

## OFFICE OF THE SELECT BOARD

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### TOWN OF ARLINGTON MASSACHUSETTS 02476-4908

TO: Town Meeting

FROM: Select Board and Town Treasurer & Collector of Taxes

DATE: April 22, 2019

RE: Annual Report - Symmes Property Fund

In accordance with Section 1 of Chapter 25 of the Acts of 2006, the Town has established a special account (Symmes Property Fund) into which all proceeds generated by the sale of the former Symmes Hospital site and any other revenue, except building permit fees, including but not limited to property taxes and other fees have been deposited since the establishment of the account. Below is a full accounting of the fund beginning in FY2012 through FY2019 (projected).

Revenue	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Property Tax Revenue	\$49,374	\$112,113	\$830,239	\$682,750	\$996,574	\$812,851	\$678,338	\$671,250
Prior Property Tax Revenue	\$0	\$75,822	\$0	\$0	\$0	\$0	\$0	\$0
General Fund Revenue/Debt Exclusion	\$307,130	\$278,540	\$150,000	\$0	\$0	\$0	\$0	\$0
Medical Office Building Revenue	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$69	\$90	\$7	\$0	\$2	\$119	\$266	\$19
<b>Total Revenue</b>	<b>\$756,573</b>	<b>\$466,565</b>	<b>\$980,246</b>	<b>\$682,750</b>	<b>\$996,576</b>	<b>\$812,970</b>	<b>\$678,603</b>	<b>\$671,269</b>
Expenses	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Debt Service	\$543,001	\$688,350	\$685,675	\$677,750	\$674,675	\$677,875	\$678,338	\$671,250
Legal/Project Oversight Expenses	\$54,918	\$30,012	\$121,040	\$17,476	\$0	\$0	\$0	\$0
Transfer to General Fund						\$456,996	\$0	\$285
<b>Total Expenses</b>	<b>\$597,919</b>	<b>\$718,362</b>	<b>\$806,715</b>	<b>\$695,226</b>	<b>\$674,675</b>	<b>\$1,134,871</b>	<b>\$678,338</b>	<b>\$671,535</b>

In FY2016 and FY2017, all property taxes from the Symmes property were deposited in the Symmes fund. In FY2017 the surplus of those taxes, over the amount necessary to pay the debt service on the Symmes bonds, was transferred to the General Fund. In FY2018 and future years only the amount of Symmes property taxes necessary to pay debt service will be transferred into the fund; the remaining tax revenue will remain in the General Fund in accordance with the provision of Chapter 25 of the Acts of 2006. At the end of FY2019, the interest that has accumulated will be transferred to the General Fund.

### **Fund Balance Policy for Symmes Property Fund**

As part of the FY2014 annual audit, it was recommended that the Town establish a Fund Balance Policy for the Symmes Property Fund that will be in place until all debt service obligations are met in FY2022. Any existing balance beyond what is outlined within the Fund Balance Policy below will be returned to the General Fund at the conclusion of FY2015. On December 3, 2014, the Board of Selectmen approved the following:

Since the Symmes site has been fully developed, the only future liabilities associated with the property are debt service costs related to the Town's purchase of the land and the potential for future legal costs resulting from the complete close out of the project. Therefore, the Town's Fund Balance Policy for the Symmes Property Fund is as follows:

*The Town will maintain a balance in the Symmes Property Fund in an amount equal to the annual debt service costs associated with the purchase of the property plus a legal reserve that does not exceed \$5,000. It is noted that the funds needed to amortize the debt service come directly from the property taxes collected from the development of the Symmes site. This will be the policy through FY2022 when the debt is retired. Below is a summary of what the fund balance for the Symmes Property Fund should be through FY2022.*

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Debt Service</b>	\$674,675.00	\$677,875.00	\$678,337.50	\$671,250.00	\$673,225.00	\$671,950.00	\$667,450.00
<b>Legal Reserve</b>	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
<b>Fund Balance Not to Exceed</b>	\$679,675.00	\$682,875.00	\$683,337.50	\$676,250.00	\$678,225.00	\$676,950.00	\$672,450.00