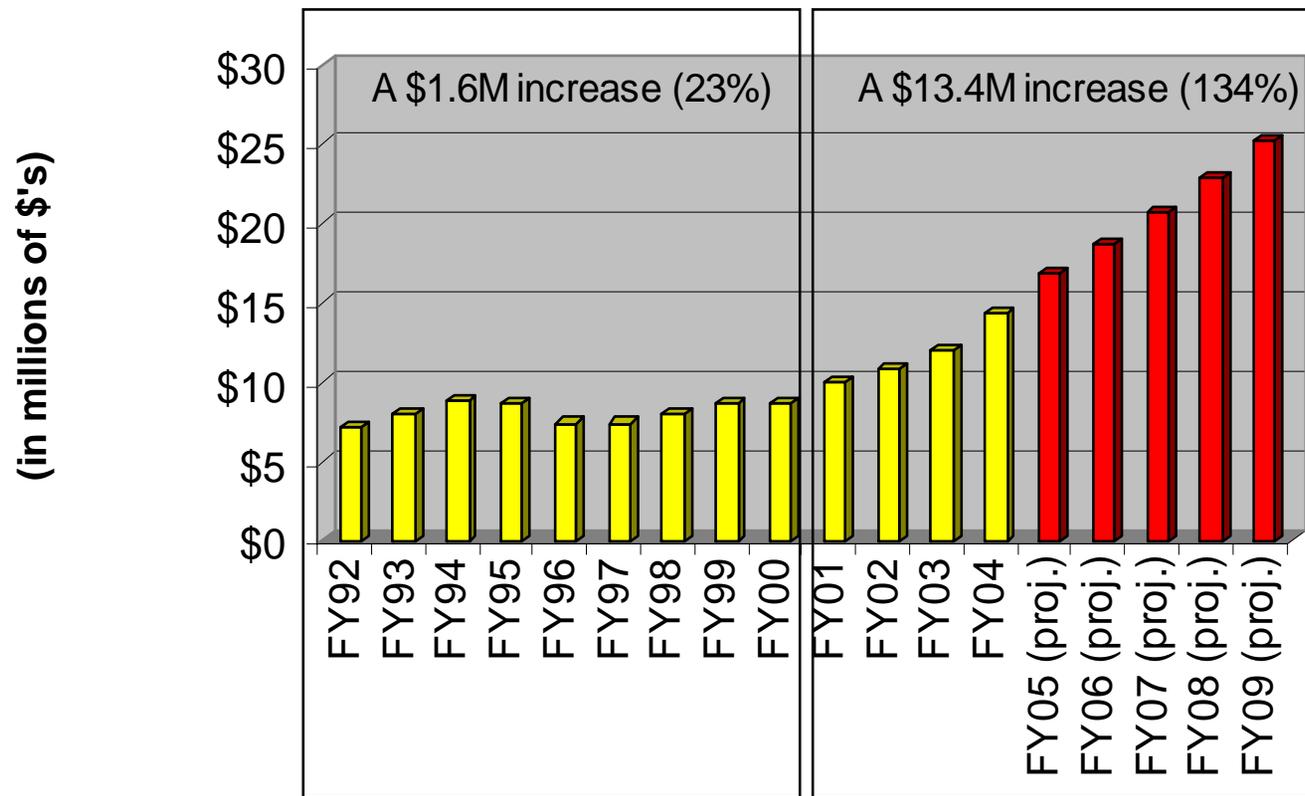
STRICT COST CONTROL

- Hiring Freeze
- Long-Term Position Control
- Multi-Year Fixed Contracts
 - Electricity
 - Solid Waste
- Group Health Insurance RFP



GROUP HEALTH INSURANCE

GROUP HEALTH APPROPRIATION



EFFECTIVE MANAGEMENT OF LOCAL RECEIPTS

- Revenue Committee's work resulted in \$233,000 for FY2005
- Parking Meter Revenue available to the budget has increased \$725,000 since FY2002
- Parking Fines Revenue available to the budget has increased \$1.9 million since FY2002

TARGETED UTILIZATION OF RESERVES

- **Retiree Group Health Trust Fund**

- \$125,000 in operating budget funds freed-up (cumulative reduction in Non-Contributory Retiree line-item)
- \$500,000 that would have been transferred in redirected to Group Health Insurance Trust Fund reserve, freeing up additional budget funds and controlling rate increases for employees

- **Liability / Catastrophe Fund**

- Funded solely from Free Cash, freeing-up \$100,000 in the operating budget

TARGETED UTILIZATION OF RESERVES (con't.)

- **Overlay Reserve**

- Surpluses used to fund structural work at Swimming Pool (\$1 million) and environmental corrective action associated with Newton St. Landfill (\$2 million)

- **Stabilization Fund**

- FPRC recommended expanding the existing Capital into a more general “Rainy Day Fund” that can augment both operating and capital needs
- This change requires an appropriation of \$247,000, the first deposit into the Fund in three years

INITIATIVES

- **Public Safety**

- Public Safety Business Office
- Homeland Security
- Certified HazMat Technicians

- **Information Technology**

- Strategic Plan
- Life-cycle replacement program

INITIATIVES

- **Recreation**

- Internal consolidation of administrative staff
- Parks and Recreation Master Plan

- **Enterprise Funds**

- Eliminate a projected negative year-end fund balance in W&S Fund
- new marketing campaign for the Golf Course

- **Brookline 300**

- No support from tax levy

INITIATIVES

- **Comp Plan**

- Funding is included to carry-out the upcoming phases of the Comp Plan process
- \$348,312 allocated to the Affordable Housing Trust Fund

- **Economic Development**

- Includes the first of three incremental increases designed to upgrade the Economic Development Officer and the Commercial Areas Coordinator to full-time positions over the next three years.

CAPITAL IMPROVEMENT PROGRAM (CIP)

- Developed within the parameters of the Board of Selectmen's CIP Policies
 - 5.5% of the prior year's net revenue allocated to the CIP
- Financing plan includes outside funding sources, grant opportunities, and Overlay Surpluses.
- Calls for an investment of \$74.5 million over the next six years, for an average of \$12.4 million per year.

MAJOR CIP PROJECTS

- Town Hall Rehab - \$10.4M (FY06-FY07)
- Runkle School Rehab - \$7.77M (FY07, FY09-FY10)
- Wastewater System - \$6M (FY06)
- Health Center Rehab - \$4.4M (FY05-FY06)
- Old Lincoln HVAC - \$1.68M (FY07-FY08)
- Muddy River Restoration - \$1.65M (FY05)
- Fisher Hill Reservoir Re-Use - \$1.35M (FY06)
- Pierce School - \$1.15M (FY05-FY09)
- Swimming Pool - \$1M (FY05)
- High School/UAB - \$640K (FY06-FY10)

CIP FINANCING STRATEGY

- **5.5% funding policy**

- In FY05, 4.2% is earmarked for debt service and 1.3% to pay-as-you-go
- Virtually 100% of the 5.5% consumed by debt service in out-years due to major bonded projects

- **Free Cash**

- In FY05, \$5.68 million of Free Cash is used to support the CIP
- Free Cash estimate for the out-years of the CIP is lowered, resulting in less funding available for projects.

- **Overlay Reserve Surpluses**

- \$3 million used to fund Swimming Pool (\$1M) and Newton St. Landfill environmental corrective action (\$2M)

CIP FINANCING STRATEGY (con't.)

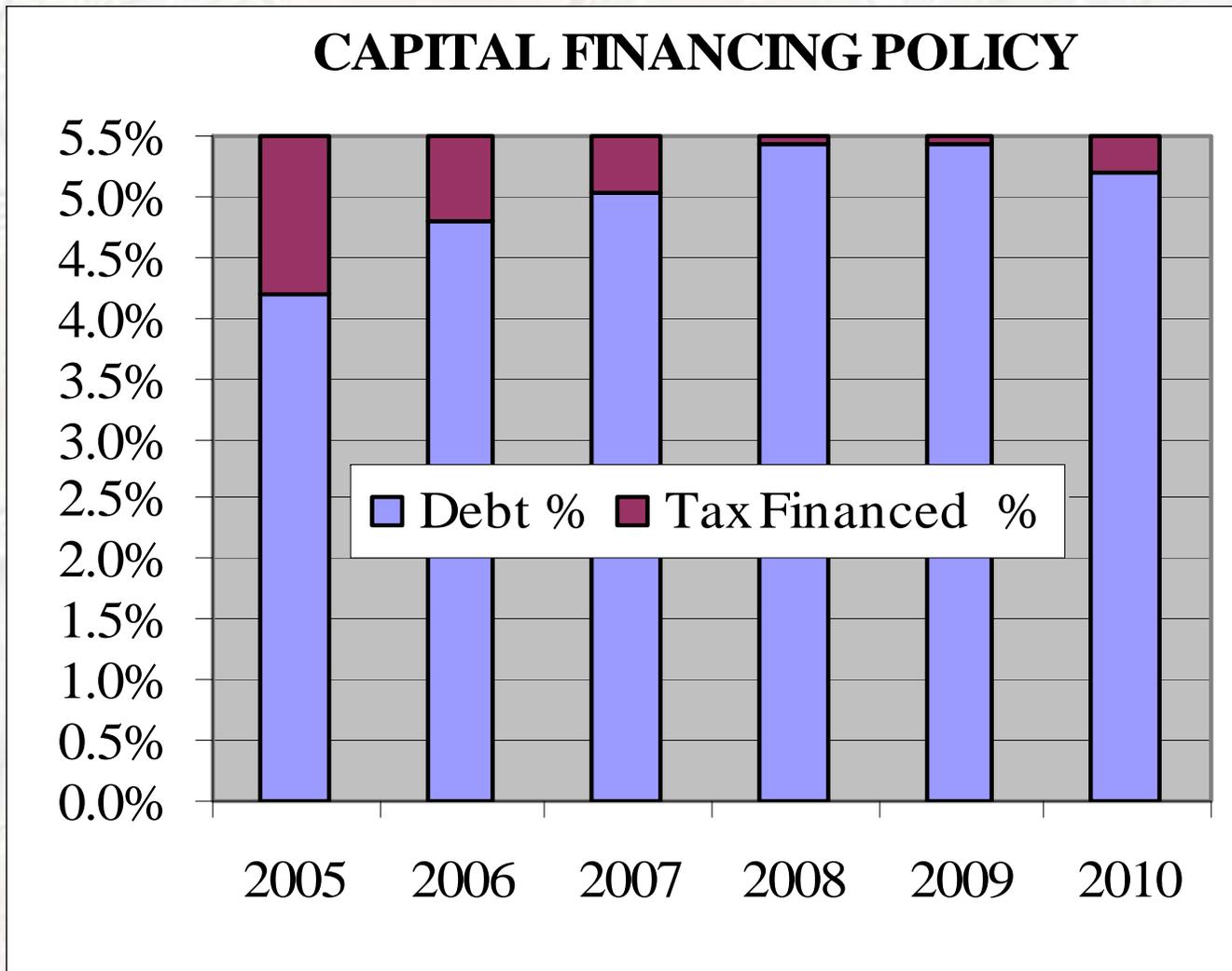
- **Grant funds**

- \$6.9 million federal/state grant for the Beacon St. Reconstruction project
- \$1.8 million in Community Development Block Grant (CDBG) funds

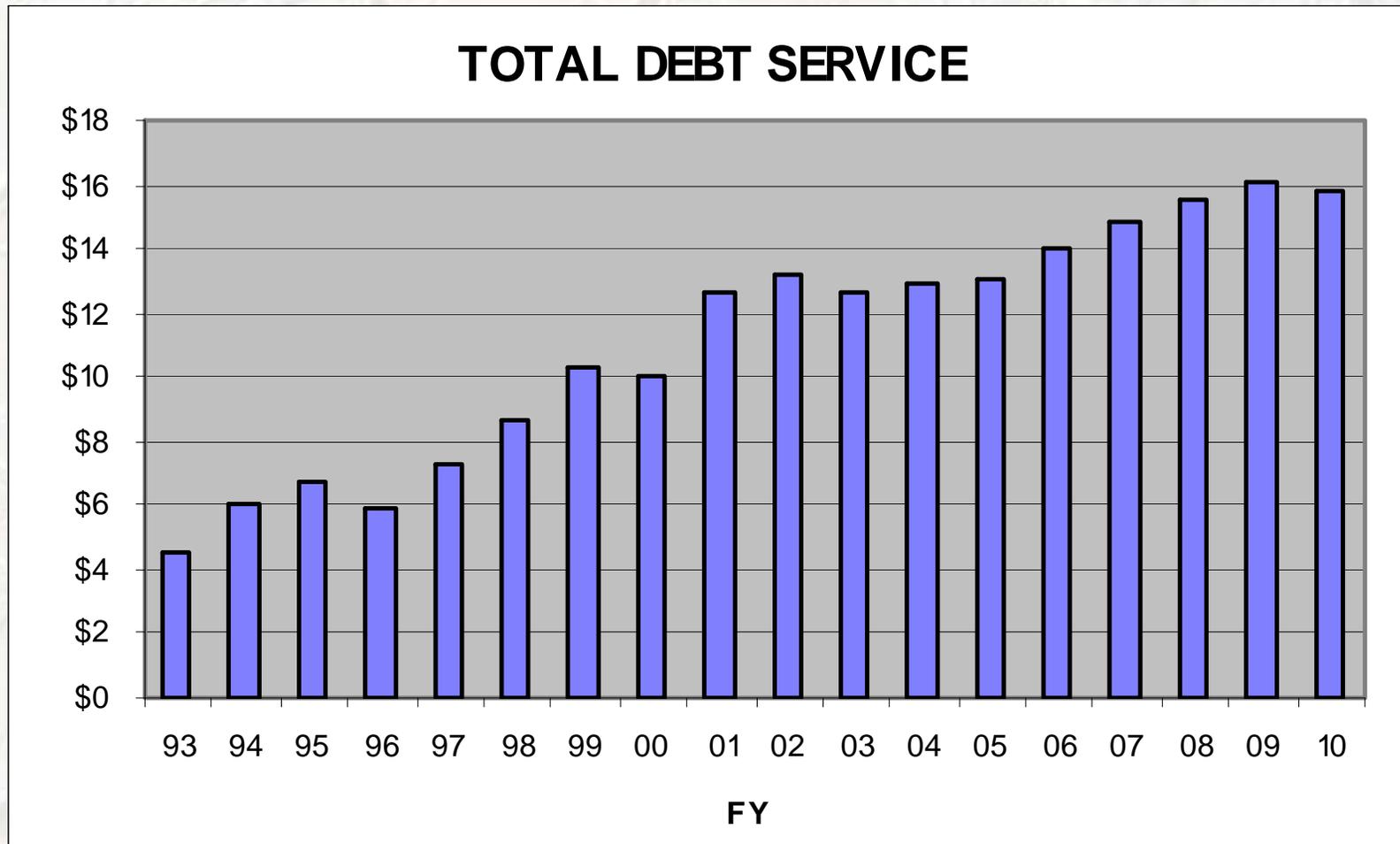
- **"Other" funds**

- \$3.25 million from the sale of the Town-owned Fisher Hill Reservoir to be used to fund the construction of a playing field on the State-owned site across the street
- \$100K in BAA Funds for the Rec Master Plan
- \$105K in FEMA funds for the Portable Emergency Generator

DEBT-FINANCED vs “PAY-AS-YOU-GO”



DEBT SERVICE



LONG RANGE FINANCIAL PROJECTION - GENERAL FUND

FY2005-FY2009

	FY2005 EST	FY2006 EST	FY2007 EST	FY2008 EST	FY2009 EST
REVENUES					
Property Taxes	\$118,976,942	\$123,381,806	\$127,891,252	\$132,502,255	\$137,248,780
Local Receipts	\$18,975,225	\$19,002,600	\$19,178,311	\$19,382,727	\$19,593,015
State Aid	\$16,933,683	\$16,926,639	\$16,938,794	\$16,951,193	\$16,952,493
Free Cash	\$6,597,165	\$4,117,886	\$4,107,032	\$4,094,749	\$4,083,219
Other Available Funds	\$10,461,591	\$7,563,687	\$7,643,145	\$7,506,064	\$7,695,899
TOTAL REVENUE	\$171,944,606	\$170,992,617	\$175,758,533	\$180,436,989	\$185,573,407
EXPENSES					
Municipal Services	\$52,797,274	\$54,355,775	\$56,232,613	\$57,972,998	\$59,337,141
School Services	\$54,146,815	\$56,270,815	\$58,864,815	\$61,184,815	\$63,054,815
Non-Departmental - Personnel Benefits	\$28,200,704	\$30,070,247	\$32,021,705	\$34,166,330	\$36,169,886
Debt Service	\$13,605,246	\$14,723,494	\$15,271,437	\$15,857,898	\$16,131,256
Revenue-Financed CIP	\$10,644,969	\$5,098,808	\$4,761,926	\$4,128,181	\$4,134,638
Reserve Fund	\$1,107,229	\$1,146,342	\$1,179,830	\$1,214,698	\$1,248,805
Non-Departmental - General	\$1,242,910	\$618,544	\$592,162	\$603,615	\$603,692
Non-Appropriated Expenses	\$7,825,456	\$7,879,117	\$8,064,308	\$8,253,973	\$8,448,662
TOTAL EXPENSES	\$169,570,605	\$170,163,141	\$176,988,798	\$183,382,507	\$189,128,895
SURPLUS / (DEFICIT) - BEFORE COLL BARG & STEPS	\$2,374,000	\$829,476	(\$1,230,265)	(\$2,945,518)	(\$3,555,489)
TOWN COLLECTIVE BARGAINING	\$1,100,000	\$1,560,000	\$1,390,000	\$980,000	\$990,000
SCHOOL COLL BARGAINING	\$1,274,000	\$1,744,000	\$1,470,000	\$1,020,000	\$1,040,000
TOTAL COLLECTIVE BARGAINING	\$2,374,000	\$3,304,000	\$2,860,000	\$2,000,000	\$2,030,000
TOTAL EXPENSES INCLUDING COLLECTIVE BARGAINING	\$171,944,605	\$173,467,141	\$179,848,798	\$185,382,507	\$191,158,895
TOTAL DEFICIT AFTER COLL BARG	\$0	(\$2,474,524)	(\$4,090,265)	(\$4,945,518)	(\$5,585,489)