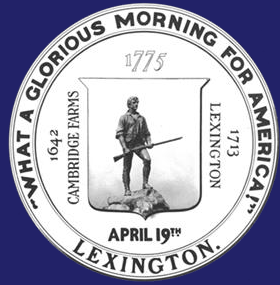


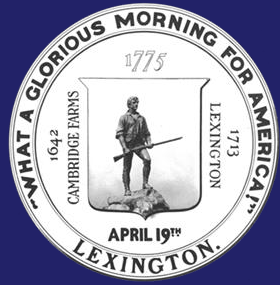
# FY2018 Recommended Budget and Financing Plan

Report of the Town Manager  
March 22, 2017



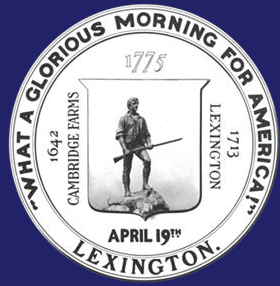
# Key Themes of FY18 Budget

- **Capital / Debt Management**
  - Hastings School In Progress (MSBA Funding)
  - LCP/Community Center Annex (Pelham) Design
  - Fire Station Design and Fire Station Swing Space
- **Reserves (Property Tax Relief)**
  - Add \$7.7m to Capital Stabilization Fund
- **Operating Budget**
  - Modest Growth



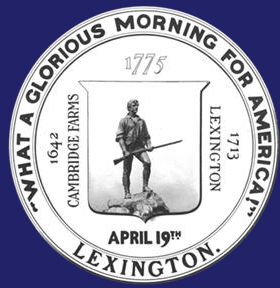
# Context for Financial Strategy

- **2013 ATM: ‘Property Tax Relief for Bridge/Bowman/Estabrook Debt Exclusion’**
- **2014 ATM: ‘Build Reserves for Future Capital Projects’**
- **2015 ATM: ‘Build Reserves and a Financing Plan for Future Capital Projects’**
- **2016 ATM: ‘Sustainable Planning of Future Capital projects; Sustainable Management of Reserves to Mitigate Property Tax Increases’**



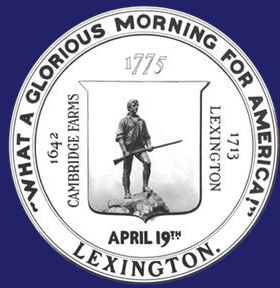
# Budget Overview

<b>Table 1</b>	<b>FY2017 Appropriated Budget</b>	<b>FY2018 Recommended Budget</b>	<b>Change \$</b>	<b>Chg. %</b>
<b>Education</b>	\$ 98,670,748	\$ 103,325,534	\$ 4,654,786	4.7%
<b>Shared Expenses</b> <i>(Public Facilities, employee/retiree benefits, pension, debt, liability insurance, Reserve Fund)</i>	\$ 51,710,920	\$ 54,023,151	\$ 2,312,231	4.5%
<b>Municipal Departments</b>	\$ 34,602,493	\$ 35,375,059	\$ 772,566	2.2%
<b>Subtotal Operating Budget</b>	\$ 184,984,161	\$ 192,723,744	\$ 7,739,583	4.2%
<b>Cash Capital</b>	\$ 5,619,429	\$ 6,240,619	\$ 621,190	11.1%
<b>Other</b> <i>(Appro. to reserves, misc.)</i>	\$ 8,826,530	\$ 10,877,396	\$ 2,050,866	23.2%
<b>Total General Fund</b>	<b>\$ 199,430,120</b>	<b>\$ 209,841,759</b>	<b>\$ 10,411,639</b>	<b>5.2%</b>
<b>Projected Revenue</b>	\$ 199,902,352	\$ 209,841,759	\$ 9,939,407	5.0%
<b>Surplus/(Deficit)</b>	\$ 472,232	\$ -	\$ (472,232)	



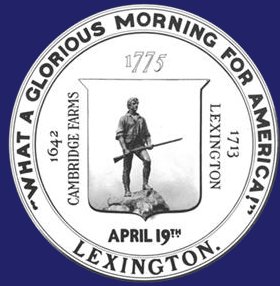
# Revenue Summary

	<b>FY2017 Tax Recap</b>	<b>FY2018 Projected</b>	<b>Change \$</b>	<b>Chg. %</b>
<b>Property Tax Revenue</b>	\$ 161,865,816	\$ 168,509,344	\$ 6,643,528	4.1%
<b>State Aid</b>	\$ 13,317,118	\$ 13,552,552	\$ 235,434	1.8%
<b>Local Receipts (Recap)</b>	\$ 11,567,308	\$ 12,164,750	\$ 597,442	
<b>Local Receipts not shown on Recap</b>	\$ 472,232	\$ -	\$ (472,232)	
<b>Total Local Receipts</b>	\$ 12,039,540	\$ 12,164,750	\$ 125,210	1.0%
<b>Available Funds</b>	\$ 11,995,171	\$ 15,599,548	\$ 3,604,377	30.0%
<b>Other Available Funds: Use of Capital Stabilization Fund</b>	\$ 710,000	\$ 324,500	\$ (385,500)	-54.3%
<b>Revenue Offsets</b>	\$ (1,654,429)	\$ (1,983,047)	\$ (328,618)	19.9%
<b>Enterprise Receipts</b>	\$ 1,629,135	\$ 1,674,112	\$ 44,977	2.8%
<b>Gross General Fund Revenues</b>	<b>\$ 199,902,352</b>	<b>\$209,841,759</b>	<b>\$ 9,939,407</b>	<b>5.0%</b>



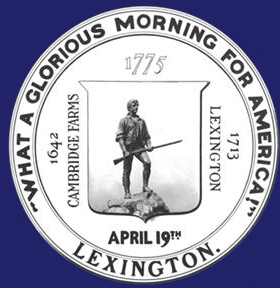
# Selectmen's FY18 Budget Priorities (partial)

- 1. Five Year Plan for Capital Projects**
- 2. Property Tax Relief for Future Debt Exclusion Projects**
- 3. Pedestrian and Bicycle Safety**



# Budget Summary

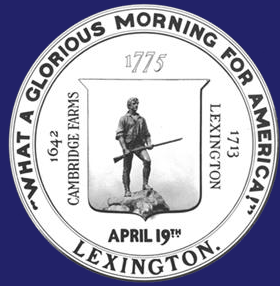
	FY2017	FY2018	\$ Change	% Change
School Department	\$ 97,293,299	\$ 101,655,183	\$ 4,361,884	4.5%
Minuteman High School	\$ 1,377,449	\$ 1,670,351	\$ 292,902	21.3%
Shared Expenses	\$ 51,710,920	\$ 54,023,151	\$ 2,312,231	4.5%
Municipal Budget	\$ 34,602,493	\$ 35,375,059	\$ 772,566	2.2%
Subtotal - Departmental Budgets	\$ 184,984,161	\$ 192,723,744	\$ 7,739,583	4.2%
OPEB Trust Fund	\$ 1,512,318	\$ 1,829,721	\$ 317,403	21.0%
Cash Capital	\$ 5,619,429	\$ 6,240,619	\$ 621,190	11.1%
Capital Stabilization Fund	\$ 6,991,205	\$ 7,690,398	\$ 699,193	10.0%
Set-Aside for Unanticipated FY17 Needs	\$ -	\$ 200,000	\$ 200,000	
Warrants Articles/Comm. Ctr. Support	\$ 323,007	\$ 592,152	\$ 269,145	83.3%
Unallocated	\$ -	\$ 565,125	\$ 565,125	
<b>Total - General Fund Budget</b>	<b>\$ 199,430,120</b>	<b>\$ 209,841,759</b>	<b>\$ 10,411,639</b>	<b>5.2%</b>



# Other Municipal Budget Recommendations

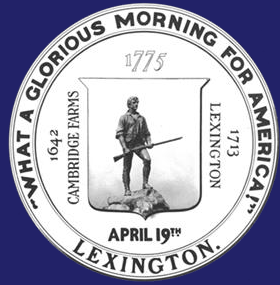
- |                         |                              |           |
|-------------------------|------------------------------|-----------|
| 1. Limited New Staff    | (Engineering, Town Clerk-PT) |           |
| 2. Comprehensive Plan   | (one-time)                   | \$302,000 |
| 3. Street Tree Assess.  | (phase 1)                    | \$ 50,000 |
| 4. Bicycle Safety       | (ongoing)                    | \$ 75,000 |
| 5. Article 19: Net Zero | (phase 2 of 3)               | \$ 40,000 |





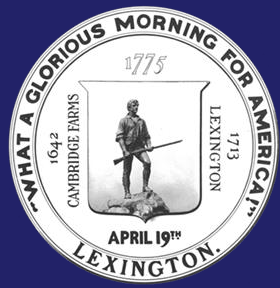
# Capital Budget

	Free Cash/ Tax Levy	Other Funding Sources	Debt	Total	Other
General Fund	\$ 6,087,640	\$ -	\$ 8,511,626	\$ 14,599,266	\$ -
Proposed Excluded Debt Projects	\$ -	\$ -	<b>\$ 90,253,250</b>	\$ 90,253,250	\$ -
Chapter 90/Other Funding	\$ -	\$ 152,979	\$ -	\$ 152,979	\$ 1,046,016
Water Enterprise	\$ -	\$ 1,095,000	\$ -	\$ 1,095,000	\$ -
Sewer Enterprise	\$ -	\$ 1,290,000	\$ 530,000	\$ 1,820,000	\$ -
Recreation Enterprise	\$ -	\$ 55,000	\$ -	\$ 55,000	\$ -
Compost Revolving Fund	\$ -	\$ -	\$ 725,000	\$ 725,000	\$ -
Community Preservation Act	\$ -	\$ 4,234,142	\$ -	\$ 4,234,142	\$ -
<b>Total (all Funds)</b>	<b>\$ 6,087,640</b>	<b>\$ 6,827,121</b>	<b>\$ 100,019,876</b>	<b>\$ 112,934,637</b>	<b>\$ 1,046,016</b>



# Reserves

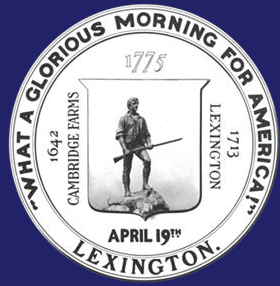
- 1. Article 21: Other Post Employ. Benefits Trust - \$1.8m**
- 2. Article 24: Capital Stabilization Fund - \$7.7m**



# Summary of Financial Strategy

## A Deliberate Plan for:

- Future Capital Projects
- Use of Reserves for Property Tax Relief
- Limiting Operating Budget Increases



# Thank You

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