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TOWN OF ARLINGTON
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TO: Town Meeting

FROM: Board of Selectmen & Town Treasurer & Collector of Taxes

DATE: May 11, 2015

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 FY 2012 through FY 2015. During this period, \$1,674,476.02 was collected in property taxes and \$735,670 was raised on the tax levy as a debt exclusion to offset debt service costs associated with the purchase of the site and to fund other expenses incurred relating to the development of the property.

Revenue	FY 2012	FY 2013	FY 2014	FY 2015
Property Tax Revenue	\$49,374.37	\$112,112.65	\$830,239.00	\$682,750.00
Prior Property Tax Revenue	\$0.00	\$75,821.85	\$0.00	\$0.00
General Fund Revenue/Debt Exclusion	\$307,130.00	\$278,540.00	\$150,000.00	\$0.00
Medical Office Building Revenue	\$400,000.00	\$0.00	\$0.00	\$0.00
Interest	\$69.08	\$90.15	\$6.99	\$0.00
Total Revenue	\$756,573.45	\$466,564.65	\$980,245.99	\$682,750.00
Expenses	FY 2012	FY 2013	FY 2014	FY 2015
Debt Service	\$543,000.63	\$688,350.00	\$685,675.00	\$677,750.00
Legal/Project Oversight Expenses	\$54,918.04	\$30,012.00	\$121,039.68	\$17,475.50
Total Expenses	\$597,918.67	\$718,362.00	\$806,714.68	\$695,225.50

As part of the FY 2014 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 FY 2022. Any existing balance beyond what is outlined within the

Fund Balance Policy below will be returned to the General Fund at the conclusion of FY 2015. On December 3, 2014, the Board of Selectmen approved the following:

Fund Balance Policy for Symmes Property Fund

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 FY 2022 when the debt is retired. Below is a summary of what the fund balance for the Symmes Property Fund should be through FY 2022.

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