

Town of Lexington



Summit III

FY 2011 Preliminary Budget & Financing Plan

January 20, 2010



Town of Lexington

Summit III - FY 2011 Preliminary Budget & Financing Plan

***The Proposed FY2011 Budget
Recommended by the Town
Manager and Superintendent of
Schools
is a
Balanced Budget***



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Revenue Changes

(General Fund)

	<u>\$ Chg.</u>	<u>% Chg.</u>
Increase Over FY2010 Revenues	\$ 5,526,498	3.9%
Change from Dec. 3 Projection	\$ (36,000)	



Revenue Allocation Model

1	\$ 145,855,750	Projected FY2011 Revenues
2	\$ (66,958,293)	FY2010 school budget
3	\$ (26,583,013)	FY2010 municipal budget
4	\$ (1,750,000)	FY2011 Minuteman Regional School
5	\$ (3,718,549)	FY2011 Contributory Retirement
6	\$ (42,000)	FY2011 Non-Contributory Retirement
7	\$ (25,610,794)	FY2011 Employee Benefits
8	\$ (198,600)	FY2011 Unemployment Compensation
9	\$ (460,000)	FY2011 Workers' Compensation
10	\$ (585,800)	FY2011 Property and Liability Insurance
11	\$ (117,796)	FY2011 Uninsured Loss Account
12	\$ (4,669,173)	FY2011 Debt Service
13	\$ (550,000)	FY2011 Reserve Fund
14	\$ (8,670,704)	FY2011 Facilities Department Budget
15	\$ (2,857,511)	FY2011 Set Aside for Cash Capital/OPEB/Street Program/Building Envelope/Senior Work-Off/SPED Reserve
16	\$ (400,000)	Set Aside of Free Cash for Unanticipated FY10 expenses (\$200,000) and for FY2011 Snow and Ice Budget (\$200,000)
17	\$ 2,683,516	Subtotal - Incremental Revenue to be Allocated

Percentage Allocation

18	71.6%	FY10 School Spending as % of FY10 general fund budget exclusive of Shared Expenses and Minuteman
19	28.4%	FY10 Municipal Spending as % of FY10 general fund budget exclusive of Shared Expenses and Minuteman

Revenue Allocation

20	\$ 1,920,902	School Share of incremental FY2011 revenue (2.9% projected increase from FY2010 school budget)
21	\$ 762,614	Municipal Share incremental FY2011 revenue (2.9% projected increase from FY2010 municipal budget)



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Recommended FY2011 Budget



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FY11 Budget Summary

Expense Summary	FY2010 <i>Restated</i>	FY2011 Recommended	\$ Change	% Change
School Department	\$ 66,958,293	\$ 68,879,195	\$ 1,920,902	2.9%
Minuteman Reg. Sch.	\$ 1,711,554	\$ 1,750,000	\$ 38,446	2.2%
Shared Expenses	\$ 41,892,183	\$ 44,623,417	\$ 2,731,234	6.5%
Municipal	\$ 26,515,970	\$ 27,221,786	\$ 705,816	2.7%
Cash Capital	\$ 1,545,719	\$ 1,983,112	\$ 437,393	28.3%
Reserves	\$ 1,460,533	\$ 829,399	\$ (631,134)	-43.2%
Warrant Articles	\$ 45,000	\$ 45,000	\$ -	0.0%
TOTAL	\$ 140,129,252	\$ 145,331,909	\$ 5,202,657	3.7%



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Significant Changes in Operating Budget

	<u>FY11 Increase</u>	<u>% Inc.</u>
• Health Ins.	\$2,702,810	12.9%
• Medicare Tax	\$ 101,511	10.2%
• Debt Service	\$ 197,740	4.4%
• Unemployment Compensation	(\$ 68,700)	(25.7%)
• Workers Compensation	\$ 58,376	14.5%
• Public Facilities	(\$ 259,771)	(2.9%)
• Snow/Ice Removal	\$ 250,000	34.0%
• Cash Capital	\$ 437,393	28.0%



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Reserve Recommendations

- Special Education Stab Fund \$ 350,000
 - Post-Employ. Benefits Fund \$ 479,399
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- **Stabilization Fund Balance \$ 7,159,000**



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Capital Budget



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Capital Budget

	<u>FY10</u>	<u>FY11</u>
• General Fund Debt	\$3,126,223	\$3,738,000
• Water Enter. Fund Debt	\$1,019,000	\$1,471,000
• Wastewater Enter. Fund Debt	\$1,563,000	\$ 454,000
• Cash Capital/Tax Levy	\$1,545,719	\$1,983,112

• CPA Requests (Town only)	\$4,187,000	\$4,088,200



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Total Projected Levy Supported Debt Service

FY10	\$ 4,471,432
FY11	\$ 4,669,173
FY12	\$ 5,060,662
FY13	\$ 4,578,941



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Total Cash Capital Funding (Free Cash and Tax Levy Supported)

	Free Cash	Tax Levy	Total
FY10	\$ 850,000	\$ 695,719	\$ 1,545,719
FY11	\$ 1,270,000	\$ 713,112	\$ 1,983,112
\$ Chg.	\$ 420,000	\$ 17,393	\$ 437,393
% Chg.	49.4%	2.5%	28.3%



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Proposition 2 ½ Excluded Debt

FY09: \$5,633,000

FY10: \$5,746,000

FY11: \$5,847,000 (estimated)



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Outstanding Issues

- **State Aid** (Governor's Budget: January 28, 2010)
- **Minuteman Career & Technical H.S.**
- **CPA Funding**



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Next Steps

- Respond to questions from Selectmen, School Committee, Appropriation Committee, Capital Expenditures Committee
- Target date for Selectmen's budget recommendation (February 22)
- Target date for budget to go to financial committees/Town Meeting Members (March 1)