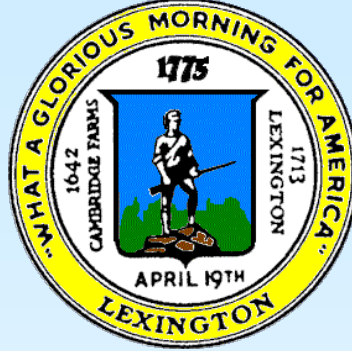


Town of Lexington



Capital Financing Model and Property Tax Mitigation Plan

*Report of the Town Manager
2017 Special Town Meeting #2, Article 1*

October 16, 2017



2016-2018 Capital Plan: Approved and Potential Exempt Debt Projects

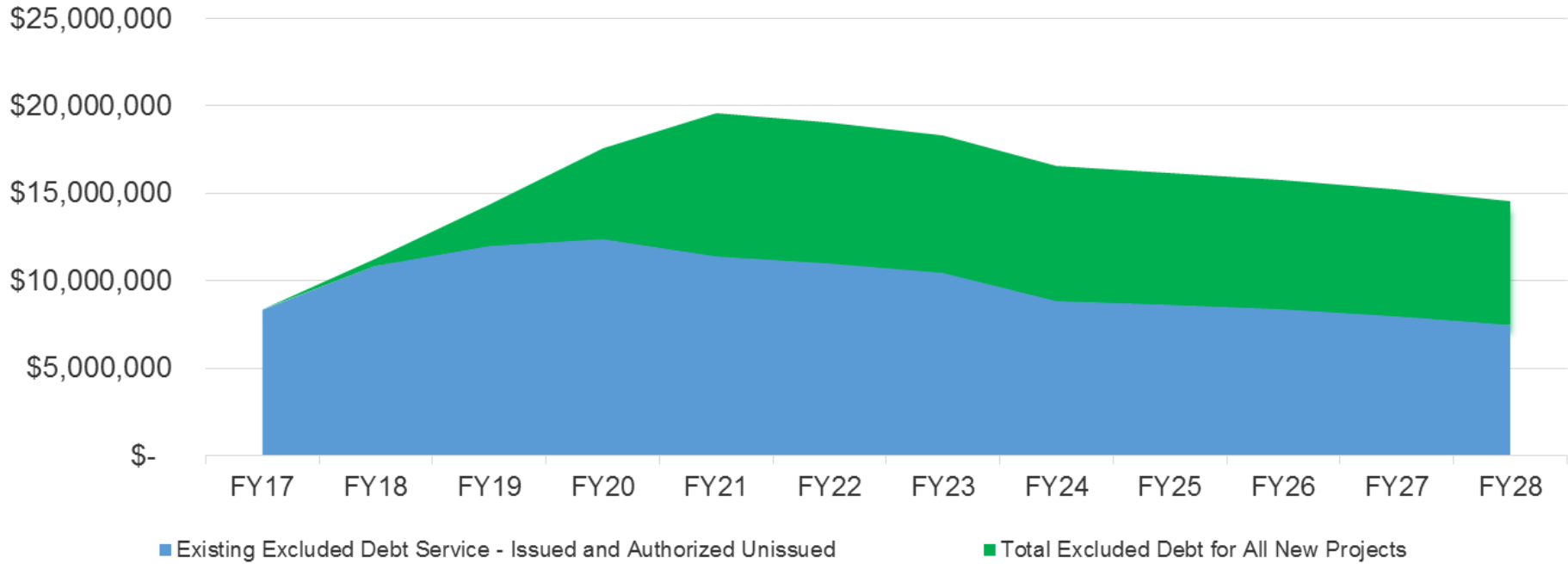
May 2016 Approved Debt Exclusion Vote		March 2016			
1	Project Design	\$ 4,080,000			
2	Project Design & Elem. Modular Class. (Dec. 2015)	\$ 5,385,000			
3	Clark (March 2016)	\$ 19,941,058			
4	Diamond (March 2016)	\$ 42,255,149			
5	Subtotal-Approved Debt Exclusion	\$ 71,661,207			
Fall 2017 Potential Debt Exclusion Vote(s)		March 2016 est.	March 2017 est.	August 2017 est.	October 5, 2017 est.
6	Hastings-net of MSBA funding (STM Feb. 2016, ATM 2017, STM Fall 2018)	\$ 42,000,000	\$ 46,200,000	\$ 48,765,695	\$ 48,765,695
7	Pelham - Lexington Childrens Place (STM March 2017, STM Fall 2017) ¹	\$ 11,025,000	\$ 18,300,000	\$ 14,747,500	\$ 14,879,342
8	High School HVAC	\$ 13,125,000	\$ -	\$ -	\$ -
9	Pelham Property (STM 2016) ¹	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ -
10	173 Bedford Street (STM 2016) ¹	\$ -	\$ 4,443,000	\$ 4,443,000	\$ -
11	Fire Station with Swing Space (STM 2017, STM Fall 2017) ²	\$ 19,800,000	\$ 20,893,000	\$ 20,893,000	\$ 22,140,000
12	Subtotal-Proposed Debt Exclusion	\$ 93,950,000	\$ 97,836,000	\$ 96,849,195	\$ 85,785,037
Future Potential Debt Exclusion Vote					
13	Police Station (design development funding for 2018 ATM)	\$ 19,200,000	\$ 25,000,000	\$ 25,651,762	\$ 25,651,762
14	Community Center Annex @ Pelham site (schematic design funding for 2018 ATM)		\$ 6,100,000	TBD	TBD-site options in October.

¹ Moved to within-levy debt

² Swing space estimate is \$2,190,000. Includes \$568,000 for traffic signal; \$40,000 for solar hot water; and \$57,000 to purchase vehicle bay.



Excluded Debt Service: Authorized and Projected



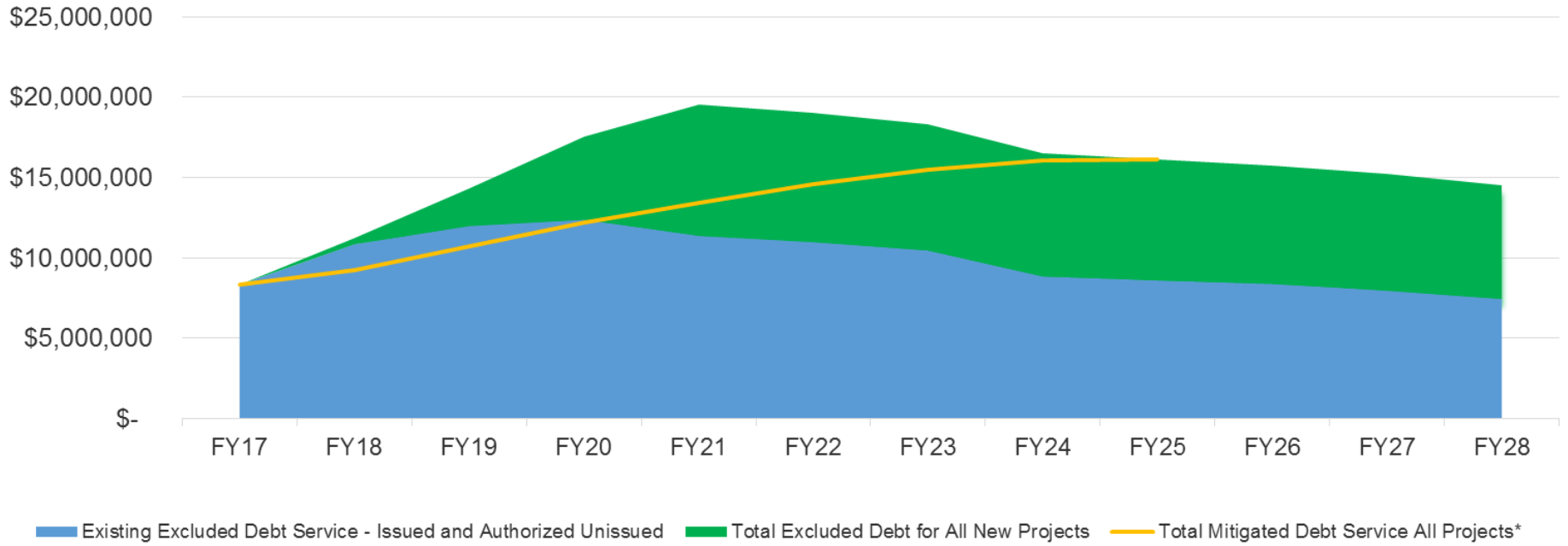
	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Existing Excluded Debt Service - Authorized Issued	\$ 8,330,185	\$10,858,883	\$11,981,750	\$12,376,649	\$11,397,476	\$11,007,548	\$10,467,857	\$ 8,852,166	\$ 8,616,806	\$ 8,379,296	\$ 7,988,562	\$ 7,463,194
Fire Station/Swing Space	-	\$ -	\$ 748,195	\$ 1,643,728	\$ 1,613,221	\$ 1,582,714	\$ 1,552,207	\$ 1,521,700	\$ 1,491,194	\$ 1,460,687	\$ 1,430,180	\$ 1,399,673
Hastings	-	\$ -	\$ 476,212	\$ 2,160,580	\$ 3,572,415	\$ 3,506,123	\$ 3,439,831	\$ 3,373,539	\$ 3,307,247	\$ 3,240,955	\$ 3,174,663	\$ 3,108,371
Lexington Children's Place	-	\$ -	\$ 540,597	\$ 1,087,043	\$ 1,067,204	\$ 1,047,365	\$ 1,027,525	\$ 1,007,686	\$ 987,847	\$ 968,008	\$ 948,169	\$ 928,330
Police Station/Swing Space ⁽¹⁾	-	\$ -	\$ -	\$ 88,000	\$ 1,879,529	\$ 1,845,327	\$ 1,811,125	\$ 1,776,922	\$ 1,742,720	\$ 1,708,517	\$ 1,674,315	\$ 1,640,113
Other ⁽²⁾	-	\$ 374,562	\$ 597,944	\$ 218,162	\$ 17,489	\$ 16,975	\$ 16,460	\$ 15,946	\$ 15,432	\$ 14,917	\$ 14,403	\$ 13,888
Total Excluded Debt for New Projects	-	\$ 374,562	\$ 2,362,948	\$ 5,197,513	\$ 8,149,858	\$ 7,998,503	\$ 7,847,148	\$ 7,695,794	\$ 7,544,439	\$ 7,393,084	\$ 7,241,730	\$ 7,090,375
Total Excluded Debt Service All Projects	\$ 8,330,185	\$11,233,445	\$14,344,698	\$17,574,162	\$19,547,334	\$19,006,051	\$18,315,006	\$16,547,960	\$16,161,245	\$15,772,381	\$15,230,291	\$14,553,569

(1) Police Station is not presented for Fall 2017 STM. Design costs are expected to be presented at 2018 Annual Town Meeting and construction costs at 2019 Annual Town Meeting.

(2) Other includes debt issuance costs and estimated cost of updating space at Harrington school currently occupied by Lexington Children's Place.



Excluded Debt Service: Authorized and Projected



	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
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Total Excluded Debt Service All Projects	\$ 8,330,185	\$ 11,233,445	\$ 14,344,698	\$ 17,574,162	\$ 19,547,334	\$ 19,006,051	\$ 18,315,006	\$ 16,547,960	\$ 16,161,245	\$ 15,772,381	\$ 15,230,291	\$ 14,553,569
Debt Service Mitigation from Capital Stab. Fund	\$ -	\$ (2,000,000)	\$ (3,600,000)	\$ (5,400,000)	\$ (6,100,000)	\$ (4,400,000)	\$ (2,800,000)	\$ (500,000)	\$ -	\$ -	\$ -	\$ -
Total Mitigated Debt Service All Projects*	\$ 8,330,185	\$ 9,233,445	\$ 10,744,698	\$ 12,174,162	\$ 13,447,334	\$ 14,606,051	\$ 15,515,006	\$ 16,047,960	\$ 16,161,245	\$ 15,772,381	\$ 15,230,291	\$ 14,553,569

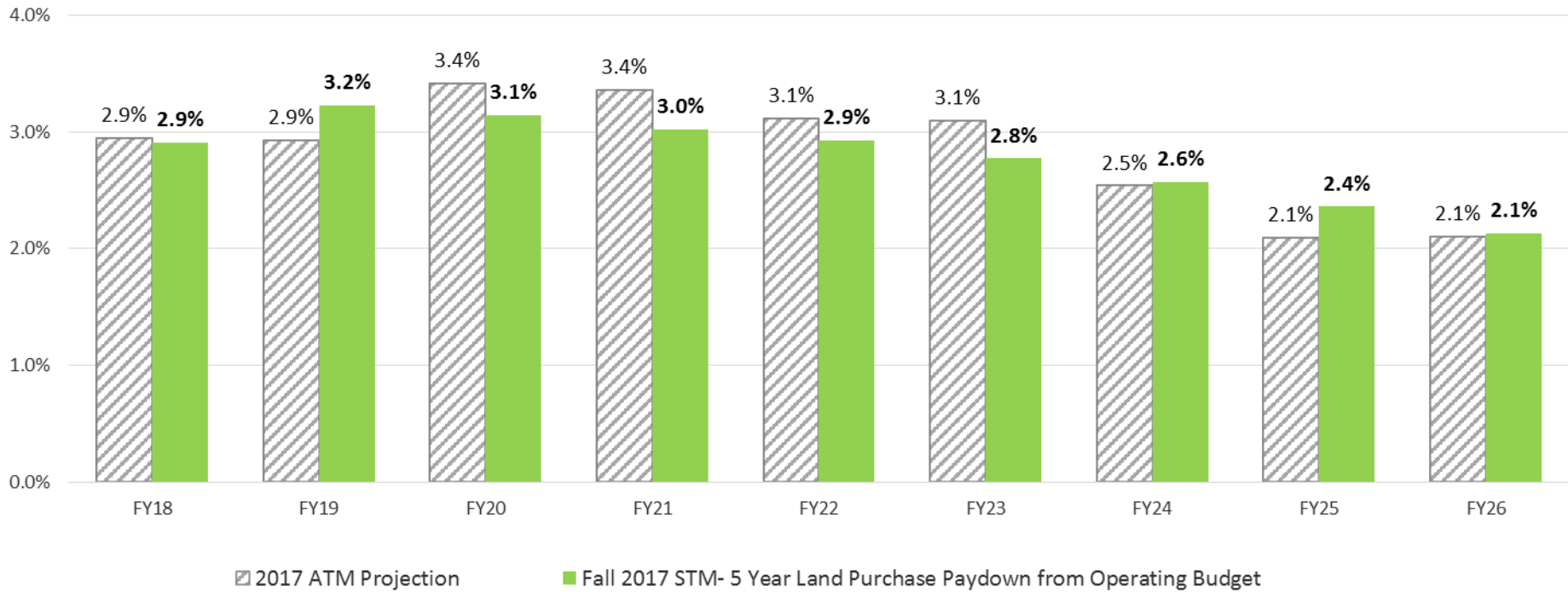
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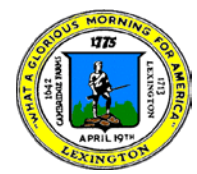
(2) Other includes debt issuance costs and estimated cost of updating space at Harrington school currently occupied by Lexington Children's Place.

* Principal and interest payments for Bedford St. and Pelham Rd. land purchases are not reflected in the model; assuming remaining principal of \$10,091,513 will be absorbed in the operating budget, paid from Capital Stabilization Fund or financed with a long-term bond, depending on the Town's financial position and economic circumstances over the next 5 years.



Annual Change in Tax Bill for Home of Median Value (\$831,000) - All Projects



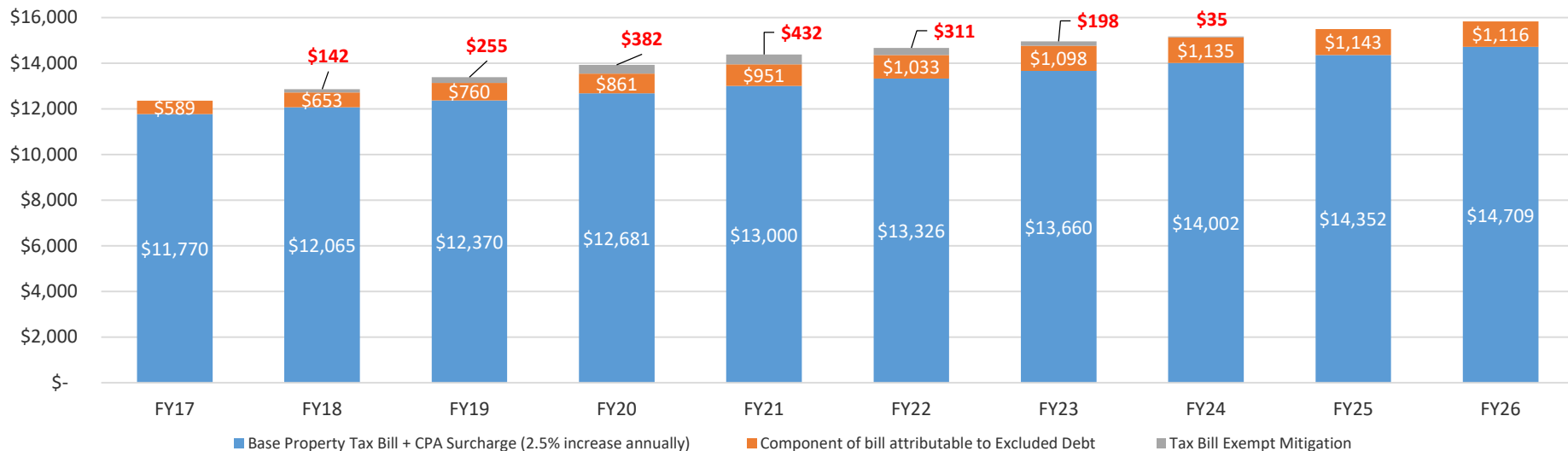


Tax Bill for Home of Median Value (\$831,000) - All Projects





Tax Bill for Home of Median Value (\$831,000) - All Projects



	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Base Property Tax Bill + CPA Surcharge (2.5% increase annually)	\$ 12,065	\$ 12,370	\$ 12,681	\$ 13,000	\$ 13,326	\$ 13,660	\$ 14,002	\$ 14,352	\$ 14,709
Component of bill attributable to Excluded Debt	\$ 795	\$ 1,015	\$ 1,243	\$ 1,383	\$ 1,345	\$ 1,296	\$ 1,171	\$ 1,143	\$ 1,116
Total Tax Bill	\$ 12,860	\$ 13,384	\$ 13,924	\$ 14,383	\$ 14,671	\$ 14,956	\$ 15,173	\$ 15,495	\$ 15,825
Less: Mitigation:	\$ (142)	\$ (255)	\$ (382)	\$ (432)	\$ (311)	\$ (198)	\$ (35)	\$ -	\$ -
Tax Bill After Mitigation	\$ 12,719	\$ 13,130	\$ 13,542	\$ 13,951	\$ 14,360	\$ 14,758	\$ 15,138	\$ 15,495	\$ 15,825
\$ Change	\$ 360	\$ 411	\$ 413	\$ 409	\$ 409	\$ 398	\$ 379	\$ 358	\$ 330
% Change	2.9%	3.2%	3.1%	3.0%	2.9%	2.8%	2.6%	2.4%	2.1%