



Town of Lexington

FY2017 Recommended Budget & Financing Plan

Report of the Town Manager



Key Themes of the FY17 Budget

- **Capital – Cautious Planning**
 - **Clark and Diamond Renovation/Additions**
 - **Hastings In Progress (MSBA funding)**
 - **Regular Within-Levy Capital**
- **Reserves – Cautious Management**
 - **Add \$5,112,000 To Capital Stabilization**
- **Operating Budget – Cautious Limits**
 - **Modest Growth**



Budget Overview

	FY2016 Appropriated Budget	FY2017 Recommended Budget	Change \$	Chg. %
Education	\$ 93,233,052	\$ 98,670,748	\$ 5,437,696	5.8%
Shared Expenses (<i>Public Facilities, employee/retiree benefits, pension, debt, liability insurance, Reserve Fund</i>)	\$ 50,614,515	\$ 51,708,675	\$ 1,094,160	2.2%
Municipal Departments	\$ 33,594,270	\$ 34,536,720	\$ 942,450	2.8%
Subtotal Operating Budget	\$ 177,441,838	\$ 184,916,143	\$ 7,474,306	4.2%
Cash Capital	\$ 4,642,987	\$ 5,554,789	\$ 911,802	19.6%
Other (<i>Appro. to reserves, misc.</i>)	\$ 10,904,668	\$ 8,119,087	\$ (2,785,580)	-25.5%
Total General Fund	\$ 192,989,492	\$ 198,590,019	\$ 5,600,526	2.9%
Projected Revenue	\$ 193,186,829	\$ 198,590,019	\$ 5,403,190	2.8%
Surplus/(Deficit)	\$ 197,337	\$ 0	\$ (197,338)	



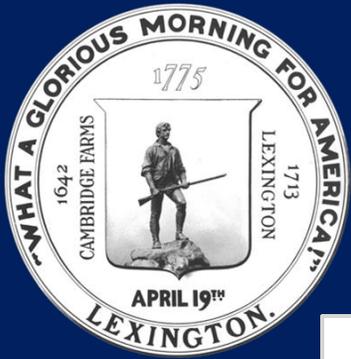
Revenue Summary

	FY2016 Tax Recap	FY2017 Projected	Change \$	Chg. %
Property Tax Revenue	\$ 154,750,150	\$ 161,138,273	\$ 6,388,124	4.1%
State Aid	\$ 11,568,637	\$ 11,804,630	\$ 235,993	2.0%
Local Receipts (Recap)	\$ 11,682,878	\$ 12,130,550	\$ 447,672	
Local Receipts not shown on Recap	\$ 197,336	\$ -	\$ (197,336)	
Total Local Receipts	\$ 11,880,214	\$ 12,130,550	\$ 250,336	2.1%
Available Funds	\$ 15,654,839	\$ 13,120,492	\$ (2,534,347)	-16.2%
Other Available Funds: Use of Capital Stabilization Fund	\$ 620,567	\$ 710,000	\$ 89,433	14.4%
Revenue Offsets	\$ (2,905,154)	\$ (1,943,061)	\$ 962,092	-33.1%
Enterprise Receipts	\$ 1,617,576	\$ 1,629,135	\$ 11,559	0.7%
<i>Gross General Fund Revenues</i>	\$ 193,186,829	\$198,590,019	\$ 5,403,190	2.8%



Selectmen's FY17 Budget Principles and Priorities

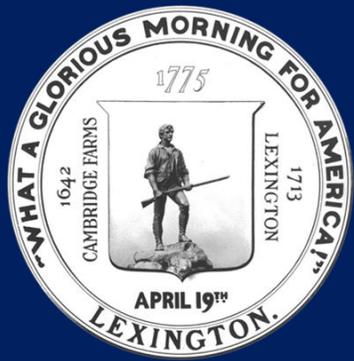
1. Five Year Plan for Future (Large) Capital Projects
2. Property Tax Mitigation for Projects Funded with Excluded Debt
3. Recurring Revenues, not Reserves or One-time Revenues, to Support the Operating Budget
4. Use One-Time Revenues for One-Time Expenses
5. Budget Adequate Reserves & Contingency Funds
6. Sufficient Building Maintenance Budget
7. Maintain Core Services



Budget Summary

FY2017 Budget Summary

	FY2016	FY2017	\$ Change	% Change
School Department	\$ 92,060,316	\$ 97,293,299	\$ 5,232,983	5.7%
Minuteman High School	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.5%
Shared Expenses	\$ 50,614,515	\$ 51,708,675	\$ 1,094,160	2.2%
Municipal Budget	\$ 33,594,270	\$ 34,536,720	\$ 942,450	2.8%
Subtotal - Departmental Budgets	\$ 177,441,838	\$ 184,916,143	\$ 7,474,306	4.2%
OPEB Trust Fund	\$ 1,200,000	\$ 1,512,318	\$ 312,318	26.0%
Cash Capital	\$ 4,642,987	\$ 5,554,789	\$ 911,802	19.6%
Capital Stabilization Fund	\$ 9,447,832	\$ 5,112,434	\$ (4,335,398)	-45.9%
Set-Aside for Unanticipated FY16 Needs	\$ -	\$ 200,000	\$ 200,000	
Warrants Articles/Comm. Ctr. Support	\$ 256,836	\$ 323,007	\$ 66,171	25.8%
Unallocated	\$ -	\$ 971,328	\$ 971,328	
Total - General Fund Budget	\$ 192,989,492	\$ 198,590,020	\$ 5,600,527	2.9%



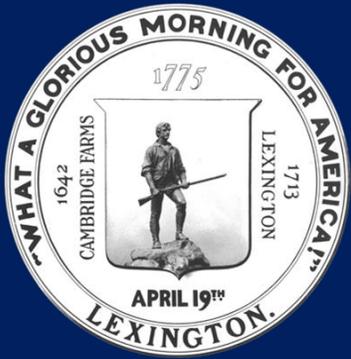
Other Municipal Budget Recommendations

- 1. Limited New Staff - \$55,000**
- 2. Engineering Consulting Services - \$60,000**
- 3. Prepare Compost Area for Solar - \$60,000**
- 4. Master Planning Funding - \$50,000**
- 5. Tax Foreclosure Funding - \$10,000**
- 6. Article 16 – Net Zero Study - \$40,000**



Capital Budget – ATM and STM

	Free Cash/Tax Levy	Other Financing Sources	Debt	Total
General Fund	\$ 5,294,164	\$ -	\$ 6,970,507	\$ 12,264,671
Proposed Excluded Debt	\$ -	\$ -	\$ 67,356,000	\$ 67,356,000
Chapter 90/Other Funding	\$ -	\$ 8,853,790	\$ -	\$ 8,853,790
Water Enterprise	\$ -	\$ 220,500	\$ -	\$ 220,500
Sewer Enterprise	\$ -	\$ 177,500	\$ 1,768,000	\$ 1,945,500
Recreation Enterprise	\$ -	\$ 65,000	\$ -	\$ 65,000
Community Preservation Act	\$ -	\$ 1,398,644	\$ -	\$ 1,398,644
Total (all Funds)	\$ 5,294,164	\$ 10,715,434	\$ 76,094,507	\$ 92,104,105



Recommendations to Increase Reserves

1. Article 18: Other Post Employment

Benefits Trust (OPEB) - \$1,512,318

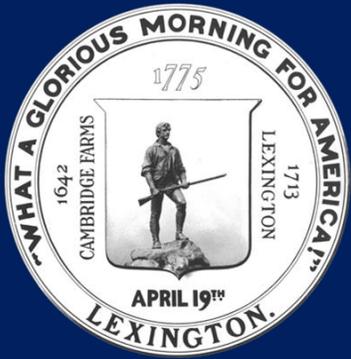
2. Article 21: Capital Stabilization

Fund - \$5,112,434



Reserve Summary

	General Stabilization Fund	Special Education Stabilization Fund	Other Post Employment Benefits Trust Fund	Capital Stabilization Fund
Current Balance ⁽¹⁾	\$ 9,149,940	\$ 1,075,177	\$ 6,978,443	\$ 16,681,236
Proposed Appropriation From	\$ -	\$ -	\$ -	\$ (710,000)
Proposed Appropriation To	\$ -	\$ -	\$ 1,512,318	\$ 5,112,434
Projected Balance, July 1, 2016	\$ 9,149,940	\$ 1,075,177	\$ 8,490,761	\$ 21,083,670
<i>⁽¹⁾ Reflects 12/31/2015 Balance</i>				



FY17 Budget Summary

- **Cautious/Sustainable Planning of Future Capital Projects**
- **Cautious/Sustainable Management of Reserves to Mitigate Property Tax Increases**
- **Cautious Operating Budget Increases**



Town of Lexington

THANK YOU

Educational Excellence
Protecting Public Safety, Public Health,
Public Assets
And
Lexington's Special Quality of Life