

by John VanScoyoc
Select Board

“You can observe a lot by just watching.” — Yogi Berra

Selling Surplus Property Should Be On the Table

The [Expenses and Revenues Committee](#) is seeking to put a number on the looming FY27 Town and School budget gaps. From my seat at the table, it seems inevitable that, come May, voters will be asked to buy another three years of balanced budgets by approving property tax hikes over and above 2.5% (an “override”), [just as in 2023](#).

However, voter approval of tax hikes beyond the state-mandated 2.5% cap isn’t guaranteed. If the ballot question fails, “Plan B” — drastic budget-cutting — would require Town and School layoffs and a freeze on non-essential services.

Might there be a “Plan C” that is better than “Plan B”?

I believe a case can be made that disposal of one or more town properties would be an improvement over resorting to layoffs and curtailment of services. I'll explain, but first some more background on how we got in this jam.

Our Predicament: Debt and Fixed Costs are Devouring Revenue

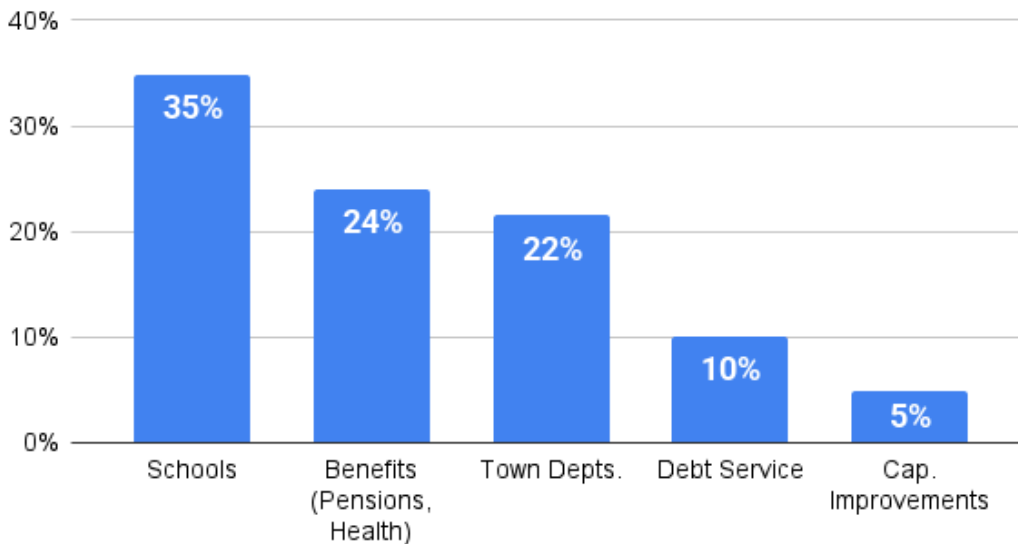
Much of the data that follows comes from a very useful table within the Town's [FY27-FY31 Long Range Financial Plan](#). Here is what it looks like:

	2026	2027	2028	2029	2030	2031
REVENUE						
Property Taxes	332,554,581	349,452,499	360,438,187	371,761,674	382,631,951	393,779,676
Local Receipts	34,886,166	36,378,878	36,993,024	37,567,018	38,156,309	38,547,570
State Aid	25,915,570	26,438,368	27,091,499	27,760,959	28,447,155	29,150,506
Other Available Funds	4,948,498	4,487,480	4,706,060	4,890,153	5,138,390	4,311,795
Free Cash	21,303,316	20,200,000	20,967,559	21,849,267	22,511,258	23,192,931
TOTAL REVENUE	419,608,131	436,957,224	450,196,330	463,829,071	476,885,063	488,982,477
\$\$ Increase	19,465,721	17,349,093	13,239,106	13,632,741	13,055,992	12,097,414
% Increase	4.9%	4.1%	3.0%	3.0%	2.8%	2.5%
EXPENDITURES						
Departmental	98,868,974	102,214,316	105,660,968	108,841,037	111,142,107	114,391,454
Schools	142,792,591	152,745,067	158,371,400	165,663,919	177,265,426	185,135,639
Non-Departmental - Benefits	90,794,899	100,693,892	110,227,652	121,439,945	122,306,692	127,758,685
Non-Departmental - General	8,554,977	7,611,957	8,572,176	8,646,548	8,743,192	8,845,193
Non-Departmental - Debt Service	43,467,385	49,425,313	49,993,389	52,372,098	52,746,905	53,310,555
Non-Departmental - Reserve Fund	3,415,094	3,570,679	3,701,523	3,817,321	3,935,559	4,056,845
Special Appropriations (CIP)	20,045,169	23,556,095	24,395,265	24,313,462	25,345,154	26,232,020
Non-Appropriated	11,669,041	10,903,173	11,161,792	11,426,876	11,698,587	11,977,091
TOTAL EXPENDITURES	419,608,130	450,720,491	472,084,165	496,521,206	513,183,622	531,707,483
\$\$ Increase	19,465,721	31,112,361	21,363,673	24,437,042	16,662,415	18,523,862
% Increase	4.9%	7.4%	4.7%	5.2%	3.4%	3.6%
CUMULATIVE SURPLUS/(DEFICIT)	0	(13,763,267)	(21,887,835)	(32,692,136)	(36,298,558)	(42,725,006)
DEFICIT AS A % OF OP REV		-3.3%	-5.1%	-7.4%	-8.0%	-9.2%
Total Town Surplus / (Deficit)	0	(2,990,563)	(5,529,095)	(8,321,606)	(5,811,556)	(6,686,081)
Total School Surplus / (Deficit)	0	(10,772,704)	(16,358,740)	(24,370,530)	(30,487,003)	(36,038,925)

*NOTE: Free cash not certified for FY27 use.

To most people, dealing with tables such as this is a slog. To budget nerds, this is gold. I've extracted some key conclusions in a more readable format in the charts below.

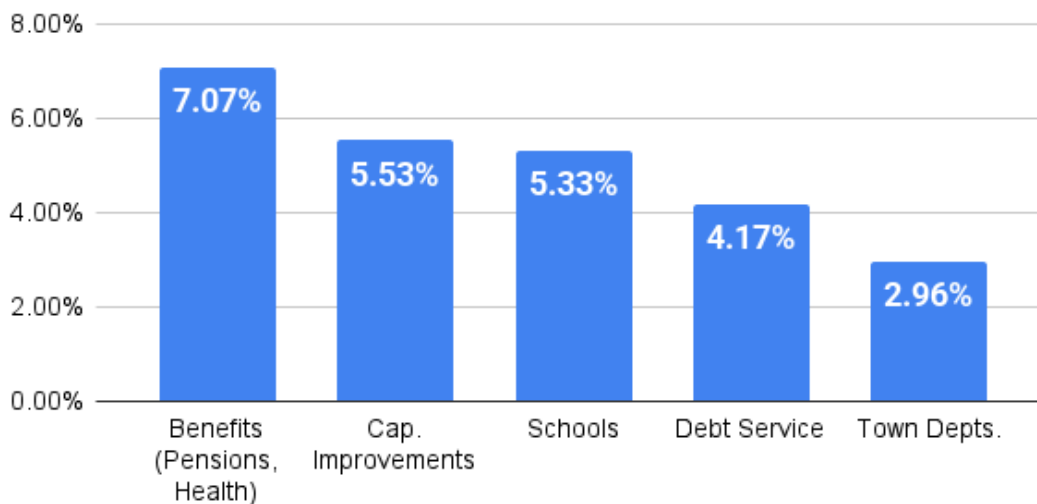
The 5 Big Spenders of Brookline Revenues



Let's start with this chart. It makes several crucial points:

- School and Town **operations** rank #1 and #3 in expenditure of revenues. If an override in the double-digit range (\$10 million +) *fails*, cutbacks in School and Town operations would be unavoidable.
- “Big Spenders” #2 and #4 are essentially *fixed costs*. We can't trim them without adding to our liabilities, and therefore putting our credit rating at risk.
- Big Spender #5 covers essential replacement of equipment and upkeep of buildings, roads, and information systems, etc. Cuts in spending would threaten vital infrastructure and our bond rating.
- All other aspects of annual spending are 5% of total or below and pale by comparison to the above. Opportunities for significant savings from those line items are minimal.

Annualized Cost Increases (5 'Big Spenders') FY26-FY31 (Source: Brookline's Long Range Financial Plan)



Key observations drawn from this chart:

- All 5 of the Big Spenders are projected to inflate at rates ABOVE 2.5% over the next five years.
- Four of the 5 are projected to inflate at rates in excess of 4%.
- Absent overrides, the most optimistic scenario for Brookline's revenue growth assumes that, with anticipated new growth added to the allowable +2.5%, we might achieve 3.5% growth — but not 4%, and certainly not 5% or 7%.

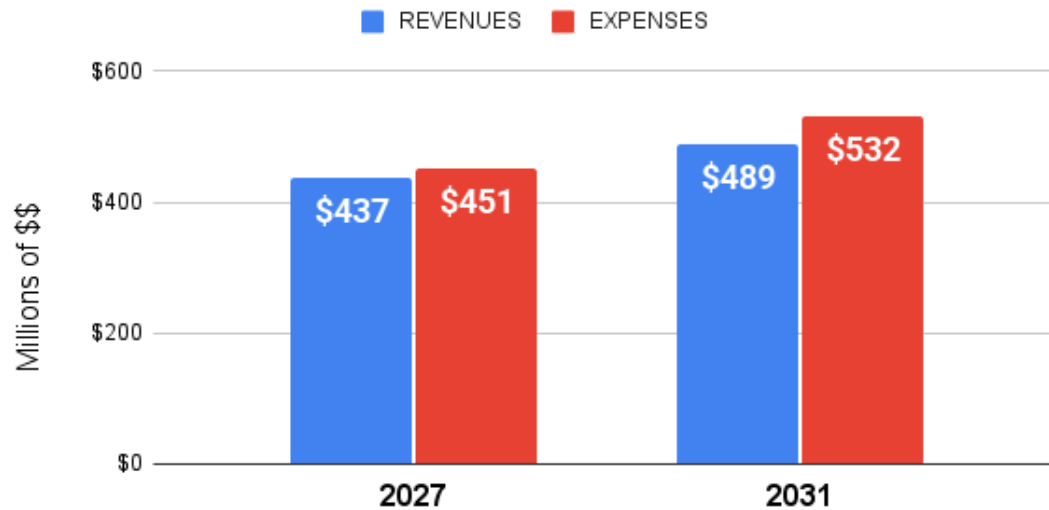
Yes, but the charts cover 5 years. Aren't overrides just for 3 years?

True. However, absent an atypical spurt in new growth of the tax base — such as by getting to the finish line with the Chestnut Hill West proposal or the Waldo-Durgin proposal for Coolidge Corner — our anemic revenue growth is endemic. There's no predicting when, if ever, we will achieve consistent year-over-year tax base growth

sufficient to close budget gaps in the absence of voter-approved overrides. Consider this scenario based on numbers in the Long Range Financial Plan:

Projected Budget Gaps FY27 - FY31

Based on All Revenues and Expenses



There is a cumulative effect if projected budget gaps are not closed. Taking into account all revenues and expenses, the gap increases from \$14 million in FY27 to \$43 million in FY31.

Annualized Growth in All Revenues and All Expenditures

REVENUES	2.28%
EXPENDITURE:	3.36%
GAP	1.08%

The story told in the above numbers could be the most telling of all. That 1.08% difference in the annualized revenues and expenditures (absent overrides or surge in new growth) translates to the following in terms of the additional monies needed to close the gap.

	2027	2028	2029	2030	2031
Total Spending	\$436,957,224	\$450,196,330	\$463,829,071	\$476,885,063	\$488,982,477
x1.08% (gap)	\$4,719,138	\$4,862,120	\$5,009,354	\$5,150,359	\$5,281,011

The above gap numbers (in red) are guestimates (at best)

However, they are consistent with the ongoing conversation about the likely size of an override “ask” in May of this year. (Those “guesses” are in the range of \$10+ million/3 years.) Furthermore, they are consistent with the \$12 million/ 3-year override of 2023.

My point, and I do have one...

Compare the challenge of getting voters to agree to a \$10-\$15 million override that will, at best, **close budget gaps for three years**, *to the possibility of disposal of one or more surplus Town-owned properties capable of cumulatively fetching, say, \$25-\$30 million, netting the Town sufficient revenue to close budget gaps **for as many as five years**.*

Brookline is far from alone in facing a [“perfect storm” of revenues short of expenses](#). Other communities are exploring property sales as part of an “all of the above” approach to closing budget gaps. We wouldn’t be alone if we pursued this.

Is this just a fantasy?

I think not, but if you disagree, write to me or call me to make your case. I’ll even give you a head start on your research by offering [this link to the Town’s latest inventory of properties](#). It runs to four pages.

Is it possible one or more of the properties might be candidates for revenue-generation through a sale (or sales)? **Possibilities exist.** in my humble opinion. What do you think?

If you appreciate these newsletters...

... [you can encourage me](#) as I seek a third term on the Select Board. (Also, mark your calendar for Election Day, May 5, and make plans to vote.)

Please [reply by email](#) if you wish to add your name to my list of endorsers. It would be my honor to serve you for a third term.

I encourage readers to offer views — positive or negative — on content of this newsletter. Email jvanscoyoc0@gmail.com.

Please share “All Politics Is Local” content with friends and encourage them to sign up at [Good Government for Brookline](#).

— John VanScoyoc, Select Board



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