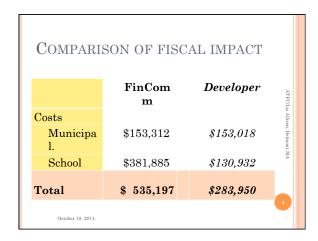
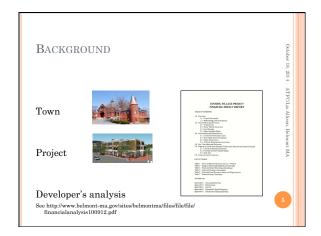


## REQUIREMENTS FOR TOWN FINCOMM MODEL

- Understanding of economic concept of "long run variable costs"
- ${\color{blue} \bullet}$  Courageous school superintendent who is "team player"
- o Detailed understanding of town budget
- Help as needed from Town Assessor, Town Treasurer







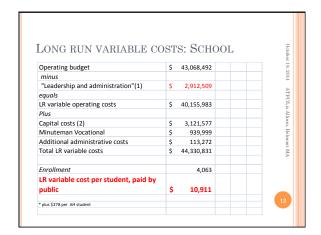
## KEY TOWN FACTS • Population: 24,729 (Census updated) • Number of households: 9465 (Census, TT) • School enrollment: 4063 • FY 2015 budget: \$95 million • Tax rate/\$1000: \$13.33

		_		
KEY PROJECT FACTS				
o 115 residential units (approx 127K sq ft)		-		
• 51 one BR	23			
• 64 two bedroom	ATFC/Liz	-		
• Rents \$2000 - \$3000	Allison,	_		
	, Belmont			
o Retail: 37,500 sq. ft. @\$35/sq	t MA	-		
		-		
October 18, 2014		_		
		1		
		_		
KEY CONCERNS (WITH DEVELOPER'S	Octo			
"FINANCIAL IMPACT REPORT")	October 18, 2	-		
	2014			
• Questions re conclusion: big revenue incre	ases	-		
very small increases in town expenses	z Alliso			
	n, Belmont	-		
• Used information from very different	ont MA	_		
communities				
<ul><li>Not easy to read</li></ul>		-		
	8			
		-		
		_		
STEPS IN TOWN FINCOMM ANALYSIS	0,	-		
	October 18, 2014		 	 
1. Identify town departments where long	8, 2014	_		
run variable costs will materially increase		_		
2. If School, agree on calculation of long	ATFC/Liz Allison, Belmont			
run variable costs	lison, B	-		
3. If School, collect information on # of	elmont l			
student by size of unit for comparable	AW	-		
properties				
4. With other town departments, agree on calculation of long run variable costs		-		

Calculate!

Material	Not material
School	Community Development
Police	General government
Fire	Recreation
DPW	COA
Library	

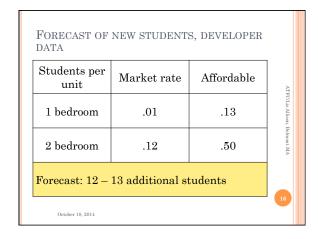
SCHOOL COSTS	October 18, 2014 - ATFCILe Allison, Belmont MA
	11

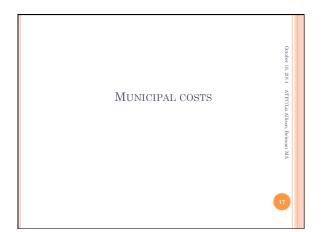


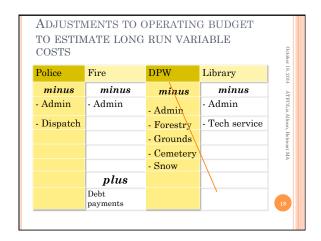
FORECASTING STUDENT ENROLLMENT	
Identify similar developments in Town (Assessor)	ATR
Obtain enrollment information (SD)	ATFC/Liz Allison, Belmont M/
Calculate average student per apartment/ home by number of bedrooms	Imont MA
	13
October 18, 2014	

BELMONT P	UBLIC SCHOOLS		
Students Re	siding in Comperable De	evelopments	
Grade	Home Address	Development	BR
10	Complex 1, #35	Concord Village	1
12	Complex 1, #35	Concord Village	2
9	Complex 1#12	Concord Village	1
11	Complex 1#12	Concord Village	1
1	Complex 1#1	Concord Village	2
2	Complex 1#36	Concord Village	2
10	Complex 1 #24	Concord Village	2
4	10 Complex 2 #1004	Lone Tree Hill	1
6	10 Complex 2 #1005	Lone Tree Hill	2
3	10 Complex 2 #1005	Lone Tree Hill	2
8	10 Complex 2 #1006	Lone Tree Hill	2
12	12 Complex 2 #1201	Lone Tree Hill	3
7	12 Complex 2 #1201	Lone Tree Hill	3
8	12 Complex 2 #1202	Lone Tree Hill	2

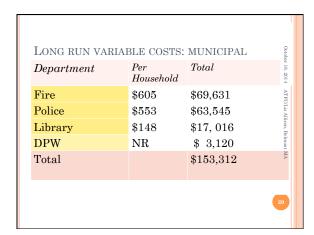
Students per unit	Market rate	Affordable	
1 bedroom	.06	.20	
2 bedroom	.44	.84	

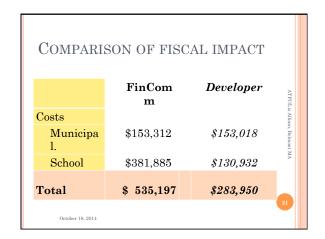






Long run variable cost, sample calculation (\$00	0)	Octobe
Police operating budget <i>Minus</i>	\$6,520	October 18, 2014 /
Police administration	\$ 424	ATFCA
Dispatch	\$ 886	ATFC/Liz Allison, Belmont M/
Long run variable cost	\$5,230	lmont MA
Cost per household	\$ 553	
		19





### KEY ASSUMPTIONS, COST CALCULATIONS

- Town budget numbers (not actual) should be used as basis for calculation
- Debt & interest payments are reasonable proxy for capital costs (depreciation)
- ${\color{blue} \circ}$  Municipal costs are per household driven
- o School costs are per student driven



### ADVANTAGES OF FINCOMM FORECASTS

- o More transparent (much)
- More accurate forecasts: experience from backcasting (see Lexington story)
- Better guidance for developers
- Free (except for FinComm time)



### LEXINGTON EXPERIENCE

"Projections don't match reality for Avalon at Lexington Hills"

Seven years after Town Meeting signed off on Avalon at Lexington Hills housing development, the taxable property value is lower and the education costs higher than originally estimated.

Michael Phillis for Wicked Local

By Michael Phillis/Staff Writer Posted Mar. 25, 2011 @ 12-01 am Updated Mar 25, 2011 at 4:54 PM

in 2004, when the Avason at Lexington Hillsonousing compact was being cenated at 10wn Meeting, a fiscal impact analysis predicted the development would generate about \$76 million in taxable value from 430 mee apartments—quarter of which would be affordable. The analysis, prepared by consultant Connerw Associates for the developer, all projected Avalon would contribute between 67 and 125 new students to Lexington a public school.

Seem years later, projections do not match reality. The property.

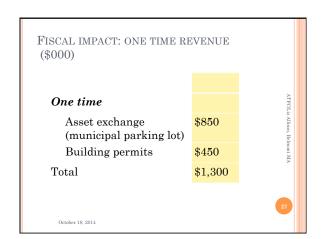
I have been a season of a season of the property of the property of the value projection of 2001 in addition, although the steps of the development was reduced to 500 apartments, the life (higher currently enrolled in Lexington schools from those apartments are more than one of the property of the control of the property of the property of the control of the property of the property of the control of the property of the accuracy of the control of the property of the property of the property of the control of the property of the control of the property of the pro

 $\circ~$  Note: The Belmont model predicted 177 children...much closer

24

# KEY ASSUMPTIONS: REVENUE ANALYSIS • Net revenue number provided by Assessors – uses current use as basis for comparison • Excise tax calculation • Cars/unit • Average excise tax provided by Town Treasurer • No change in state aid

Limitations: Fiscal/economic imact aren't everything – Others need to	
EXAMINE	October 18,
o Traffic	2014
o Density	ATFC/Liz Allison, Belmont M/
o Open space	llison, Bel
Storm water management     Character of town	nont MA
o Fiscal impact	
• Economic impact	26



G REVENUE	
\$530,000	АТЕСЛ
33,580	ATFC/Liz Allison, Belmont MA
-	ı, Belmon
\$611,830	4 MA
	28



