

Budget Collaboration-Financial Summit 1

**Board of Selectmen, School Committee, Appropriation Committee,
Capital Expenditures Committee**

October 8, 2015

7:00 PM

AGENDA

1. Procedure for Meeting Minutes
2. FY2017 Budget/Financial Discussion
 - Overview - Lexington's Financial Condition (Carl)
 - FY2017-2019 Revenue and Expenditure Forecast (Rob)
 - FY2017-2019 Expenditure Projection for School Operating Budget (Mary)
 - FY2017 Budget Calendar
3. Key Policy Issues Related to FY2017 Budget
4. Review Special Town Meeting Warrant
 - School Facilities Plan Update (Pat Goddard)
 - Proposed Town Manager's Task Force for School Projects Financing Plan
5. Establish Date: Summit 2
6. Confirm Special Town Meeting Warrant Vote
7. Annual Town Meeting Location Discussion
8. Selectmen Consent Items
 - One-Day Liquor License - Private Birthday Party at Depot Building
 - Use of the Battle Green - Lexington Minutemen

Hearing Assistance Devices Available on Request

All agenda time and the order of items are approximate and subject to change.

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AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

Procedure for Meeting Minutes

PRESENTER:

Joe Pato

ITEM NUMBER:

1

SUMMARY:

The procedure for Summit meeting minutes will be reviewed. The Selectmen's Clerk will prepare the Summit minutes and share with the Appropriation Committee, Capital Expenditures Committee and School Committee Chairs for review prior to having the Summit minutes approved by the Selectmen.

SUGGESTED MOTION:

FOLLOW-UP:

Selectmen's Office

DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

FY2017 Budget/Financial Discussion

PRESENTER:

Carl Valente, Rob Addelson and Mary Czajkowski

ITEM NUMBER:

2

SUMMARY:

See attached presentation for discussion of:

- Overview - Lexington's Financial Condition (Carl)
- FY2017-2019 Revenue and Expenditure Forecast (Rob)
- FY2017-2019 Expenditure Projection for School Operating Budget (Mary)
- FY2017 Budget Calendar

SUGGESTED MOTION:

FOLLOW-UP:

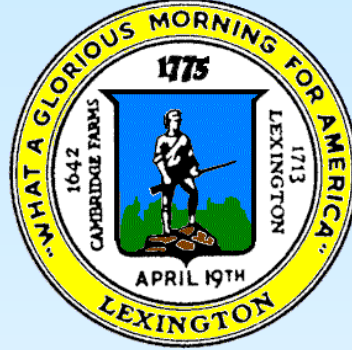
DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

ATTACHMENTS:

Description	Type
☐ Financial Summit 1 Presentation	Presentation
☐ School Superintendent's Presentation	Presentation

Town of Lexington



Financial Summit I

Indicator Analysis:

Fiscal Years 2000-2015

Revenue and Expenditure Projections:

Fiscal Years 2017-2019

October 8, 2015



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Town of Lexington

Summit I – October 8th 2015

This packet of information includes:

- a) An evaluation of the fiscal health of the Town of Lexington, presented through a series of indicators and, where appropriate, comparative benchmarks.
- b) A 3-year Revenue and Expenditure Projection.
- c) Key policy issues facing the Town in FY2017.

This material provides an informed snapshot of Lexington's financial condition to assist policymakers in preparing for the FY17 Budget Process.

Using a series of recognized metrics from professional organizations, including the International City/County Management Association (ICMA), the Government Finance Officers' Association (GFOA), Moody's Investor's Service, and data from the Town of Lexington, Massachusetts Department of Revenue, The Massachusetts Department of Elementary and Secondary Education, and the U.S. Census Bureau, Town staff have compiled 15 indicators with which to evaluate the Town's fiscal health.

Lexington's financial condition is sound. In particular,

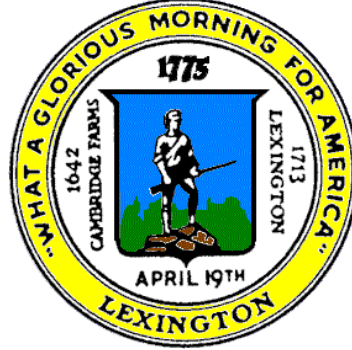
- Lexington has positive revenue growth, stable labor costs as a percentage of total operating costs, adequate pension funding and adequate reserves.
- Lexington's financial condition is satisfactory in the areas of expenditure growth and revenues related to economic growth.
- Lexington's Health Insurance spending as a percentage of employee wages has dropped over five percent (from 26.9% in FY2012 to 21.3% in FY2015), largely as a result of savings that the Town was able to realize due to joining the Commonwealth's Group Insurance Commission (GIC).

Some of the challenges the Town is facing include:

- The Town's primary challenge is related to funding critically needed capital projects. Within-levy debt service, exempt debt service and projected exempt debt service is beginning to place pressure on operating budgets and, for taxpayers, has placed Lexington fourth from the top of the 14 comparable communities.
- An increasing school-aged population is placing growing pressure on the Town's personnel and benefits costs.

The data in this report, however, suggests that the Town's financial condition is strong and it is expected that Lexington will maintain its Aaa credit rating.

Town of Lexington



Financial Summit I

Indicator Analysis:

Fiscal Years 2000-2015



Indicator Summary		2012	2013	2014	2015
I.1	Revenues	F	F	F	F
I.2	State Aid	U	U	F	F
I.3	Revenues Related to Economic Growth	F/M	F/M	F/M	F
I.4	Property Tax Revenues	F	F	F	F
I.5	Uncollected Property Taxes	F	F	F	F
I.6	Expenditures per Department	F	F	F	F
I.7	Personnel Costs	F	F	F	F
I.8	Employee Benefits	M	F	F	F
I.9	Participants in Lexington Retirement System	F	F	F	U
I.10	Pension Liability	M	M	M	F
I.11	Debt Service	F	F	F	F/M
I.11a	Projected Exempt Debt Service	F	M	M	M
I.12	Long-Term Debt	F	F	F	F
I.13	Reserves and Fund Balance	F	F	F	F
I.14	Population	M	M	M	M

Chart Key

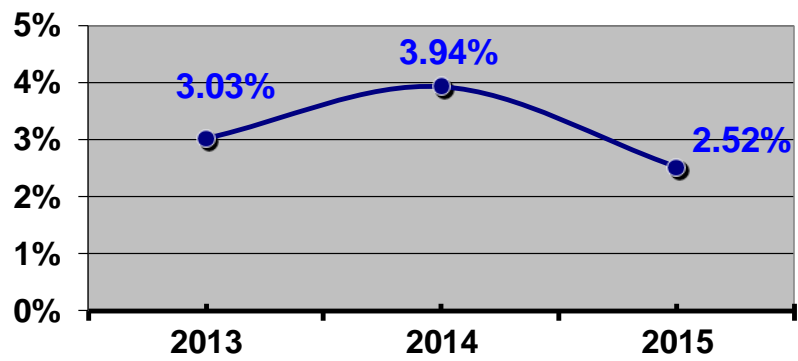
F	Favorable
F/M	Favorable/Marginal
M	Marginal
U	Unfavorable



Favorable Indicators

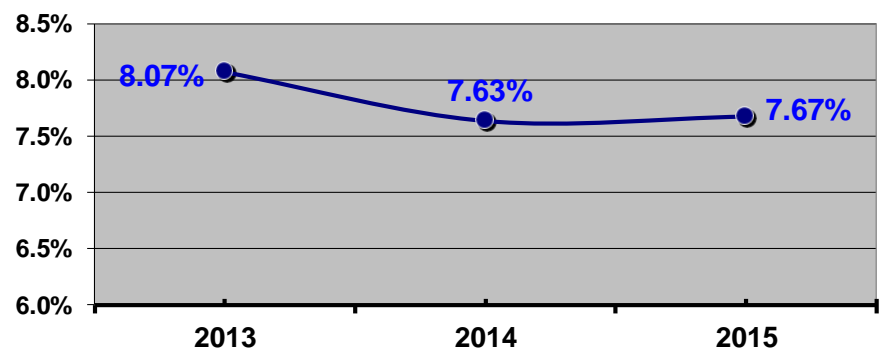
Indicator I.1: Revenues

% Change In Net Operating Revenues (constant dollars)



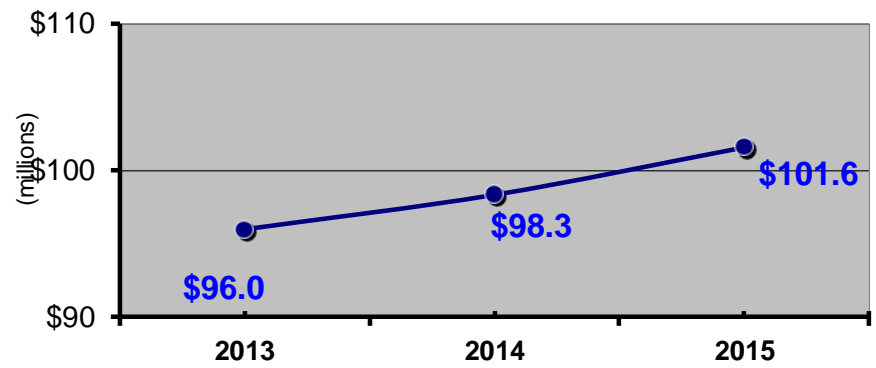
Indicator I.3: Revenues Related To Economic Growth

Econ. Growth Revenues as % of Operating Revenues



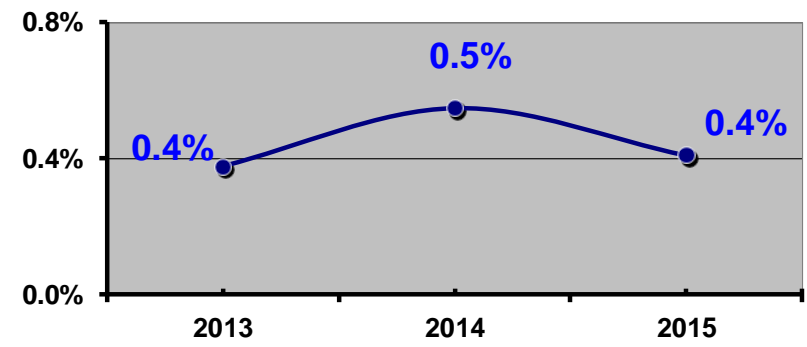
Indicator I.4: Property Tax Revenues

Property Tax Revenues (constant dollars)



Indicator I.5: Uncollected Property Taxes

Uncollected Taxes as % of Net Prop. Tax Levy

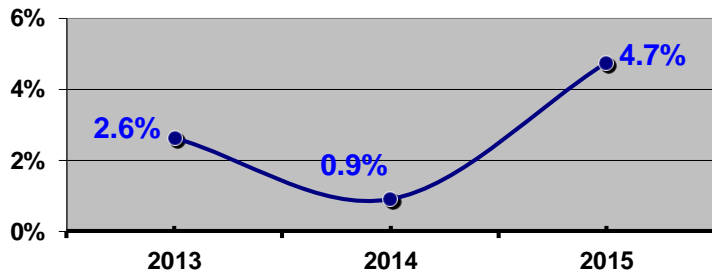




Favorable Indicators

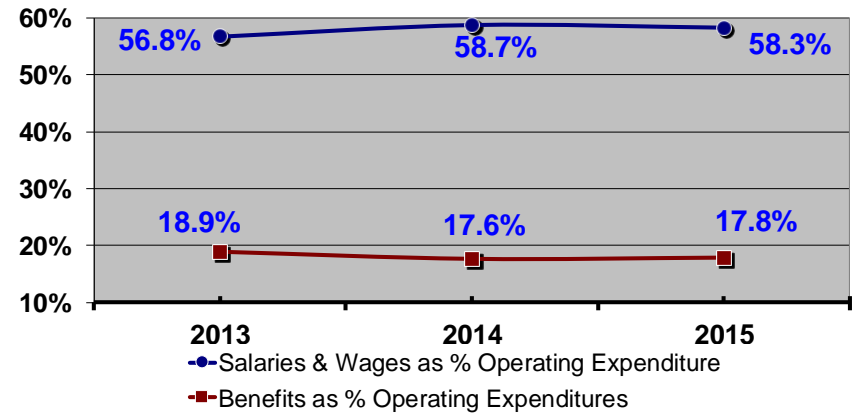
Indicator I.6: Expenditures Per Department

% Change in Total Operating Expenditures



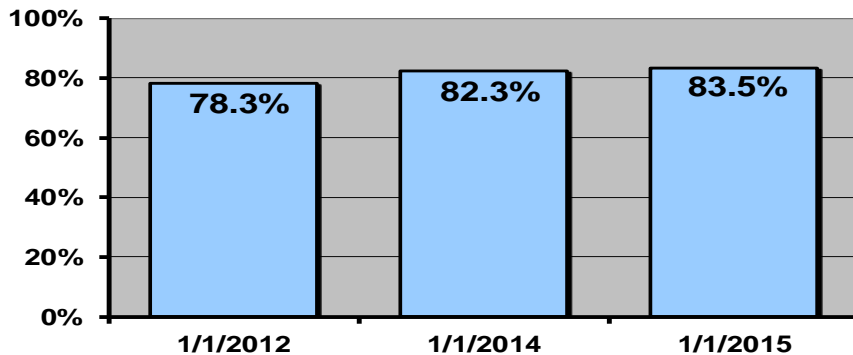
Indicator I.7: Personnel Costs

Personnel Costs as % of Operating Expenses



Indicator I.10: Pension Liability

% Funded

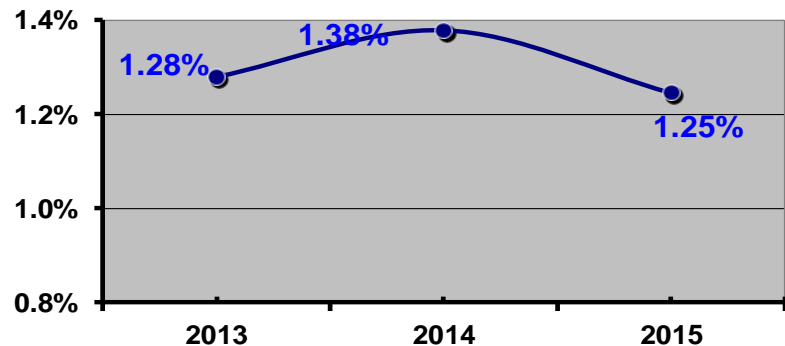




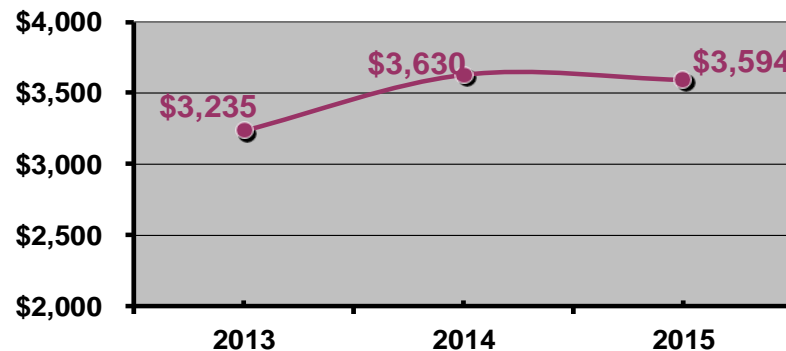
Favorable Indicators

Indicator I.12: Long Term Debt

Long Term Debt as % of Assessed Valuation



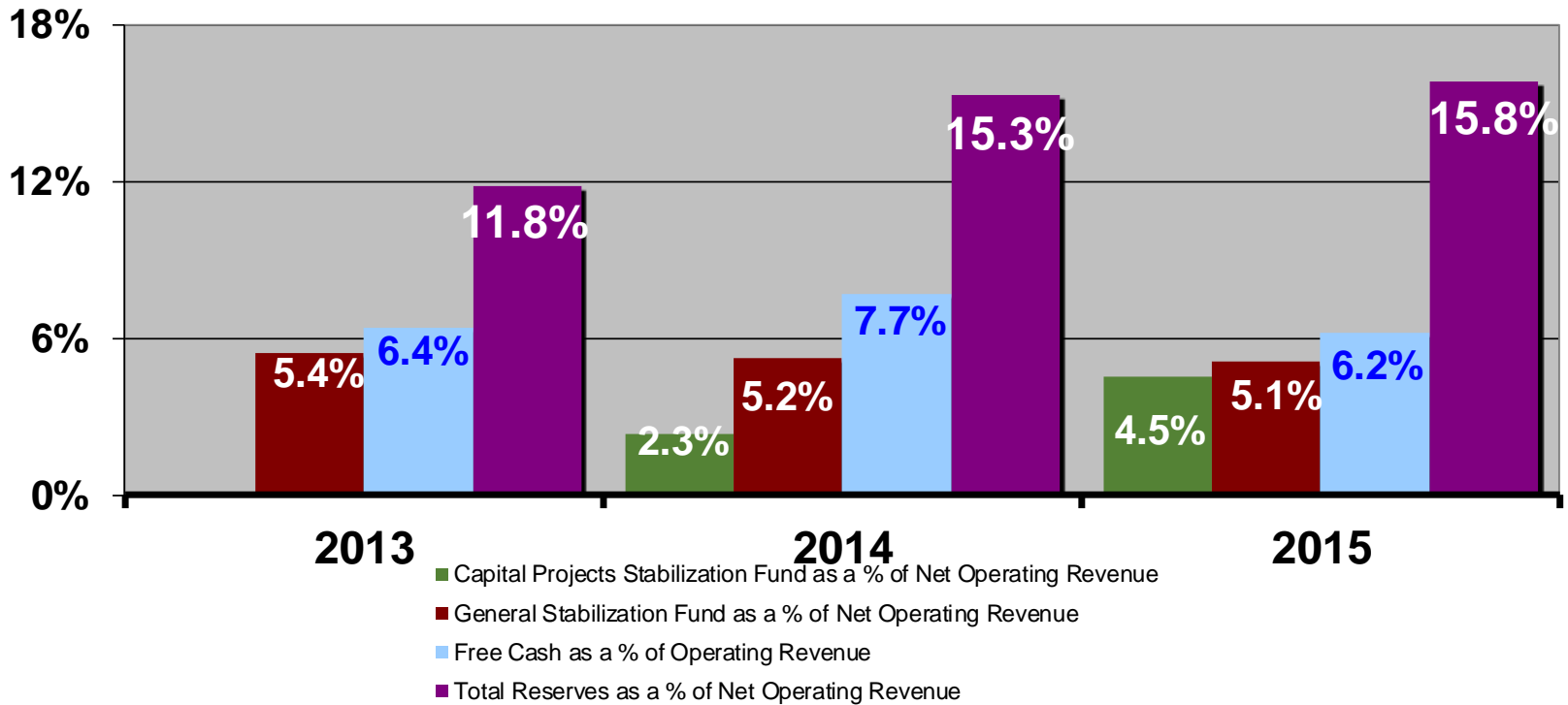
Long Term Debt Per Capita





Favorable Indicators

Indicator I.13: Reserves and Fund Balance

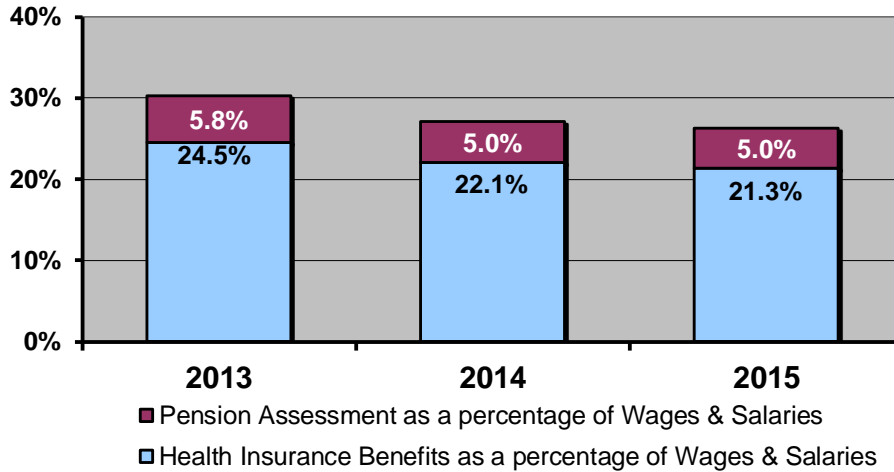




Favorable Indicators

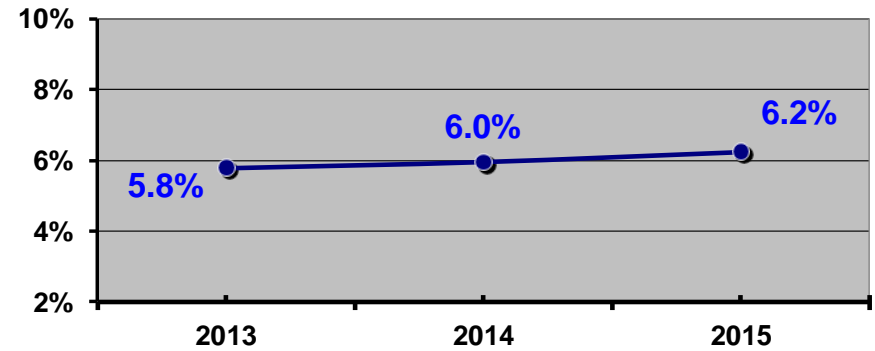
Indicator I.8: Employee Benefits

Medical and Retirement Benefits as % of Wages & Salaries



Indicator I.2: State Aid

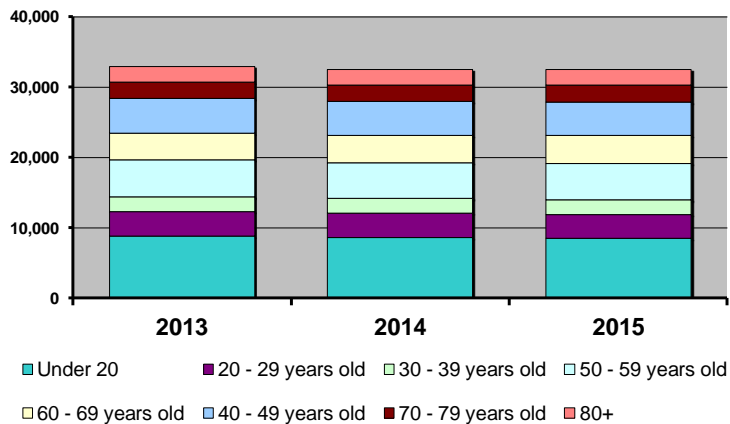
State Aid as % of Operating Revenue





Marginal Indicators

Indicator I.14: Population

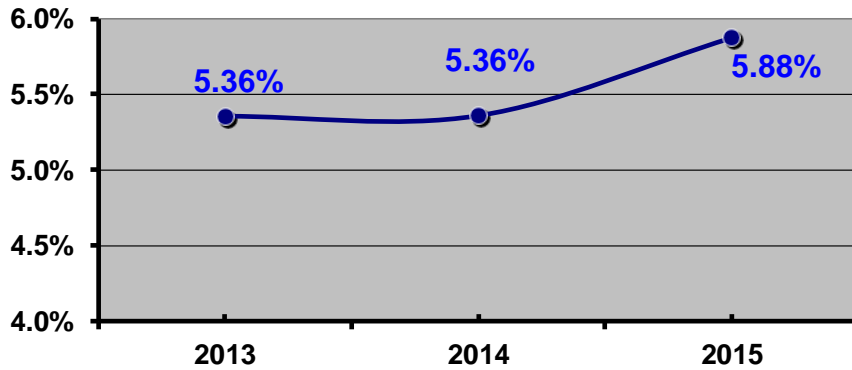




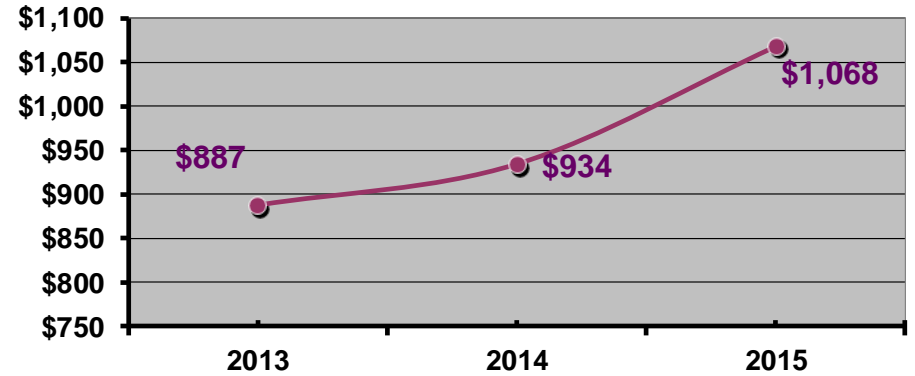
Marginal Indicators

Indicator I.11: Debt Service

Within-Levy Debt Service as % of General Fund Revenues

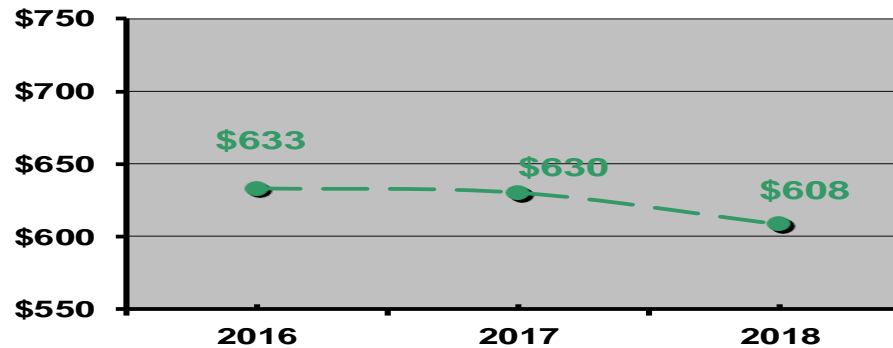


Residential Share, Net Debt Service Per Household



Indicator I.11(a): Projected Exempt Debt Service

Residential Share of Net Exempt Debt Service Per Household

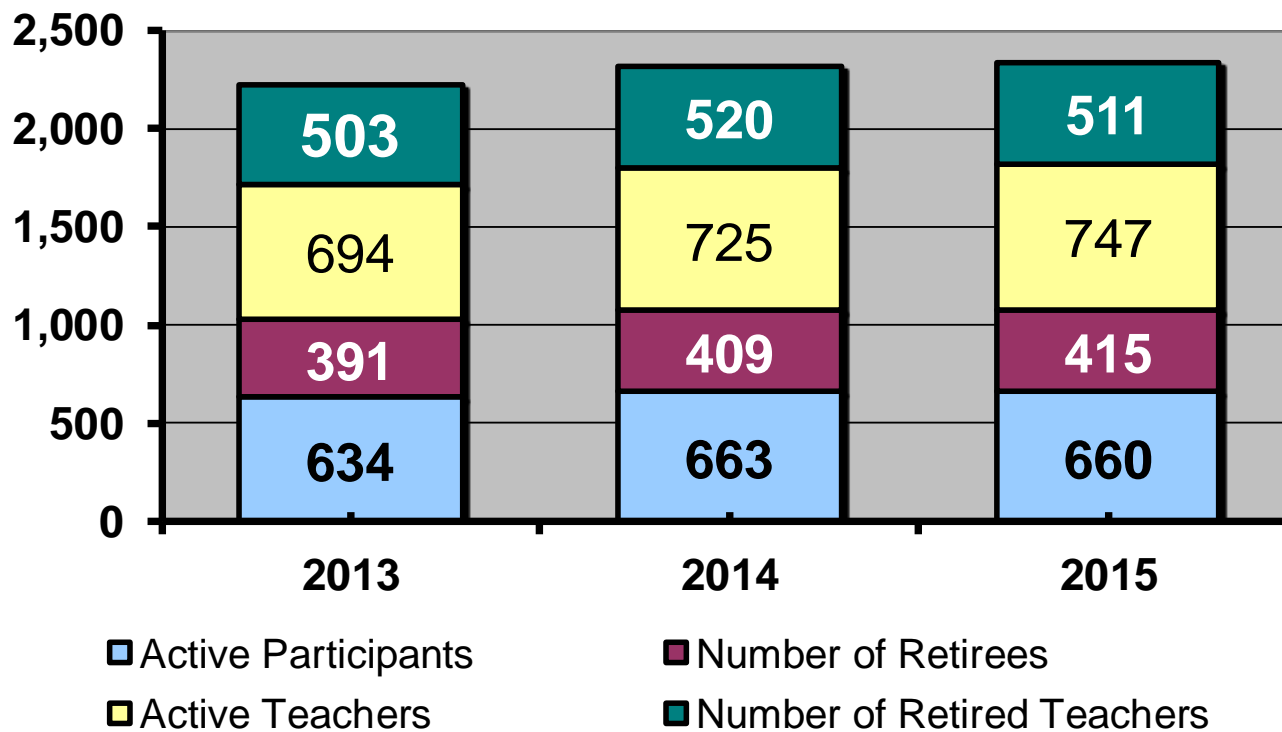


Note: Does not reflect any potential increase in exempt debt service resulting from the planned School Department building projects.



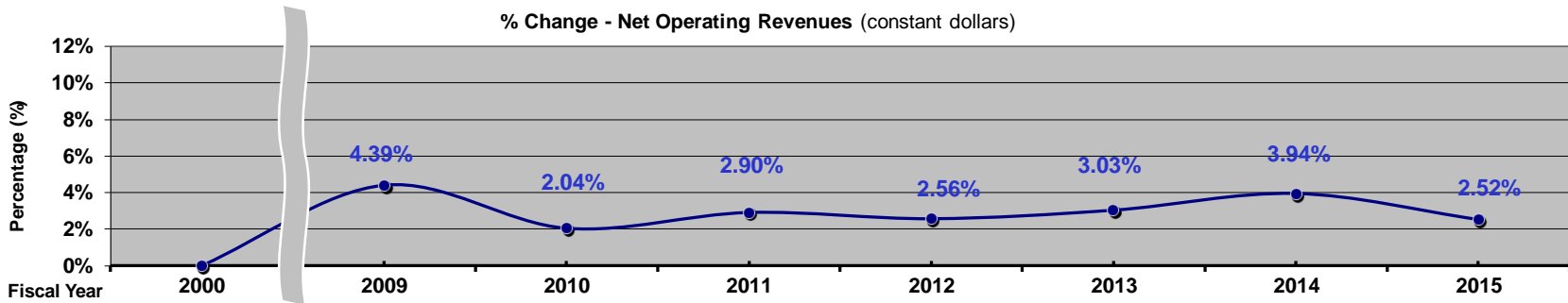
Unfavorable Indicators

Indicator I.9: Participants in the Lexington Retirement System





A decrease in net operating revenues (constant dollars) is considered a warning indicator.



Fiscal Year	2000*	2009 ¹	2010	2011	2012	2013	2014 ²	2015
Gross operating revenue/transfers	\$ 81,597,556	\$ 144,131,700	\$ 146,116,341	\$ 152,465,461	\$ 160,271,333	\$ 168,234,519	\$ 177,271,556	\$ 184,930,094
Less: Exempt Debt Service	\$ 120,000	\$ 5,632,643	\$ 5,746,385	\$ 5,753,550	\$ 5,721,834	\$ 6,599,081	\$ 6,927,654	\$ 7,423,332
Net Operating Revenues	\$ 81,477,556	\$ 138,499,057	\$ 140,369,956	\$ 146,711,911	\$ 154,549,499	\$ 161,635,438	\$ 170,343,902	\$ 177,506,762
CPI-U, prior calendar year	176.0	235.4	233.8	237.4	243.9	247.6	251.0	255.1
CPI-U, adjustment for constant dollars	100%	74.8%	75.3%	74.1%	72.2%	71.1%	70.1%	69.0%
dollars)	\$ 81,477,556	\$ 103,563,896	\$ 105,677,661	\$ 108,745,973	\$ 111,532,722	\$ 114,911,196	\$ 119,440,919	\$ 122,454,444
Percent Change from prior year (net)	-	4.39%	2.04%	2.90%	2.56%	3.03%	3.94%	2.52%

¹Gross Operating Revenue includes \$799,539 in federal stimulus funds used to offset the fourth quarter cut in Chapter 70 aid.

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

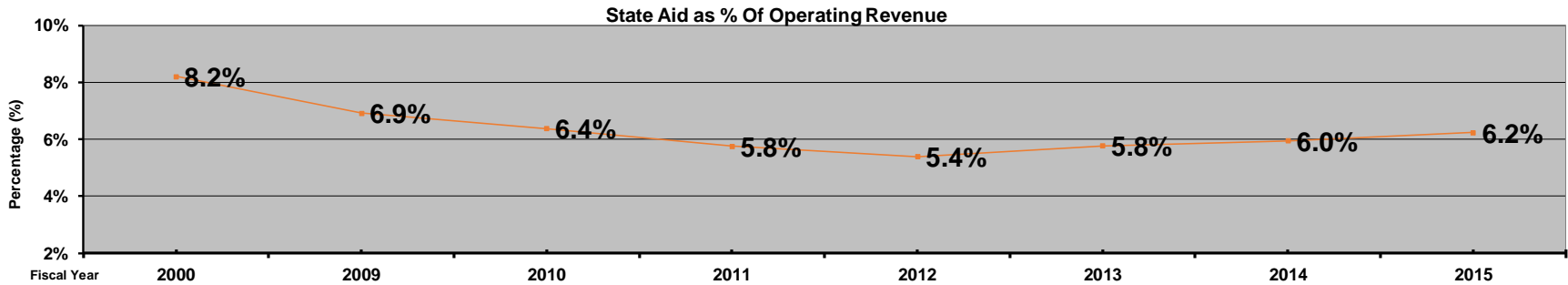
² Excluded Debt Service for FY14 and FY15 is net of appropriation of \$1.6 million and \$950,000, respectively, from Capital Projects Stabilization Fund to mitigate debt service increases attributable to the Estabrook and Bridge/Bowman renovation projects.

Revenue growth is one measure of the Town's ability to maintain existing service levels. Lexington has witnessed some fluctuations in revenues in constant dollars during the first half of this decade; despite this, growth has, for the most part, been positive. The slowdown in FY2012 was indicative of the slump in the national economy. This is also attributable to a decrease in State Aid (Indicator 2) as well as decreasing Revenues Related to Economic Growth (Indicator 3). Nevertheless Property Tax revenue (Indicator 4) remains stable despite the post-recession economic environment, and the trend overall remains steady and favorable.

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



Reduced State Aid as a percentage of operating revenues is considered a warning indicator, particularly if the Town does not have adequate reserves to offset reductions.



Fiscal Year	2000	2009 ¹	2010	2011	2012	2013	2014	2015
Cherry Sheet Revenues (Less Offset Items)	\$ 7,553,282	\$ 9,589,026	\$ 8,962,015	\$ 8,454,991	\$ 8,341,106	\$ 9,334,513	\$ 10,144,659	\$ 11,081,189
Less: School Building Reimbursements	\$ 863,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net State Aid Revenues	\$ 6,689,298	\$ 9,589,026	\$ 8,962,015	\$ 8,454,991	\$ 8,341,106	\$ 9,334,513	\$ 10,144,659	\$ 11,081,189
Net Operating Revenues	\$ 81,477,556	\$ 138,499,057	\$ 140,369,956	\$ 146,711,911	\$ 154,549,499	\$ 161,635,438	\$ 170,343,902	\$ 177,506,762
State Aid as a % of operating revenues	8.2%	6.9%	6.4%	5.8%	5.4%	5.8%	6.0%	6.2%
CPI-U, prior CY	176.0	235.4	233.8	237.4	243.9	247.6	251.0	255.1
CPI-U, adjustment for constant dollars	100%	74.8%	75.3%	74.1%	72.2%	71.1%	70.1%	69.0%
Net State Aid Revenues (constant dollars)	\$ 6,689,298	\$ 7,170,279	\$ 6,747,062	\$ 6,267,018	\$ 6,019,471	\$ 6,636,169	\$ 7,113,183	\$ 7,644,446
Percent change from prior year (constant dollars)	-	2.9%	-5.9%	-7.1%	-3.9%	10.2%	7.2%	7.5%

¹Net Operating Revenue and Cherry Sheet Revenue include \$799,539 in federal stimulus funds used to offset the FY 09 fourth quarter cut in Chapter 70 aid.

While the Town does not rely significantly on State Aid, any dependence on such aid may be difficult to manage when there is a reduction in this funding. In order to protect itself in this situation, the Town has a contingency plan for reductions in State Aid. The Board of Selectmen adopted the recommendation of the 2006 Ad Hoc Financial Policy Committee to create reserves capable of offsetting cyclical downturns in state aid and local receipts.

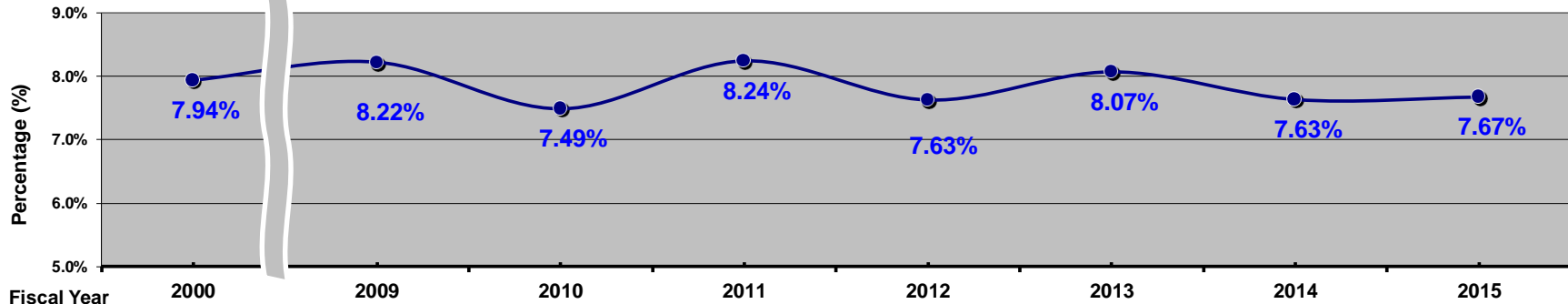
On a constant dollar basis, State Aid has steadily increased from 2004-2009, before decreasing in FY2010, FY2011, and again in FY2012 as a result of the economic downturn. However, it has increased substantially in FY13, FY14 and FY15.

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



Decreasing economic growth revenues, as a percentage of net operating revenues, is considered a warning indicator.

Economic Growth Revenues as a % of Operating Revenues



Fiscal Year	2000	2009 ¹	2010	2011	2012	2013	2014	2015
Net operating revenues (constant dollars)	\$ 81,477,556	\$103,563,896	\$105,677,661	\$108,745,973	\$111,532,722	\$114,911,196	\$119,440,919	\$122,454,444
Building-Related Fees & Permits	\$ 853,523	\$1,073,306	\$1,777,132	\$1,481,549	\$1,233,827	\$1,430,124	\$1,403,956	\$1,556,881
Motor Vehicle Excise (MVE)	\$ 3,642,106	\$4,161,316	\$3,664,628	\$4,052,006	\$3,924,928	\$4,300,549	\$4,695,332	\$4,941,045
Levy Growth from New Residential Construction	\$ 353,976	\$1,526,313	\$1,206,197	\$1,112,487	\$1,222,142	\$1,400,099	\$1,451,904	\$1,686,061
Levy Growth from New Industrial/Commerical Growth	\$ 897,607	\$533,896	\$206,414	\$1,208,359	\$960,174	\$1,297,354	\$635,052	\$408,312
Levy Growth from Personal Property	\$ 719,000	\$1,216,440	\$1,058,669	\$1,105,704	\$1,164,220	\$841,492	\$930,379	\$802,610
Total: Economic Growth Revenues	\$ 6,466,212	\$8,511,271	\$7,913,040	\$8,960,105	\$8,505,291	\$9,269,618	\$9,116,623	\$9,394,909
CPI-U, prior calendar year	176.0	235.4	233.8	237.4	243.9	247.6	251.0	255.1
CPI-U, adjustment for constant dollars	100%	74.8%	75.3%	74.1%	72.2%	71.1%	70.1%	69.0%
Revenues related to economic growth (constant dollars)	\$ 6,466,212	\$ 6,364,378	\$ 5,957,340	\$ 6,641,419	\$ 6,137,958	\$ 6,590,033	\$ 6,392,350	\$ 6,481,152
Economic Growth Revenues as a % of Operating Revenues	7.94%	8.22%	7.49%	8.24%	7.63%	8.07%	7.63%	7.67%

¹Net Operating Revenue includes \$799,539 in federal stimulus funds used to offset the FY 09 fourth quarter cut in Chapter 70 aid.

Notes:

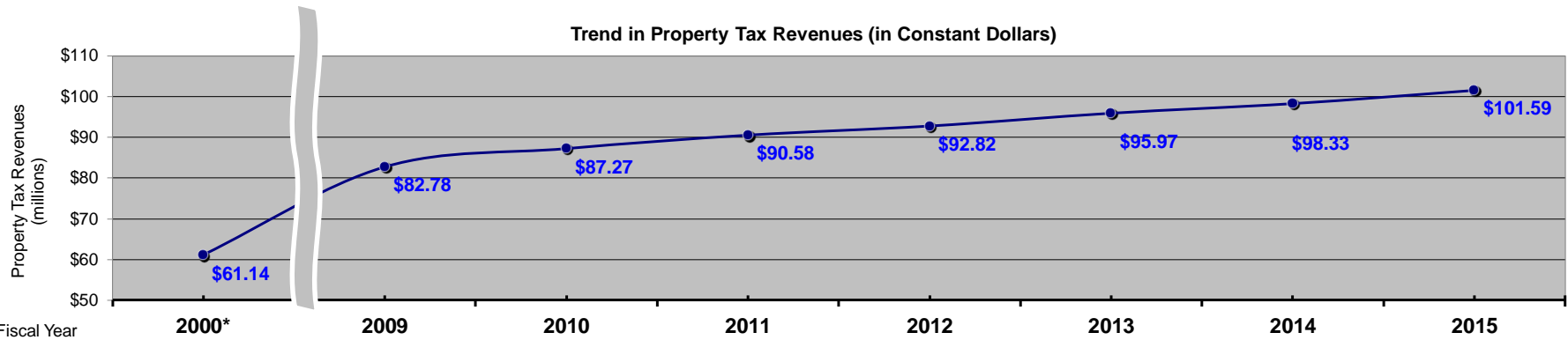
Building Related Fees & Permits inclusive of all Building, Wiring, Gas & Plumbing permits, FY 2000-2015.

Economic growth revenues are responsive to changes in the economy. A balance between growth and other (non-economic growth) revenues mitigates the effects of economic growth or decline. During a recession, a high percentage of non-economic growth revenue is an advantage. During a slowing economy, the Town should maintain sufficient reserves to protect against slowing revenue growth. A decrease in building permit fees may also be a leading indicator of smaller future increases in the tax levy. The large increase in FY2010 building-related fees is partially a result of large one-time permits, including Shire HGT (\$392,761) and Cubist (\$216,000).

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



A decline in property tax revenues (constant dollars) is considered a warning indicator.



Fiscal Year	2000*	2009	2010	2011	2012	2013	2014	2015
Property Tax Levy and CPA Surcharge	\$61,263,838	\$ 119,093,124	\$ 124,695,369	\$ 131,108,723	\$ 137,644,548	\$ 145,063,863	\$ 152,461,138	\$ 159,542,871
Less: debt exclusions	\$ 120,000	\$ 5,632,643	\$ 5,746,385	\$ 5,753,550	\$ 5,721,834	\$ 6,599,081	\$ 8,527,654	\$ 8,373,332
Less: Comm. Pres. Act surcharge	N/A	\$ 2,754,960	\$ 3,027,909	\$ 3,153,000	\$ 3,307,000	\$ 3,478,000	\$ 3,691,000	\$ 3,907,000
Net Property Tax Revenues	\$61,143,838	\$ 110,705,521	\$115,921,075	\$122,202,173	\$ 128,615,714	\$ 134,986,782	\$ 140,242,484	\$ 147,262,539
CPI-U, 2000 base year	176.0	235.4	233.8	237.4	243.9	247.6	251.0	255.1
CPI-U, adjustment for constant dollars	100%	74.8%	75.3%	74.1%	72.2%	71.1%	70.1%	69.0%
Property Tax Revenues (constant dollars)	\$ 61,143,838	\$ 82,781,033	\$ 87,271,297	\$ 90,578,837	\$ 92,817,258	\$ 95,965,915	\$ 98,334,551	\$ 101,590,228
Percent increase over prior year (constant	-	2.0%	5.4%	3.8%	2.5%	3.4%	2.5%	3.3%

Notes:

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.
CPA was adopted in Lexington in 2006

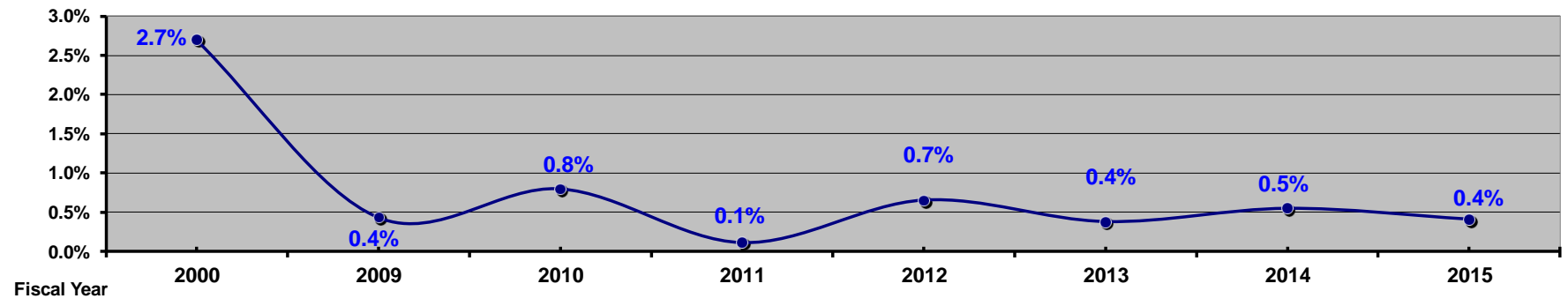
Property tax revenues are analyzed separately because they are the Town's primary revenue source for both operating and capital spending. Increases due to operating overrides should be noted for their impact on taxpayers' ability to pay. On a constant dollar basis, Lexington has seen consistent growth in this area since 2000. This growth continues favorably into Fiscal 2015.

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



Uncollected property taxes (as a percent of the property tax levy) of 5-8 percent is considered a warning indicator by bond rating organizations.

Uncollected Taxes as a % of Net Property Tax Levy



Fiscal year	2000	2009	2010	2011	2012	2013	2014	2015
Property Tax Levy ¹	\$61,263,838	\$116,338,164	\$121,667,460	\$127,955,723	\$134,337,548	\$141,585,863	\$148,770,138	\$155,635,871
Reserved for Abatements & Exemptions	\$763,112	\$1,276,988	\$850,587	\$896,369	\$1,023,396	\$770,344	\$779,391	\$953,485
Net Property Tax Levy	\$60,500,726	\$115,061,176	\$120,816,873	\$127,059,354	\$133,314,153	\$140,815,520	\$147,990,747	\$154,682,386
Uncollected Taxes as of June 30	\$1,632,556	\$493,115	\$960,210	\$136,474	\$868,845	\$530,914	\$808,356	\$630,929
Uncollected Taxes as a Percentage of Net Property Tax Levy	2.7%	0.4%	0.8%	0.1%	0.7%	0.4%	0.5%	0.4%

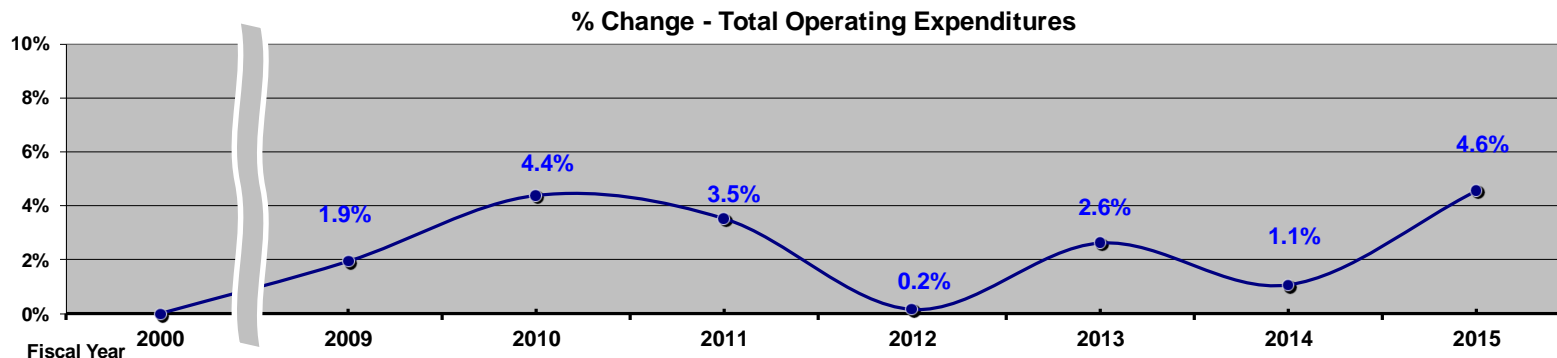
¹ Includes exempt debt, but excludes Community Preservation Act Surcharge (see Indicator 4 for a number inclusive of both)

An increase in uncollected property taxes may indicate an inability by property owners to pay their taxes due to economic conditions. Additionally, as uncollected property taxes rise, liquidity decreases, resulting in less cash on hand for the Town to invest. Bond rating agencies generally consider uncollected taxes in excess of five percent as a warning trend. Lexington has maintained a strong position on this indicator, even during the current economic downturn.

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



Increasing operating expenditures, in constant dollars, may be a warning indicator if increases are the result of fixed or unsustainable costs.



Fiscal year	2000*	2009 ³	2010 ⁴	2011 ⁵	2012 ⁶	2013	2014	2015
Education	\$ 45,998,542	\$ 63,828,802	\$ 65,905,578	\$ 69,484,008	\$ 72,892,034	\$ 76,628,356	\$ 79,978,598	\$ 85,272,802
Shared Expenses (Benefits, Debt)	\$ 12,548,933	\$ 29,195,602	\$ 31,239,975	\$ 32,866,993	\$ 33,202,243	\$ 33,546,502	\$ 32,232,035	\$ 35,430,532
Public Works	\$ 6,537,136	\$ 8,300,676	\$ 8,424,261	\$ 8,414,202	\$ 8,359,134	\$ 8,407,651	\$ 8,885,551	\$ 9,338,665
Public Facilities ¹	\$ -	\$ 8,430,075	\$ 8,763,578	\$ 9,974,653	\$ 9,242,458	\$ 9,343,330	\$ 9,667,013	\$ 9,958,057
Public Safety ²	\$ 7,287,524	\$ 9,953,574	\$ 10,530,736	\$ 10,528,156	\$ 10,961,859	\$ 11,504,167	\$ 11,534,278	\$ 12,237,587
Library	\$ 1,354,201	\$ 1,886,081	\$ 1,907,300	\$ 1,957,036	\$ 1,999,081	\$ 2,028,190	\$ 2,144,832	\$ 2,137,906
Human Services	\$ 412,759	\$ 493,666	\$ 376,979	\$ 443,098	\$ 484,833	\$ 1,040,093	\$ 1,091,789	\$ 1,071,060
Community Development	\$ 875,758	\$ 1,245,197	\$ 1,260,291	\$ 1,444,153	\$ 1,540,809	\$ 1,539,790	\$ 1,555,554	\$ 1,883,207
General Government	\$ 2,224,652	\$ 4,084,851	\$ 3,702,269	\$ 3,805,831	\$ 4,219,292	\$ 4,823,334	\$ 5,194,704	\$ 4,782,252
Total Operating Expenditure	\$ 77,239,505	\$ 127,418,524	\$ 132,110,966	\$ 138,918,131	\$ 142,901,743	\$ 148,861,414	\$ 152,284,352	\$ 162,112,068
Total Operating Expenditure (constant dollars)	\$ 77,239,505	\$ 95,278,328	\$ 99,459,872	\$ 102,969,058	\$ 103,126,963	\$ 105,829,782	\$ 106,778,011	\$ 111,834,293
Percent change from prior years	-	1.9%	4.4%	3.5%	0.2%	2.6%	0.9%	4.7%

¹ From FY 2000-FY 2008 cost of Public Facilities are components of spending in Public Works and Education

² Does not include estimated retroactive pay to Police personnel based on a yet-to-be-settled contractual agreement for FY10-12.

³ Includes \$799,359 of Health Insurance costs that were financed with federal stimulus funds paid to the Town to offset the fourth quarter cuts in Chapter 70 Aid.

⁴ FY2010 does not include prospective cost of contractual settlements.

⁵ Increase between FY10 and FY11 for Public Facilities is attributable to unanticipated costs associated with mitigating PCBs at the Estabrook Elementary School.

⁶ The FY2012 expenditures for Public Works reflect a one-time expenditure of \$290,590 to mitigate the effects of the heavy snow storm on October 29th, 2011

Notes:

* Years of successful overrides

Lexington Trend

Favorable

Marginal

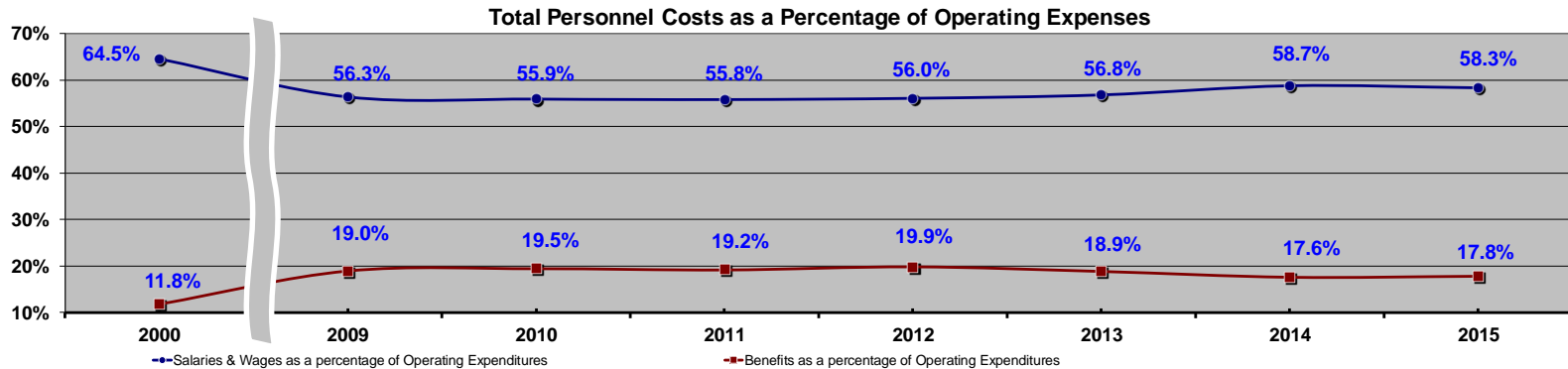
Unfavorable

Uncertain

Increasing operating expenditures can indicate that the cost of providing services is exceeding the Town's ability to pay. Increasing expenditures may also indicate that the demographics of the Town are changing, requiring increased spending in related services.



Increasing personnel costs as a percentage of total spending is considered a warning indicator.



Fiscal Year	2000	2009 ²	2010	2011	2012	2013	2014	2015
Operating Expenditures	\$ 77,239,505	\$ 127,418,524	\$ 132,110,966	\$ 138,918,131	\$ 142,901,743	\$ 148,861,414	\$ 152,284,352	\$ 162,112,068
Total Municipal Wages ¹	\$ 13,153,420	\$ 18,401,946	\$ 19,379,531	\$ 20,380,966	\$ 19,209,439	\$ 20,390,111	\$ 21,164,252	\$ 21,605,890
School Wages	\$ 36,641,456	\$ 53,372,059	\$ 54,440,560	\$ 57,098,128	\$ 60,874,480	\$ 64,117,953	\$ 68,271,626	\$ 72,889,506
Public Facilities Wages ³	\$ -	\$ 3,204,821	\$ 3,610,074	\$ 3,661,447	\$ 3,947,830	\$ 3,743,963	\$ 4,482,549	\$ 4,701,526
Benefits	\$ 9,108,833	\$ 24,163,229	\$ 25,702,400	\$ 26,650,960	\$ 28,380,746	\$ 28,083,601	\$ 26,822,039	\$ 28,905,912
Total Wage & Benefit Costs	\$ 58,903,709	\$ 99,142,054	\$ 103,132,564	\$ 107,791,502	\$ 112,412,496	\$ 116,335,627	\$ 120,740,466	\$ 128,102,834
Salaries & Wages as a percentage of Operating Expenditures	64.5%	56.3%	55.9%	55.8%	56.0%	56.8%	58.7%	58.3%
Benefits as a percentage of Operating Expenditures	11.8%	19.0%	19.5%	19.2%	19.9%	18.9%	17.6%	17.8%
Total Wage & Benefit Costs as a percentage of Operating Expenditures	76.3%	77.8%	78.1%	77.6%	78.7%	78.2%	79.3%	79.0%

¹ Does not include estimated retroactive pay to Police personnel based on a yet-to-be-settled contractual agreement for FY13-15.

² Includes \$799,359 in both Operating Expenditures and Benefits costs that were financed with federal stimulus funds paid to the Town to offset the FY 09 fourth quarter cuts in Chapter 70 Aid.

³ Between FY 2000-FY2008 Public Facilities Wages were part of the amounts shown in "Municipal" and "School" Wages.

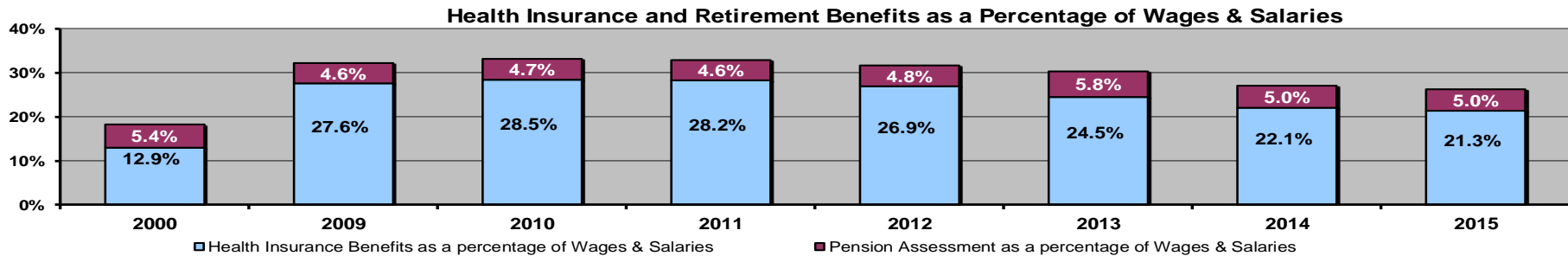
Operating expenditures include Wages and Expenses for all operating departments.

Increasing salaries and wages as a percent of operating expenditures may be an indicator of two trends: 1) First, it may point to future pension and health insurance costs since both of these items are related to the number and compensation level of employees. 2) Second, if salaries and wages as a percent of operating expenditures are increasing, it may be an indicator of deferred maintenance of the Town's infrastructure. Wages and benefits as a percentage of total expenditures have remained relatively constant, a positive indication that the Town is not sacrificing capital and maintenance in order to fund personnel.

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



Increasing employee benefit costs as a percentage of wages and salaries is considered a warning indicator.



Fiscal Year	2000	2009 ¹	2010	2011	2012	2013 ^{**}	2014	2015
Health Insurance Benefits	\$ 6,442,875	\$ 20,681,318	\$ 22,030,891	\$ 22,920,405	\$ 22,616,553	\$ 21,635,504	\$ 20,730,153	\$ 21,167,000
Pension Assessment	\$ 2,665,958	\$ 3,481,911	\$ 3,671,509	\$ 3,730,555	\$ 4,015,915	\$ 5,137,392	\$ 4,730,629	\$ 4,932,601
Wages & Salaries - Municipal ²	\$ 13,153,420	\$ 18,401,946	\$ 19,379,531	\$ 20,380,966	\$ 19,209,439	\$ 20,390,111	\$ 21,164,252	\$ 21,605,890
Wages & Salaries - Schools	\$ 36,641,456	\$ 53,372,059	\$ 54,440,560	\$ 57,098,128	\$ 60,874,480	\$ 64,117,953	\$ 68,271,626	\$ 72,889,506
Wages & Salaries - Public Facilities ³	\$ -	\$ 3,204,821	\$ 3,610,074	\$ 3,661,447	\$ 3,947,830	\$ 3,743,963	\$ 4,482,549	\$ 4,701,526
Total Wages & Salaries	\$ 49,794,876	\$ 74,978,826	\$ 77,430,164	\$ 81,140,542	\$ 84,031,750	\$ 88,252,027	\$ 93,918,427	\$ 99,196,922
Salaries	12.9%	27.6%	28.5%	28.2%	26.9%	24.5%	22.1%	21.3%
Pension Assessment as a percentage of Wages & Salaries	5.4%	4.6%	4.7%	4.6%	4.8%	5.8%	5.0%	5.0%
Total Benefits Spending as % of Wages	18.3%	32.2%	33.2%	32.8%	31.7%	30.3%	27.1%	26.3%

¹ Includes \$799,359 of Health Insurance costs that were financed with federal stimulus funds paid to the Town to offset fourth quarter cuts in Chapter 70 funds.

² Does not include estimated retroactive pay to Police personnel based on a yet-to-be settled contractual agreement for FY13-15.

³ Between FY2000-FY2008 Public Facilities Wages were part of the amounts shown in "Municipal" and "Schools".

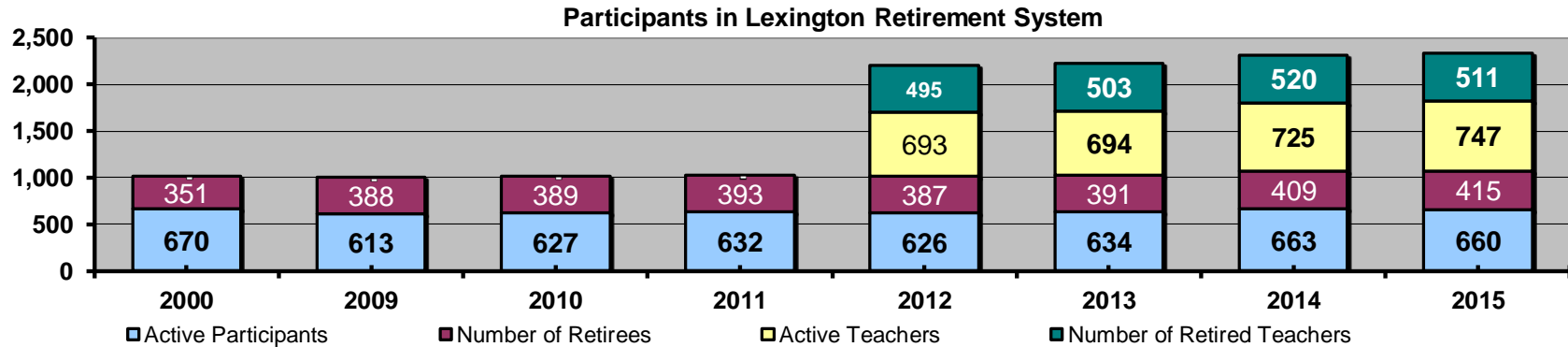
^{**}The FY2013 Pension Assessment is inclusive of a one-time supplemental appropriation of \$1 million to offset the increase in liability attributable to a reduction in the assumed rate of return to 7.75% and revised assumptions of employee mortality.

Fringe benefits represent a significant and increasing share of the Town's operating costs. However, this analysis excludes fringe benefits such as sick leave buy-back liabilities and vacation accruals. Regardless, benefit spending as a percentage of wages and salaries has almost doubled since 2000, though it has leveled off in recent years. Note that per the current pension funding schedule, the Lexington Retirement System's unfunded pension liability will be retired in 2025. For an explanation of the increase in the Pension Assessment, please see Indicator 10.

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



An increase in retirement system participants, without fully funding the associated post-retirement health costs, is considered a warning trend.



Calendar Year (as of December 31)	2000	2009	2010	2011	2012	2013	2014	2015
Number of School Employees (Non-teaching)	N/A	311	327	337	326	325	339	332
Number of Municipal Employees	N/A	302	300	295	300	309	324	328
Active Participants	670	613	627	632	626	634	663	660
Number of Retirees	351	388	389	393	387	391	409	415
Active Teachers	-	-	-	-	693	694	725	747
Number of Retired Teachers	-	-	-	-	495	503	520	511
Total	1021	1001	1016	1025	2201	2222	2317	2333

Note: Teachers do not belong to the Lexington Retirement System, and are instead members of the Massachusetts Teacher Retirement System (MTRS). Previous to 2012, data for the number of active and retired teachers had not been compiled for this indicator. It is for this reason that there is no data for 2000 – 2011.

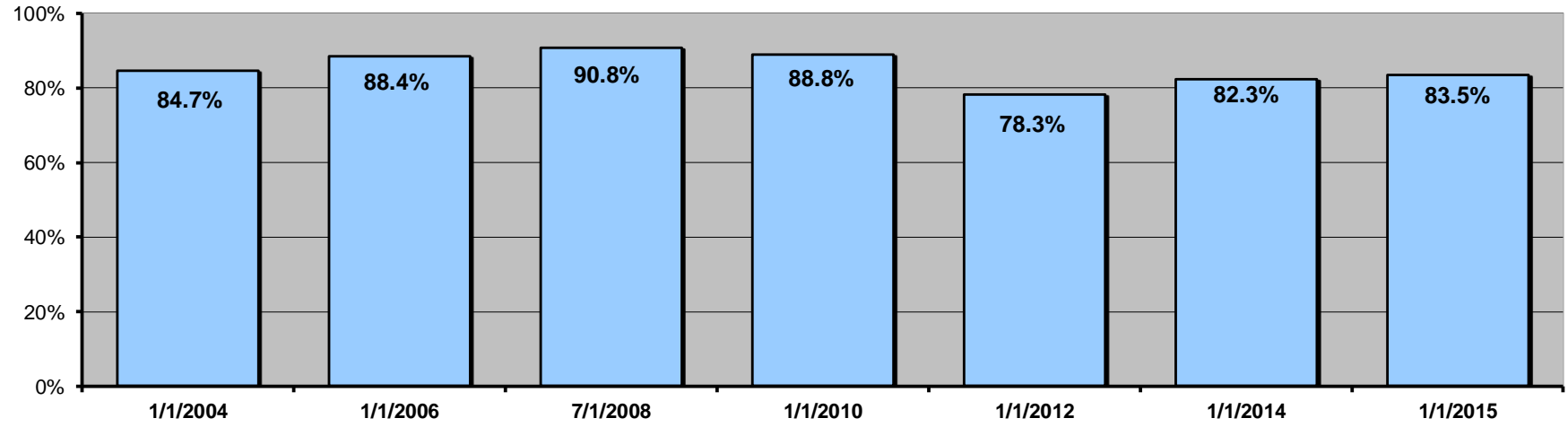
Lexington has an aggressive approach to funding its pension liabilities, and recently implemented a plan to begin to slowly fund its post-employment health liabilities. Nevertheless, since 2000 the town has maintained a fairly stable balance in its number of retirees versus active participants in the system. For more information on the Town's Other Post Employment Liabilities, (OPEB), please refer to Appendix C, OPEB.

Lexington Trend	
Favorable	
Marginal	
Unfavorable	
Uncertain	



An unfunded pension liability or increase in the unfunded liability is considered a warning indicator.

Pension Liability (% funded)



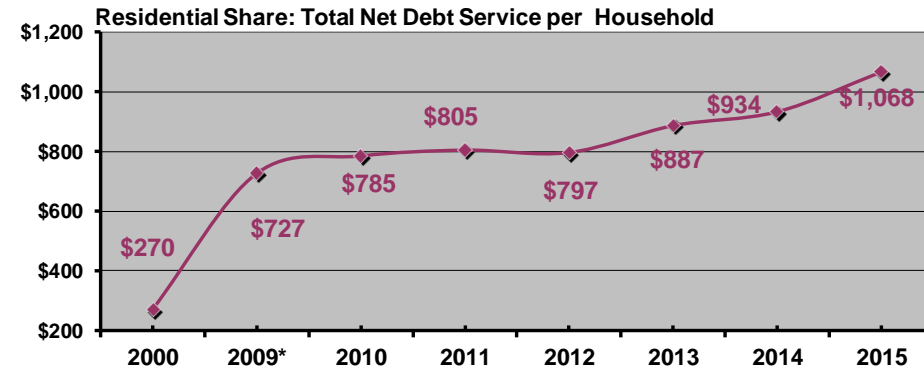
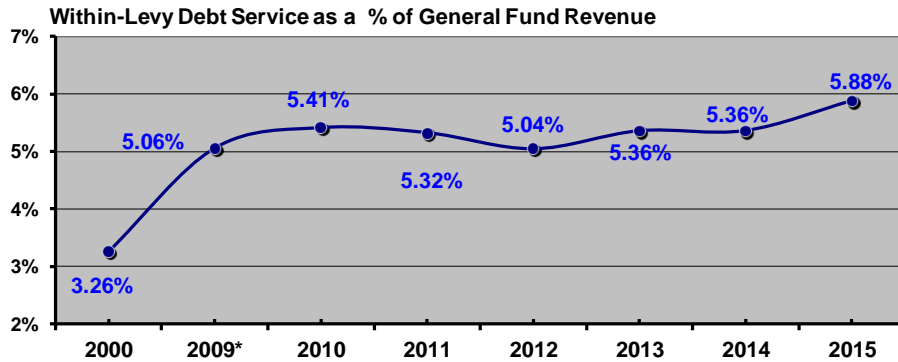
Actuarial Date	1/1/2004	1/1/2006	7/1/2008	1/1/2010	1/1/2012	1/1/2014	1/1/2015
Total Liability	\$ 98,031,000	\$ 111,724,000	\$ 125,412,000	\$ 133,456,115	\$ 154,907,134	\$ 158,134,597	\$ 166,400,000
Pension Assets	\$ 83,050,000	\$ 98,759,000	\$ 113,880,000	\$ 118,558,908	\$ 121,339,690	\$ 130,168,913	\$ 138,876,496
Pension Liability (unfunded)	\$ 14,981,000	\$ 12,965,000	\$ 11,532,000	\$ 14,897,207	\$ 33,567,444	\$ 27,965,684	\$ 27,523,504
Percent Funded	84.7%	88.4%	90.8%	88.8%	78.3%	82.3%	83.5%

As of January 1, 2015, the actuarial valuation of assets was \$138.9 million and the Retirement System was 83.5% funded. The increase in total liability and reduction in percent funded is due to a decrease in the assumed rate of return from 8% to 7.75% and revised assumptions in regard to life expectancy, i.e. people are living longer and thus drawing benefits from the system longer. Also see Appendices C and F for additional information regarding the Lexington retirement system.

Lexington Trend	
Favorable	
Marginal	
Unfavorable	
Uncertain	



Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.



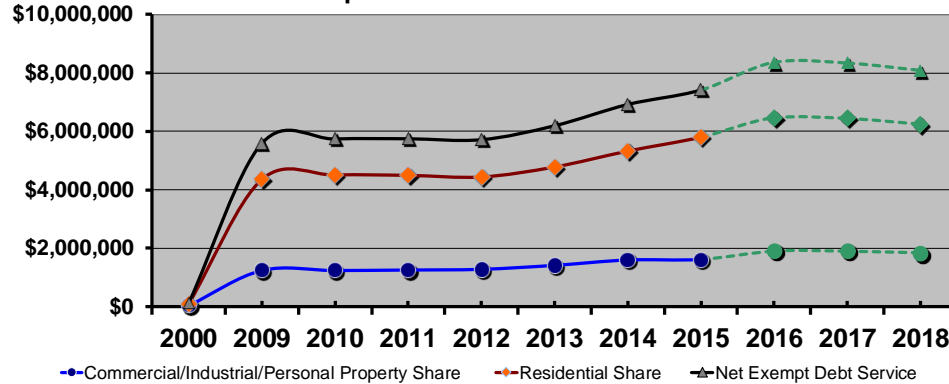
Fiscal Year	2000	2009*	2010	2011	2012	2013	2014	2015
Gross Exempt Debt Service	\$ 120,000	\$ 5,593,372	\$ 5,746,385	\$ 5,753,550	\$ 5,721,834	\$ 6,599,081	\$ 8,527,654	\$ 8,373,332
Exempt Debt Mitigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 1,600,000	\$ 950,000
Net Exempt Debt Service	\$ 120,000	\$ 5,593,372	\$ 5,746,385	\$ 5,753,550	\$ 5,721,834	\$ 6,199,081	\$ 6,927,654	\$ 7,423,332
Within Levy Debt Service	\$ 3,419,863	\$ 3,755,361	\$ 4,315,849	\$ 4,614,721	\$ 4,675,464	\$ 5,462,902	\$ 5,409,996	\$ 6,461,491
Total Net Debt Service	\$ 3,539,863	\$ 9,348,733	\$ 10,062,234	\$ 10,368,271	\$ 10,397,298	\$ 11,661,983	\$ 12,337,650	\$ 13,884,823
Commercial/Industrial Share of Total Net Debt Service	\$ 877,378	\$ 2,062,330	\$ 2,157,343	\$ 2,254,062	\$ 2,315,478	\$ 2,651,935	\$ 2,837,660	\$ 3,017,602
Residential Share of Total Net Debt Service	\$ 2,662,485	\$ 7,286,402	\$ 7,904,891	\$ 8,114,209	\$ 8,081,820	\$ 9,010,048	\$ 9,499,991	\$ 10,867,221

Over the last ten years, Lexington has invested extensively in new capital projects; five separate school reconstruction projects, new athletic fields, a street reconstruction project, a \$26 million Public Services Building, and renovations to the Bridge and Bowman School as well as a new Estabrook School have been funded through the successful passage of debt exclusion votes by residents. This increase in exempt debt service has resulted in increases in the budget and consequently in taxes to Lexington citizens. Within-levy debt has fluctuated slightly throughout the last five years, dependent upon the short-term capital needs of the community. However, since FY 2004 the amount of debt per capita and per household has remained relatively steady. Debt levels were set to “spike” slightly with the approval of the Debt Exclusion for the Bridge/Bowman and Estabrook school projects, but that effect has been reduced with the \$1,600,000 of debt service mitigation approved by Town Meeting in 2013 and \$950,000 in debt service mitigation approved by Town Meeting in 2014.

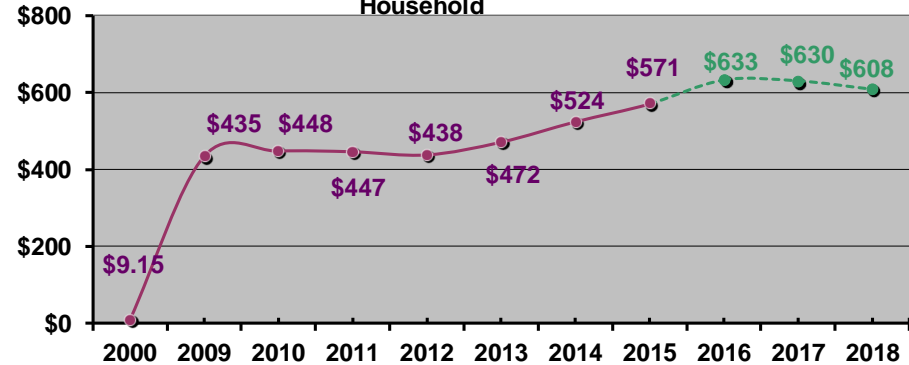
Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



Net Exempt Debt Service CIP/Residential Share



Residential Share of Net Exempt Debt Service per Household



Fiscal Year	2000	2009	2010	2011	2012	2013	2014	2015	Projected		
	2016	2017	2018								
Exempt Debt Service	\$ 120,000	\$ 5,593,372	\$ 5,746,385	\$ 5,753,550	\$ 5,721,834	\$ 6,599,081	\$ 8,527,654	\$ 8,373,332	\$ 8,574,645	\$ 8,339,155	\$ 8,070,682
Exempt Debt Mitigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 1,600,000	\$ 950,000	\$ 215,000		\$ -
Net Exempt Debt Service	\$ 120,000	\$ 5,593,372	\$ 5,746,385	\$ 5,753,550	\$ 5,721,834	\$ 6,199,081	\$ 6,927,654	\$ 7,423,332	\$ 8,359,645	\$ 8,339,155	\$ 8,070,682
Commercial/Industrial/Personal Property Share	\$ 29,743	\$ 1,233,898	\$ 1,232,025	\$ 1,250,822	\$ 1,274,252	\$ 1,409,671	\$ 1,593,360	\$ 1,613,320	\$ 1,900,983	\$ 1,896,324	\$ 1,835,273
Residential Share	\$ 90,257	\$ 4,359,474	\$ 4,514,360	\$ 4,502,728	\$ 4,447,582	\$ 4,789,410	\$ 5,334,294	\$ 5,810,012	\$ 6,458,662	\$ 6,442,831	\$ 6,235,409
Households	9,866	10,027	10,066	10,081	10,143	10,156	10,172	10,177	10,201	10,225	10,249
Debt Service per Residential Household	\$ 9.15	\$ 435	\$ 448	\$ 447	\$ 438	\$ 472	\$ 524	\$ 571	\$ 633	\$ 630	\$ 608

¹Gross Operating Revenue figure includes \$799,539 in federal stimulus funds used to offset cuts in FY 09 Chapter 70 monies.

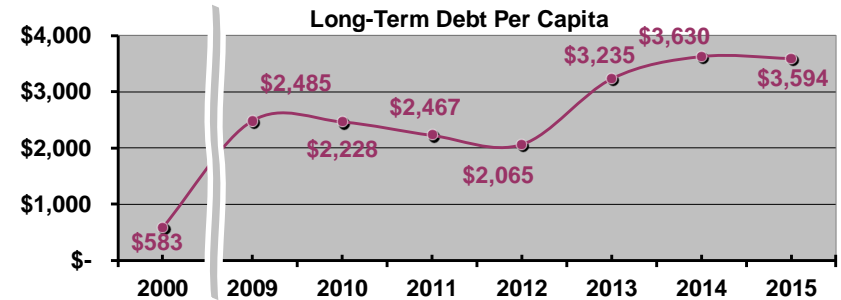
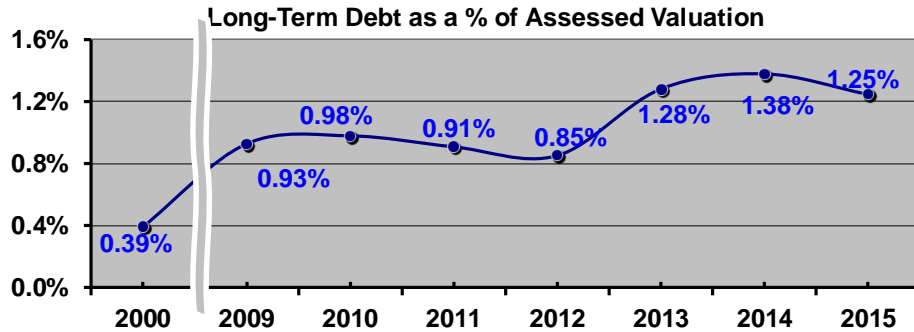
Note: Does not reflect any potential increase in exempt debt service resulting from the planned School Department building projects.

This indicator shows Lexington’s history of exempt debt service, and projects its growth into Fiscal 2018 (noted in green). The graph on the left shows total Net Exempt Debt Service, but breaks out separately Commercial/Industrial/Personal Property (CIP) share and the Residential share. Like in the previous Indicator, the Residential class debt burden is isolated from the CIP classes, and it is this Residential share that is used to determine the effect of Exempt Debt on Lexington households.

Lexington Trend	
Favorable	✓
Marginal	
Unfavorable	
Uncertain	



Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by bond rating agencies.



Fiscal Year	2000	2009	2010	2011	2012	2013	2014	2015
Bonds Outstanding (all funds)	\$ 17,686,201	\$74,457,027	\$ 77,270,164	\$72,458,630	\$68,362,969	\$106,330,421	\$117,880,602	\$116,613,728
Assessed Valuation	\$ 4,506,277,290	\$8,033,608,130	\$7,891,590,610	\$7,973,719,190	\$8,026,687,320	\$8,307,956,760	\$8,555,595,350	\$9,359,615,090
Population	30,355	29,959	31,325	32,526	33,098	32,870	32,473	32,443
Long-Term Debt as a % of Assessed Valuation	0.39%	0.93%	0.98%	0.91%	0.85%	1.28%	1.38%	1.25%
Long-Term Debt Per Capita	\$ 583	\$ 2,485	\$ 2,467	\$ 2,228	\$ 2,065	\$ 3,235	\$ 3,630	\$ 3,594

Notes:
Sources: Outstanding Long-term Debt & Assessed value information from Bond Prospectus & Operating Statements
Population from U.S. Census Bureau, Town of Lexington annual census
Per Capita income estimated from U.S. Census Bureau & Bureau of Economic Analysis, adjusted for inflation, using 2000 Census as base

These financial indicators are evaluated by the credit rating organizations because they are measures of both the community's debt burden as well as its level of effort in investing in its capital facilities. On both measures, Lexington has a strong profile. Note that the substantial increase from FY2012 to FY2013 shown above is the result of voter-approved exempt debt which is being used to finance the renovation of the Bridge and Bowman, and reconstruction of the Estabrook School.

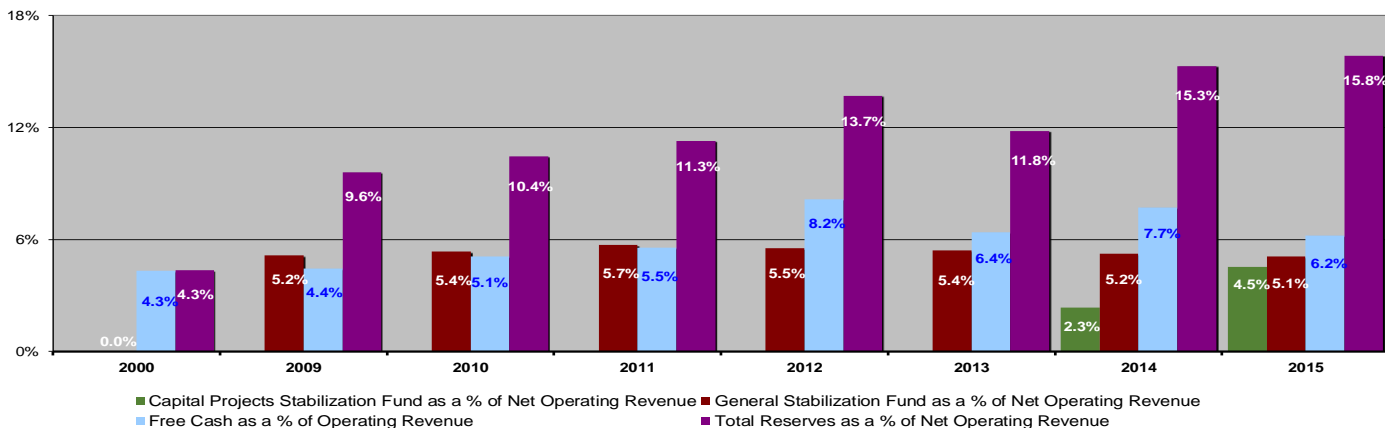
Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain



Indicator I.13: Reserves and Fund Balance

Declining reserves as a percent of operating revenues is a warning indicator. The Government Finance Officers Association (GFOA) recommends an undesignated fund balance between 5-15 % of operating revenues.

Reserves as a % of Operating Revenue



As of June 30th	2000*	2009 ¹	2010	2011	2012	2013	2014	2015 ²
Undesignated Fund Balance **	\$ 5,013,984	\$ 10,445,940	\$ 11,254,915	\$ 12,795,000	\$ 16,400,000	\$ 13,927,089	\$ 17,370,882	\$ 15,072,830
Reserves								
General Free Cash	\$ 3,528,323	\$ 6,159,509	\$ 7,125,000	\$ 8,134,100	\$ 12,600,931	\$ 10,303,125	\$ 13,108,282	\$ 11,000,000
General Stabilization Fund	\$ 18,280	\$ 7,133,877	\$ 7,523,979	\$ 8,376,820	\$ 8,556,561	\$ 8,744,262	\$ 8,895,689	\$ 9,056,939
Capital Projects Stabilization Fund ³							\$ 3,990,714	\$ 8,048,466
Net Operating Revenues	\$ 81,597,556	\$ 138,499,057	\$ 140,369,956	\$ 146,711,911	\$ 154,549,499	\$ 161,635,438	\$ 170,343,902	\$ 177,506,762
Free Cash as a % of Operating Revenue	4.3%	4.4%	5.1%	5.5%	8.2%	6.4%	7.7%	6.2%
General Stabilization Fund as a % of Net Operating Revenue	0.0%	5.2%	5.4%	5.7%	5.5%	5.4%	5.2%	5.1%
Capital Projects Stabilization Fund as a % of Net Operating Revenue							2.3%	4.5%
Total Reserves as a % of Net Operating Revenue	4.3%	9.6%	10.4%	11.3%	13.7%	11.8%	15.3%	15.8%

¹Net Operating Revenues include \$799,539 in federal stimulus funds used to offset the FY 09 fourth quarter cut in Chapter 70 aid.
²The number for Free Cash reflects an estimate. Free Cash as of 6/30/15 and is currently pending certification by the Department of Revenue.
³FY2015 figure does not include \$9,447,832 appropriated at the 2015 Annual Town Meeting.
 *Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.
 **This refers to funds that were appropriated but unexpended as of the end of the fiscal year, in addition to revenues collected that were in excess of

The Town of Lexington has several types of reserves. Historically, the Town had previously relied upon Free Cash as its primary source of reserves. The Selectmen's Ad Hoc Financial Policy Committee made a series of recommendations to further strengthen the Town's reserves and create a series of small, targeted reserves for specific purposes.

In recent years, the Town has strengthened its reserve position by augmenting and transferring money into the Town's Stabilization Fund. This adds financial flexibility to the Town's operations and provides a buffer against economic downturns. (See Indicator I.2)

Lexington Trend

Favorable

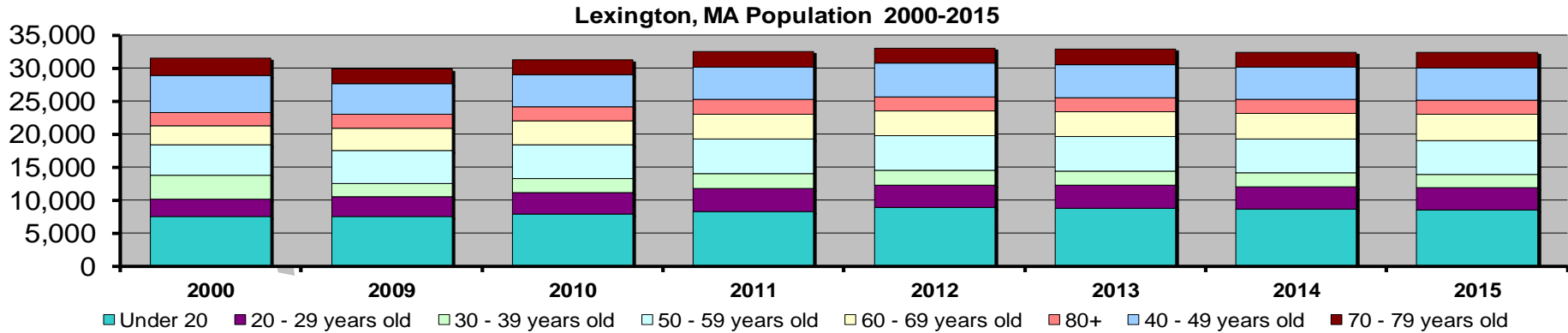
Marginal

Unfavorable

Uncertain



Rapid changes in population which may effect service levels may be considered a warning indicator.



Calendar Year	2000	2009	2010	2011	2012	2013	2014	2015	% Change CY 2000-2015
Under 20	7,566	7,540	7,949	8,277	8,928	8,785	8,649	8,526	12.7%
20 - 29 years old	2,573	3,018	3,185	3,496	3,421	3,470	3,398	3,374	31.1%
30 - 39 years old	3,617	1,992	2,197	2,257	2,162	2,144	2,128	2,058	-43.1%
40 - 49 years old	5,606	4,654	4,853	4,941	5,092	4,932	4,818	4,774	-14.8%
50 - 59 years old	4,657	5,000	5,122	5,291	5,269	5,241	5,110	5,142	10.4%
60 - 69 years old	2,922	3,389	3,597	3,690	3,746	3,789	3,856	3,973	36.0%
70 - 79 years old	2,637	2,231	2,240	2,305	2,289	2,336	2,355	2,432	-7.8%
80+	1,929	2,135	2,182	2,269	2,191	2,173	2,159	2,164	12.2%
Totals	31,507	29,959	31,325	32,526	33,098	32,870	32,473	32,443	3.0%
LPS Enrollment	5,534	6,118	6,096	6,056	6,228	6,314	6,598	6,695	21.0%

Notes:

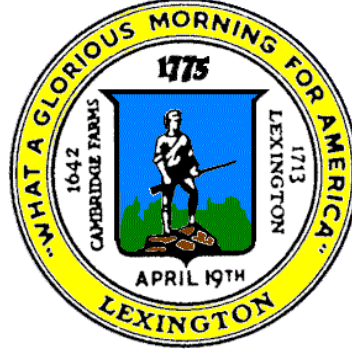
Annual Population figures 2000-2015 come from Town Clerk.

School enrollment figures from Chapter 70 Foundation Enrollment statistics.

A steady change in both population demographics and public school enrollment may signal a need for increased service delivery and programs. Since 2000, Lexington has seen an increase in its under-20 demographic of 12.7%, which is an indicator for increasing financial burden on the public school system, likewise reflected in the steady increase in school enrollment. Additionally, the town has also seen its 60-69 year old demographic increase by 36%, and it's over 80 demographic by 12%. An increasing senior population is likewise indicative of an increasing financial burden on the Town's ability to provide social services to this group.

Lexington Trend
Favorable
Marginal
Unfavorable
Uncertain

Town of Lexington



Financial Summit I

Revenue and Expenditure Projections:

Fiscal Years 2017-2019



Budget decisions that are made within a given fiscal year often have significant implications for subsequent fiscal years. The revenue and expenditure projection within this packet is intended to facilitate discussion among community “stakeholders” with the hope that it will result in the identification of issues that call for further discussion and analysis as the FY17 budget cycle unfolds.

This forecast projects general fund revenues and expenditures for the period FY2017 to FY2019. It is important to emphasize that the projection is not a proposed or recommended budget. It is a tool for planning, not budgeting.

The forecasting methodology is a maintenance budget approach; that is, the projected increase in costs needed to maintain the “current level of services” reflected in the adopted FY16 budget. As a general rule, it only includes increases driven by estimated inflationary pressures, current collective bargaining agreements and other existing purchase of service contracts.

Revenues are generally projected based on historical experience.

The difference between projected revenues and expenditures is characterized as “available balance”; that is, the available balance that can be used to fund “variable cost drivers”, e.g., finance additional capital projects, provide for prospective salary increases, restore services eliminated or reduced in a prior fiscal year, fund reserves, etc.

Summary of Revenue/Expenditure Projections (supporting detail on next page)

Revenue Summary	FY2016 <u>Appropriated</u>	<u>B</u> FY 2017 <u>Projection</u>	<u>C</u> FY 2018 <u>Projection</u>	<u>D</u> FY 2019 <u>Projection</u>
Total Revenues	\$ 193,320,111	\$ 199,542,604	\$ 203,102,652	\$ 207,415,149
Expense Summary				
Total Expenses	\$ 193,320,111	\$ 194,426,596	\$ 198,897,303	\$ 204,151,137
Available Balance	\$ (0)	\$ 5,116,007	\$ 4,205,349	\$ 3,264,012
Variable Cost Drivers		<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Lexington Public Schools		\$ 3,095,956	\$ 5,487,785	\$ 9,147,215
Municipal Wages - Cumulative impact of 1% salary increase annually		\$ 266,672	\$ 557,076	\$ 854,014
Debt Service on \$5 million of capital costs annually		\$ 800,000	\$ 1,578,125	\$ 1,694,375
Total Variable Cost Drivers		\$ 4,162,628	\$ 7,622,986	\$ 12,335,604
Projected balance/shortfall		\$ 953,379	\$ (3,417,637)	\$ (9,071,592)



	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	
Revenue Summary	FY2016 Appropriated	FY 2017 Projection	FY 2018 Projection	FY 2019 Projection	
1 Property Tax Levy	\$ 154,493,901	\$ 160,856,249	\$ 167,377,655	\$ 174,062,097	Reflects statutory annual growth of 2.5% and assumed new growth of \$2.5 million annually.
2 State Aid	\$ 11,430,692	\$ 11,641,942	\$ 11,870,868	\$ 12,104,372	Assumes FY16 Cherry Sheet Aid increasing at 2.0% in FY17, FY18 and FY19.
3 Local Receipts	\$ 11,769,694	\$ 12,541,371	\$ 12,613,220	\$ 12,687,440	Assumes modest growth in local receipts based on evaluation of historical averages.
4 Available Funds	\$ 15,995,798	\$ 14,780,000	\$ 11,647,500	\$ 8,797,000	Free Cash estimate of \$11.0 million available for FY17 (7/1/15 certification) and \$9.0 million for FY18 and \$7 million for FY19; FY17 includes \$137,000 from TDM Stabilization Fund to support Lexpress and the Alewife Shuttle, tapering to \$117,000 in FY18 and \$97,000 in FY19. All years include \$395,000 of parking meter funds and \$105,000 of cemetery funds. In FY17-FY19, \$1.2 million annually from balance of Health Claims Trust Fund to be used to fund health insurance, resulting in an equal amount in the tax levy becoming available to fund contributions to OPEB Trust per BoS policy. Includes in FY17 and FY18 use of Capital Projects Stabilization Fund to offset projected LHS Modulars debt service in the amounts of \$1.943 million and \$830,500, respectively.
5 Revenue Offsets	\$ (1,987,549)	\$ (1,943,061)	\$ (2,122,677)	\$ (2,003,329)	\$750K for overlay in FY17 and FY19 and \$900k in FY18 for reval yr. \$300K set-aside for snow & ice deficit annually; Also includes Cherry Sheet Assesments increasing at 3.5% annually and Cherry Sheet Offsets (State Aid to Public Libraries).
6 Other Revenues	\$ 1,617,576	\$ 1,666,103	\$ 1,716,086	\$ 1,767,569	Assumes FY16 Water, Sewer and Recreation Indirects increasing by 3% annually.
7 Total Revenues	\$ 193,320,111	\$ 199,542,604	\$ 203,102,652	\$ 207,415,149	



Expenditure Summary

	A	B	C	D		
	FY2016	FY 2017	FY 2018	FY 2019		
	<u>Appropriated</u>	<u>Projection</u>	<u>Projection</u>	<u>Projection</u>		
<u>Education</u>						
8	LPS Wages	\$ 78,675,324	\$ 82,261,325	\$ 85,963,615	\$ 88,529,572	FY17 through FY19 includes 3% for annual step increases. All years include a reduction of \$500,000 in "salary differential" to reflect savings from staff turnover. FY17 and FY18 include 2.25% and 2% respectively to fund LEA Unit A contract.
9	LPS Expenses	\$ 13,384,993	\$ 13,786,543	\$ 14,200,139	\$ 14,626,143	Assumes increase of 3.0% to account for general inflationary increases.
10	Minuteman	\$ 1,172,736	\$ 1,231,373	\$ 1,324,875	\$ 1,708,150	Assumes 5% growth annually to baseline assessment+ Town's projected share of debt service for \$10 million in design costs (net of MSBA) in each of FY18 and FY19 for a new school + town's estimated share of debt service in FY19 (net of MSBA) on a \$100 million bond for capital construction.
<u>Municipal</u>						
11	Municipal Wages	\$ 28,283,802	\$ 28,415,327	\$ 28,773,714	\$ 29,136,760	FY17, FY18 and FY19 reflect the cost of steps estimated at 1.013%.
12	Municipal Expenses	\$ 15,191,922	\$ 15,531,172	\$ 15,980,022	\$ 16,470,451	Assumes general inflationary increases of 3% with following exceptions: electricity at 7% per year upon expiration of supply contract on 12/1/18 and natural gas at 5.5% at expiration of current supply contract on 9/30/16;
<u>Shared Expenses</u>						
13	Debt Service	\$ 6,732,527	\$ 7,972,156	\$ 7,190,931	\$ 6,405,933	Based on Outstanding Within-Levy Debt for debt authorized and issued and projections for debt authorized but yet to be issued. Includes gross debt service for modular classrooms which is offset in FY17 and FY18 with Capital Projects Stabilization funds.
14	Retirement	\$ 5,269,347	\$ 5,519,037	\$ 5,769,037	\$ 6,019,037	Contributory Retirement assessment (based on 10 yr. amortization of unfunded liability and 7.75% interest rate assumption) plus Non-Contributory payments @ \$13,500 per year.



Expenditure Summary (continued)

	<u>A</u> FY2016 Appropriated	<u>B</u> FY 2017 Projection	<u>C</u> FY 2018 Projection	<u>D</u> FY 2019 Projection	
15 Benefits	\$ 25,250,981	\$ 26,631,118	\$ 27,961,514	\$ 29,358,430	
15a Medicare	\$ 1,478,328	\$ 1,552,244	\$ 1,629,857	\$ 1,711,349	5% inc. in Medicare, reflecting an increase in the number of eligible employees and increases in wages
15b Health Insurance	\$ 22,750,714	\$ 24,002,003	\$ 25,202,103	\$ 26,462,208	Assumes FY16 base growing at 5.5% and 5% thereafter .
15c Dental	\$ 998,745	\$ 1,053,676	\$ 1,106,359	\$ 1,161,677	Assumes FY16 base growing at 5.5% and 5% thereafter .
15d Life	\$ 23,195	\$ 23,195	\$ 23,195	\$ 23,195	Level Funding
16 Reserve Fund	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	Level Funding
17 Workers Compensation	\$ 643,112	\$ 688,130	\$ 736,299	\$ 787,840	FY16 base increasing by 7% annually.
18 Unemployment	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	Level Funding
19 Property & Lib. Insurance	\$ 860,309	\$ 688,340	\$ 743,407	\$ 802,880	FY16 base increasing by 8% annually.
20 Uninsured Losses	\$ 200,000	\$ 225,000	\$ 250,000	\$ 275,000	\$25,000 increase annually to balance in this continuing balance account
21 Capital	\$ 4,571,905	\$ 4,923,076	\$ 4,943,750	\$ 4,964,942	FY17-FY19 includes \$2,500,000 for cash capital. FY17 includes 2.23 million for the Street Improvement Program which includes the inflated base from the 2001 override plus amounts added beginning in FY12 from general fund revenue in excess of what was needed for the operating budget and savings resulting from joining the GIC. The amount for the Street Improvement program grows by a 2.5% increase to the base in each of FY18 and FY19. FY17 includes \$187,329 for Municipal Building Envelope increasing annually by 2.5% deriving from the 2001 override which originally voted funding for this program.
22 Other	\$ 436,836	\$ 454,000	\$ 460,000	\$ 466,000	FY17 - FY19: Sr.Tax. work-off at \$20K + \$200k set-aside for unanticipated annual operating budget needs + Set-Aside for Tax Levy Support of the Community Center program.
23 Non-Recurring Expense	\$ 10,647,832	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	FY17 includes an allocation of approximately \$2.0 million to the Capital Stabilization Fund to mitigate costs of pending major capital projects and is projected at \$2.0 million in each of FY18 and FY19. In FY17, approximately \$1.5 million to the OPEB Trust Fund and is projected at \$1.5 million in each of FY18 and FY19.
24 Unallocated Revenue	\$ 898,486	\$ 1,500,000	\$ -	\$ -	FY16 is the unallocated balance of estimated FY16 revenue. FY17 is the proposed allocation set-aside for yet to be determined priorities.
25 Total Expenditures	\$ 193,320,111	\$ 194,426,596	\$ 198,897,303	\$ 204,151,137	
26 Available Balance	\$ (0)	\$ 5,116,007	\$ 4,205,349	\$ 3,264,012	

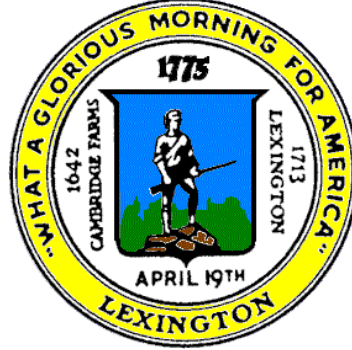


	FY2017	FY2018	FY2019
<u>Variable Cost Drivers</u>			
Lexington Public Schools	\$ 3,095,956	\$ 5,487,785	\$ 9,147,215
Municipal Wages - Cumulative impact of 1% salary increase annually	\$ 266,672	\$ 557,076	\$ 854,014
Debt Service on \$5 million of capital costs a	\$ 800,000	\$ 1,578,125	\$ 2,334,375
Total Variable Cost Drivers	\$ 4,162,628	\$ 7,622,986	\$ 12,335,604
Projected balance/shortfall	\$ 953,379	\$ (3,417,637)	\$ (9,071,592)



1. Financing Plan for Increasing School Population
2. Financing Plan/Tax Impact for School Facilities
3. Financing Plan/Tax Impact for Public Safety Facilities
4. Funding for and use of the Capital Projects Stabilization Fund

Town of Lexington

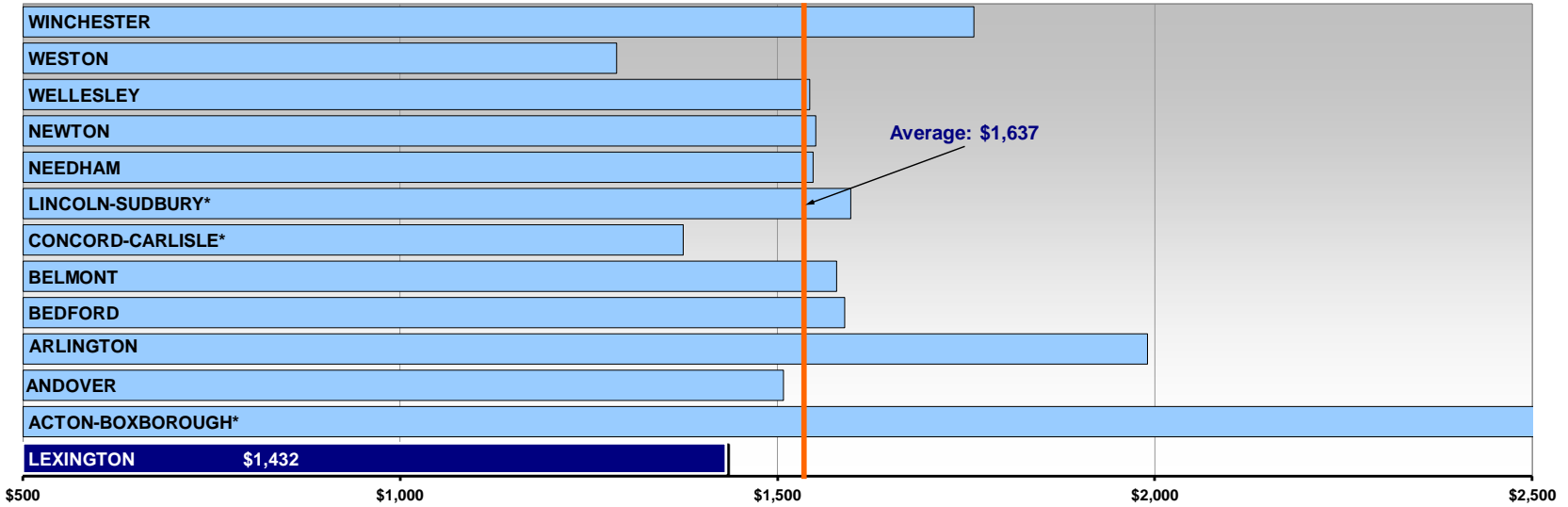


Financial Summit I

Appendices



Appendix A: Chapter 70 Aid per Pupil



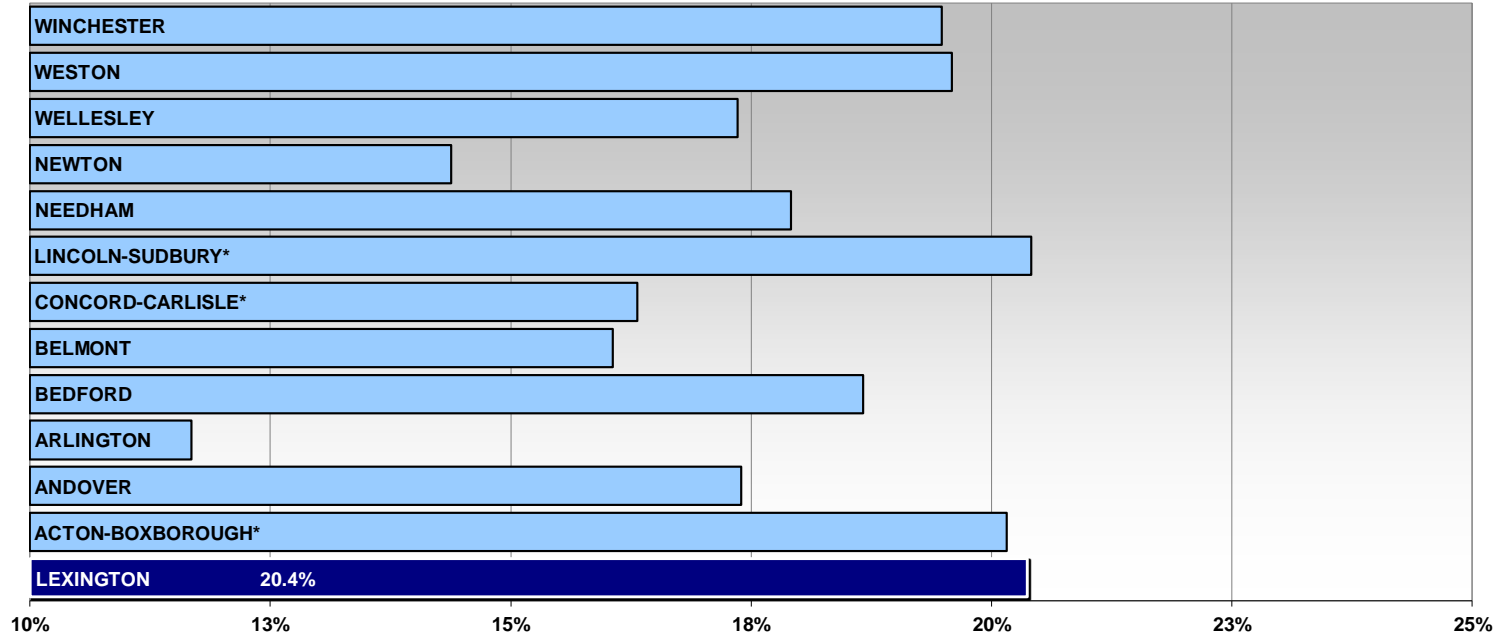
The Chapter 70 formula is based on a variety of factors. The table at right shows that Lexington receives slightly below the average amount of Chapter 70 aid for comparable communities.

District	FY15 Foundation Enrollment ¹	FY15 Chapter 70 Aid	FY15 Per Pupil Average
LEXINGTON	6,695	\$ 9,584,428	\$ 1,432
ACTON-BOXBOROUGH*	5,649	\$ 14,254,476	\$ 2,523
ANDOVER	5,998	\$ 9,042,864	\$ 1,508
ARLINGTON	5,141	\$ 10,234,582	\$ 1,991
BEDFORD	2,608	\$ 4,145,009	\$ 1,589
BELMONT	4,068	\$ 6,420,104	\$ 1,578
CONCORD-CARLISLE*	3,967	\$ 5,454,053	\$ 1,375
LINCOLN-SUDBURY*	5,090	\$ 8,127,929	\$ 1,597
NEEDHAM	5,327	\$ 8,239,740	\$ 1,547
NEWTON	12,650	\$ 19,617,930	\$ 1,551
WELLESLEY	5,050	\$ 7,789,132	\$ 1,542
WESTON	2,322	\$ 2,988,929	\$ 1,287
WINCHESTER	4,302	\$ 7,572,048	\$ 1,760
AVERAGE	5,297	\$ 8,728,556	\$ 1,637

¹ The Foundation Budget Enrollment represents only students officially enrolled as of October 1st in any given year, and is computed by the Massachusetts Department of Education. *Includes Ch. 70 aid to both regional & local districts. Source: Mass. Dept. of Education



Appendix B: Pupil % of Population - Comparative Data



This chart shows the ratio of pupils as a percentage of the total population of a municipality (or in the case of joint school districts, municipalities).

Compared to the average for similar communities & school systems, Lexington has more students as a percentage of the population. (Also see Indicator I.15)

*Includes combined enrollment and population numbers for both the local and regional districts.

District	FY15 Foundation Enrollment	Population 2013 Estimate	Pupils as % of Population
LEXINGTON	6,695	32,870	20.4%
ACTON-BOXBOROUGH*	5,649	28,028	20.2%
ANDOVER	5,998	34,477	17.4%
ARLINGTON	5,141	44,028	11.7%
BEDFORD	2,608	13,975	18.7%
BELMONT	4,068	25,332	16.1%
CONCORD-CARLISLE*	3,967	24,313	16.3%
LINCOLN-SUDBURY*	5,090	24,932	20.4%
NEEDHAM	5,327	29,736	17.9%
NEWTON	12,650	87,971	14.4%
WELLESLEY	5,050	29,090	17.4%
WESTON	2,322	11,853	19.6%
WINCHESTER	4,302	22,079	19.5%
AVERAGE	5,297	31,437	18%



Schedule of Employer Contributions

(FY2007 and FY2008 at 2.0% Discount Rate; FY2009-FY2012 at 2.5% Discount Rate; FY2013 at 4.5% Discount Rate)

(A)	(B)	(C)	(D)	(E)	(F)	(G)
FY Ending	Normal Cost Liability	Amortization Payments	Total Town ARC (B)+(C)	Retiree H.C. Appropriation	Medicare Part D Subsidy	Annual Unfunded (D)-(E)-(F)
2007	\$ 13,690,000	\$ 6,220,000	\$ 19,910,000	\$ 4,810,000	\$ 400,000	\$ 14,700,000
2008	\$ 14,370,000	\$ 6,810,000	\$ 21,180,000	\$ 5,291,000	\$ 440,690	\$ 15,448,310
2009	\$ 9,783,078	\$ 12,442,641	\$ 22,225,719	\$ 5,953,878	\$ 479,399	\$ 15,792,442
2010	\$ 10,565,724	\$ 12,981,738	\$ 23,547,462	\$ 6,102,725	\$ 331,610	\$ 17,113,127
2011	\$ 8,770,134	\$ 14,967,774	\$ 23,737,908	\$ 6,837,760	\$ 395,212	\$ 16,504,936
2012	\$ 9,205,641	\$ 16,208,603	\$ 25,414,244	\$ 6,976,588	\$ 465,544	\$ 17,972,112
2013	\$ 3,370,054	\$ 8,108,106	\$ 11,478,160	\$ 5,026,524	\$ 119,375	\$ 6,332,261
2014	\$ 3,538,557	\$ 8,283,500	\$ 11,822,057	\$ 5,364,397	\$ 312,318	\$ 6,145,342

Notes:

Source: FY2007-FY2009 data from report prepared by Financial Risk Analysts, Town of Lexington Post-Retirement Benefits Analysis as of June 30, 2006 issued March 9, 2007. FY2010-FY2011 from report prepared by Financial Risk Analysts, Town of Lexington Post-Retirement Benefits Analysis as of June 30, 2009 issued June 2, 2010. FY2009-FY2012 data from report prepared by Financial Risk Analysts, Town of Lexington Post-Retirement Benefits Analysis as of June 30, 2011 issued February 24, 2012, with the exception of the Retiree H.C. Appropriation which is based on the the FY11 appropriation increased by 6%. FY2013-FY2014 data from report prepared by Financial Risk Analysts, Town of Lexington Post-Retirement Benefits Analysis as of June 30, 2013 issued February 21, 2014.

Medicare Part D Subsidy actual receipts, FY 2007-FY2012. A portion of FY13 includes actual payments made to the Town directly and a credit applied to our GIC bill attributable to the Medicare Part D payment the GIC received on the Town's behalf. FY14 is solely the credit to our GIC bill attributable to the Medicare Part D payment the GIC received on the Town's behalf.

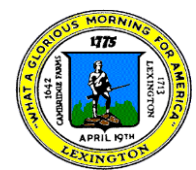
The Government Accounting Standards Board issued GASB Statement 45, which requires governments to measure and report the liabilities associated with other (than pension) postemployment benefits (or OPEB). Reported OPEBs may include post-retirement medical, pharmacy, dental, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Unlike pension obligations, there is no requirement that Massachusetts municipalities begin to fund this liability. Nonetheless, over the last 4 fiscal years, Town Meeting has appropriated, at a minimum, the prior year's Medicare Part D payments made to the Town by the federal government to begin to fund the Town's OPEB liability. The decrease in the Town's Liability from FY2012 to FY2013 is attributable in large part to lowered health insurance costs from the GIC and an increase in the actuary's assumed discount rate from 2.5% to 4.5%.



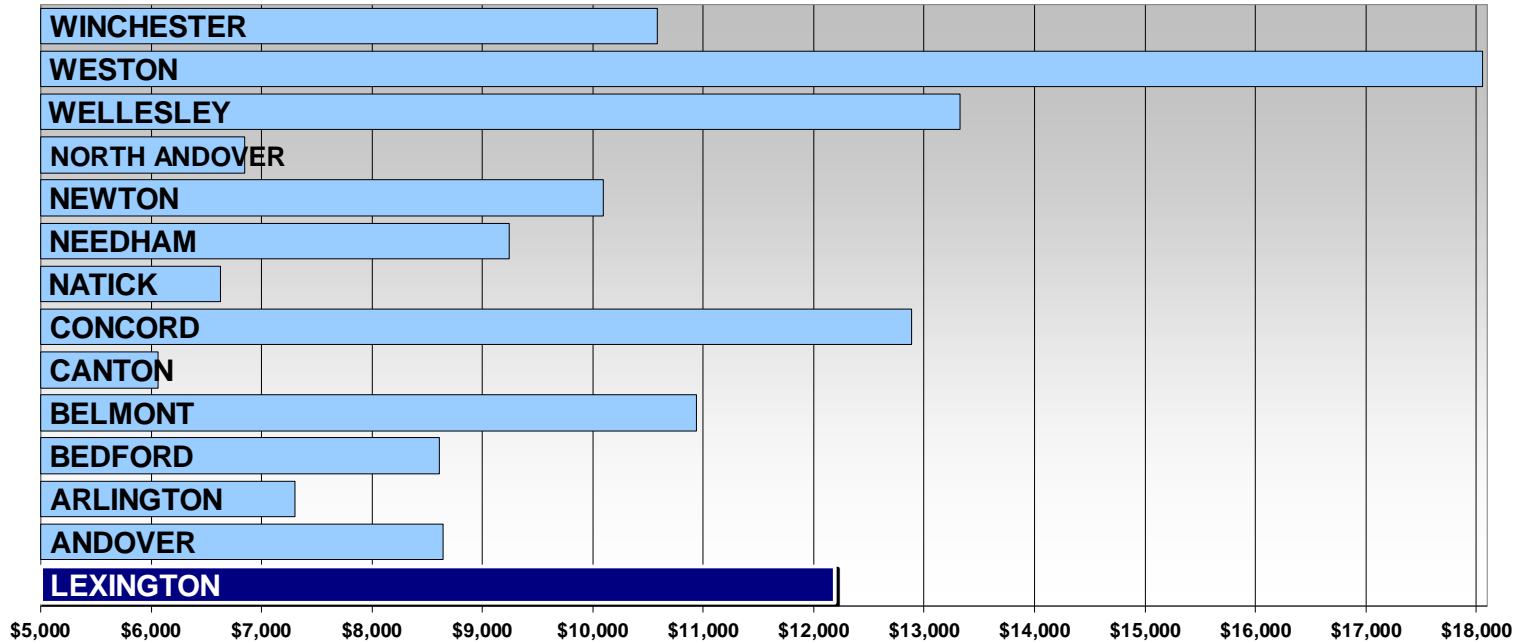
ENDING BALANCES AS OF FISCAL YEAR END

	FY10	FY11	FY12	FY13	FY14	FY15
Stabilization Fund	\$ 7,523,979	\$ 8,376,820	\$ 8,556,561	\$ 8,744,262	\$ 8,895,689	\$ 9,056,939
Transportation Demand Mitigation Fund*	\$ 216,693	\$ 305,844	\$ 297,902	\$ 305,865	\$ 295,712	\$ 302,092
Traffic Mitigation Stabilization Fund*	\$ 284,515	\$ 327,159	\$ 346,478	\$ 96,562	\$ 29,077	\$ 88,830
School Bus Stabilization Fund	\$ 4,603	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18
Special Education Stabilization Fund	\$ 710,970	\$ 1,064,210	\$ 1,067,142	\$ 1,069,456	\$ 1,071,495	\$ 1,073,638
Other Post Employment Benefits (OPEB)*	\$ 813,429	\$ 1,560,928	\$ 2,166,697	\$ 3,069,273	\$ 4,482,338	\$ 5,798,656
Capital Projects Stabilization Fund*	\$ -	\$ -	\$ -	\$ -	\$ 3,990,705	\$ 8,048,466

* FY15 does not reflect \$9,447,832 Appropriated at 2015 Annual Town Meeting



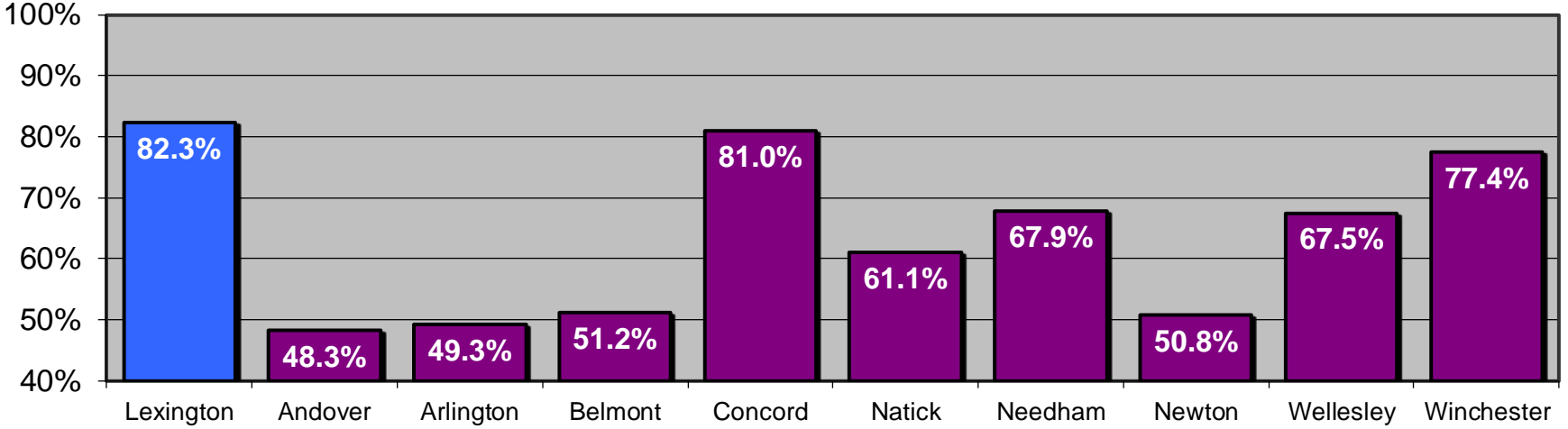
Appendix E: Average Residential Tax Bill - FY2015



Municipality, as of FY2015	Single Family Parcels	Average Value Single Family	Residential Tax Rate	Average Single Family Tax Bill
LEXINGTON	9,003	\$820,366	\$14.86	\$12,191
ANDOVER	8,582	\$577,689	\$14.97	\$8,648
ARLINGTON	7,991	\$539,199	\$13.55	\$7,306
BEDFORD	3,434	\$588,699	\$14.62	\$8,607
BELMONT	4,510	\$847,928	\$12.90	\$10,938
CANTON	5,356	\$473,171	\$12.82	\$6,066
CONCORD	4,586	\$902,043	\$14.29	\$12,890
NATICK	8,479	\$479,759	\$13.82	\$6,630
NEEDHAM	8,372	\$818,436	\$11.29	\$9,240
NEWTON	16,964	\$869,141	\$11.61	\$10,091
NORTH ANDOVER	6,258	\$476,092	\$14.39	\$6,851
WELLESLEY	7,297	\$1,152,734	\$11.56	\$13,326
WESTON	3,364	\$1,470,602	\$12.28	\$18,059
WINCHESTER	5,620	\$872,118	\$12.14	\$10,588
AVERAGE	7,130	\$777,713	\$13.22	\$10,102



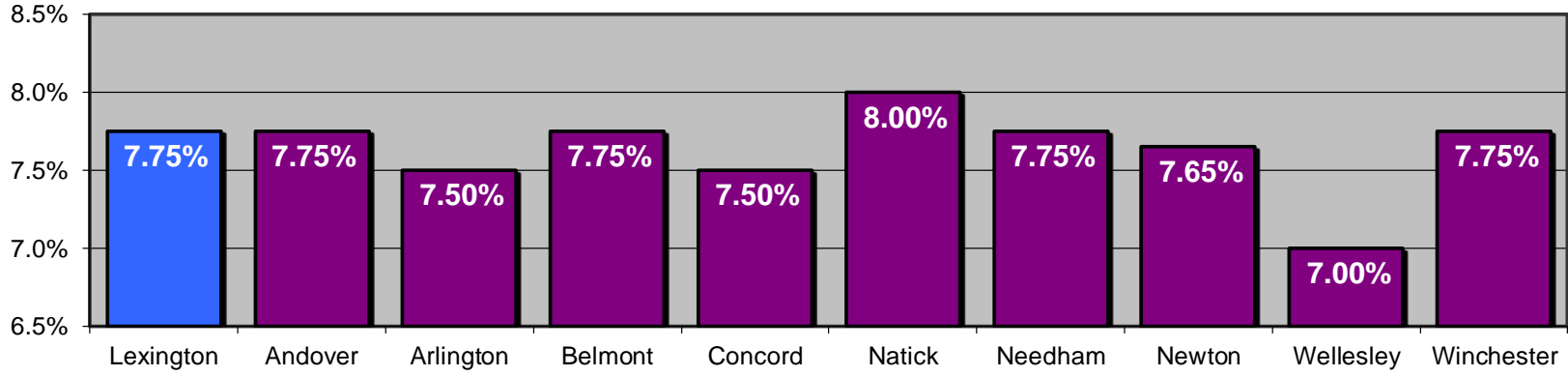
Funded Pension Ratio



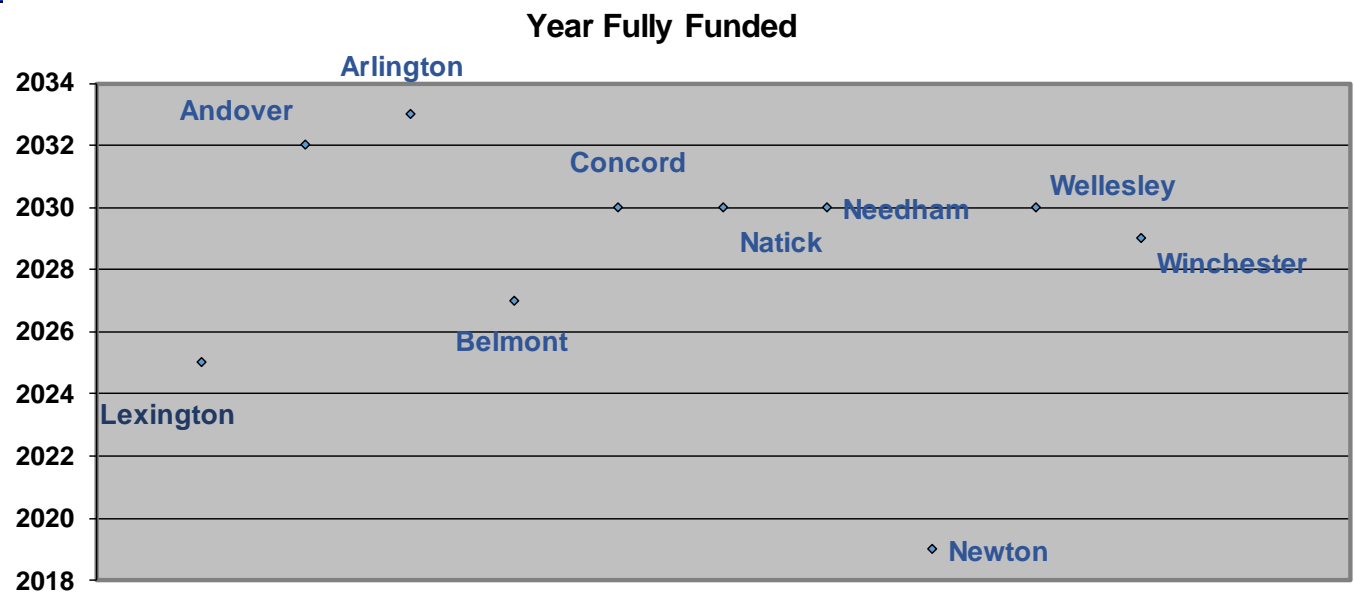
	Funded Ratio	Assumed Rate of Return	Year Fully Funded	Last Actuarial Study
Lexington	83.5%	7.75%	2025	1/1/2015
Andover	48.3%	7.75%	2032	1/1/2014
Arlington	49.3%	7.50%	2033	1/1/2014
Belmont	51.2%	7.75%	2027	1/1/2014
Concord	81.0%	7.50%	2030	1/1/2014
Natick	61.1%	8.00%	2030	1/1/2013
Needham	67.9%	7.75%	2030	1/1/2014
Newton	50.8%	7.65%	2019	1/1/2015
Wellesley	67.5%	7.00%	2030	1/1/2013
Winchester	77.4%	7.75%	2029	1/1/2013



Assumed Rate of Return



	Funded Ratio	Assumed Rate of Return	Year Fully Funded	Last Actuarial Study
Lexington	83.5%	7.75%	2025	1/1/2015
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Wellesley	67.5%	7.00%	2030	1/1/2013
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Concord	81.0%	7.50%	2030	1/1/2014
Natick	61.1%	8.00%	2030	1/1/2013
Needham	67.9%	7.75%	2030	1/1/2014
Newton	50.8%	7.65%	2019	1/1/2015
Wellesley	67.5%	7.00%	2030	1/1/2013
Winchester	77.4%	7.75%	2029	1/1/2013



Town of Lexington

Summit I – October 8th 2015

Appendix G: History of Revenues and Expenditures

Revenue Summary	FY 2009 ²		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015	
	Actual		Actual		Actual		Actual		Actual		Actual		Actual	
Property Tax Levy	\$	115,977,132	\$	121,010,869	\$	126,897,691	\$	132,445,308	\$	140,284,605	\$	147,182,391	\$	155,635,871
State Aid	\$	9,589,026	\$	8,962,015	\$	8,454,991	\$	8,341,106	\$	9,334,513	\$	10,144,659	\$	11,081,189
Local Receipts	\$	10,161,999	\$	11,067,649	\$	11,614,932	\$	11,899,444	\$	12,183,740	\$	13,373,875	\$	13,461,744
Available Funds	\$	5,620,168	\$	6,053,619	\$	6,838,842	\$	7,733,170	\$	7,249,652	\$	12,473,510	\$	11,012,293
Revenue Offsets	\$	(1,508,732)	\$	(1,713,630)	\$	(1,687,257)	\$	(2,403,388)	\$	(1,645,350)	\$	(1,647,074)	\$	(2,488,161)
Total General Fund Revenues	\$	139,839,593	\$	145,380,521	\$	152,119,199	\$	158,015,639	\$	167,407,161	\$	181,527,362	\$	188,702,936
Other Revenues														
Revolving Funds	\$	2,059,045	\$	2,298,265	\$	2,411,992	\$	2,468,693	\$	2,147,675	\$	2,963,010	\$	3,123,844
Grants	\$	141,454	\$	136,553	\$	124,073	\$	126,573	\$	91,284	\$	90,786	\$	117,486
Enterprise Funds (Direct)	\$	17,117,790	\$	17,530,671	\$	-	\$	19,542,495	\$	20,681,221	\$	21,338,787	\$	21,799,125
Enterprise Funds (Indirect)	\$	1,649,339	\$	1,701,209	\$	1,615,973	\$	1,564,441	\$	1,512,892	\$	1,497,405	\$	1,487,905
<i>sub-total Other Revenues</i>	<i>\$</i>	<i>20,967,628</i>	<i>\$</i>	<i>21,666,698</i>	<i>\$</i>	<i>4,152,038</i>	<i>\$</i>	<i>23,702,201</i>	<i>\$</i>	<i>24,433,072</i>	<i>\$</i>	<i>25,889,988</i>	<i>\$</i>	<i>26,528,360</i>
Total Revenues	\$	160,807,221	\$	167,047,219	\$	156,271,237	\$	181,717,841	\$	191,840,233	\$	207,417,350	\$	215,231,296
Expense Summary														
		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015
		Actual		Actual		Actual		Actual		Actual		Actual		Actual
Education														
Lex. Pub Schools Compen.	\$	53,372,059	\$	54,440,560	\$	57,098,128	\$	60,874,480	\$	64,117,953	\$	68,271,626	\$	72,889,506
Lex. Pub Schools Expenses	\$	8,946,145	\$	9,753,464	\$	9,308,258	\$	10,314,624	\$	10,807,819	\$	11,706,972	\$	12,383,296
<i>sub-total Lex. Pub. Schools</i>	<i>\$</i>	<i>62,318,204</i>	<i>\$</i>	<i>64,194,024</i>	<i>\$</i>	<i>66,406,386</i>	<i>\$</i>	<i>71,189,104</i>	<i>\$</i>	<i>74,925,772</i>	<i>\$</i>	<i>79,978,598</i>	<i>\$</i>	<i>85,272,802</i>
Minuteman Reg. School	\$	1,510,598	\$	1,711,554	\$	1,538,811	\$	1,702,930	\$	1,407,979	\$	1,474,265	\$	1,244,383
<i>sub-total Education</i>	<i>\$</i>	<i>63,828,802</i>	<i>\$</i>	<i>65,905,578</i>	<i>\$</i>	<i>67,945,197</i>	<i>\$</i>	<i>72,892,034</i>	<i>\$</i>	<i>76,333,751</i>	<i>\$</i>	<i>81,452,863</i>	<i>\$</i>	<i>86,517,185</i>
Municipal														
Municipal Compen.	\$	18,401,946	\$	19,379,531	\$	20,380,966	\$	19,209,439	\$	20,390,111	\$	21,164,252	\$	21,605,890
Municipal Expenses	\$	7,562,099	\$	7,785,739	\$	8,539,069	\$	8,539,069	\$	8,985,527	\$	9,499,793	\$	9,844,787
<i>sub-total Municipal</i>	<i>\$</i>	<i>25,964,045</i>	<i>\$</i>	<i>27,165,269</i>	<i>\$</i>	<i>28,920,035</i>	<i>\$</i>	<i>27,748,508</i>	<i>\$</i>	<i>29,375,637</i>	<i>\$</i>	<i>30,664,045</i>	<i>\$</i>	<i>31,450,677</i>
Shared Expenses														
Benefits & Insurance	\$	25,233,150	\$	26,993,423	\$	28,008,696	\$	28,380,746	\$	28,083,601	\$	26,822,039	\$	28,905,912
Debt (within-levy)	\$	3,755,361	\$	4,315,849	\$	4,614,721	\$	4,849,052	\$	5,462,902	\$	5,409,996	\$	6,524,620
Reserve Fund	\$	-	\$	-	\$	-	\$	900,000	\$	900,000	\$	900,000	\$	-
Public Facilities ¹	\$	8,430,075	\$	8,763,578	\$	9,974,653	\$	9,242,458	\$	9,343,330	\$	9,667,013	\$	9,958,057
<i>sub-total Shared Expenses</i>	<i>\$</i>	<i>37,418,585</i>	<i>\$</i>	<i>40,072,851</i>	<i>\$</i>	<i>42,598,070</i>	<i>\$</i>	<i>43,372,256</i>	<i>\$</i>	<i>43,789,832</i>	<i>\$</i>	<i>42,799,048</i>	<i>\$</i>	<i>45,388,589</i>
Revolving Funds	\$	911,217	\$	2,200,641	\$	2,064,759	\$	2,126,951	\$	2,368,300	\$	2,379,256	\$	2,341,722
Grants	\$	140,974	\$	136,549	\$	124,073	\$	124,073	\$	91,284	\$	90,786	\$	68,659
Capital & Reserves														
Cash Capital (inc of roads)	\$	1,520,750	\$	1,545,719	\$	1,983,112	\$	2,461,602	\$	4,152,794	\$	6,919,202	\$	5,958,117
Stabilization Fund	\$	1,000,000	\$	669,843	\$	710,000	\$	-	\$	-	\$	2,184,000	\$	5,910,726
CPA	\$	2,897,349	\$	3,015,893	\$	3,215,552	\$	3,360,117	\$	3,531,782	\$	3,205,052	\$	4,011,213
<i>sub-total Capital & Reserves</i>	<i>\$</i>	<i>5,418,099</i>	<i>\$</i>	<i>5,231,455</i>	<i>\$</i>	<i>5,908,664</i>	<i>\$</i>	<i>5,821,719</i>	<i>\$</i>	<i>7,684,576</i>	<i>\$</i>	<i>12,308,254</i>	<i>\$</i>	<i>15,880,056</i>
Enterprise Funds														
Water	\$	7,190,799	\$	7,241,304	\$	7,619,919	\$	7,978,816	\$	7,986,604	\$	8,653,900	\$	9,183,184
Wastewater (Sewer)	\$	7,643,649	\$	8,083,478	\$	8,315,556	\$	9,002,485	\$	9,041,143	\$	9,087,753	\$	9,393,974
Recreation	\$	1,790,263	\$	1,701,957	\$	1,835,535	\$	1,872,793	\$	1,658,811	\$	1,711,881	\$	1,973,057
Enterprise Capital	\$	85,305	\$	111,000	\$	90,000	\$	610,000	\$	71,000	\$	1,211,750	\$	-
<i>sub-total Enterprise Funds</i>	<i>\$</i>	<i>16,710,016</i>	<i>\$</i>	<i>17,137,739</i>	<i>\$</i>	<i>17,861,010</i>	<i>\$</i>	<i>19,464,094</i>	<i>\$</i>	<i>18,757,559</i>	<i>\$</i>	<i>20,665,283</i>	<i>\$</i>	<i>20,550,215</i>
Exempt Debt														
Municipal	\$	2,551,420	\$	2,853,441	\$	2,990,031	\$	2,933,716	\$	2,026,243	\$	1,846,167	\$	1,801,140
School	\$	3,081,223	\$	2,892,944	\$	2,763,519	\$	2,788,118	\$	4,172,838	\$	5,081,487	\$	6,543,162
<i>sub-total Exempt Debt</i>	<i>\$</i>	<i>5,632,643</i>	<i>\$</i>	<i>5,746,385</i>	<i>\$</i>	<i>5,753,550</i>	<i>\$</i>	<i>5,721,834</i>	<i>\$</i>	<i>6,199,081</i>	<i>\$</i>	<i>6,927,654</i>	<i>\$</i>	<i>8,344,302</i>
Total Expenses	\$	156,024,382	\$	163,596,467	\$	171,175,358	\$	177,271,469	\$	184,600,020	\$	197,287,189	\$	210,541,405
Balance	\$	4,782,839	\$	3,450,752	\$	(14,904,121)	\$	4,446,372	\$	7,240,212	\$	10,130,161	\$	4,689,891

¹ From FY 2000-FY 2008 cost of Public Facilities are components of spending in Public Works and Education

² Net Operating Revenue and Cherry Sheet Revenue includes \$799,539 in federal stimulus funds used to offset the fourth quarter cut in Chapter 70 aid.



FY2017 Budget Process

	July	August	September	October	November	December	January	February	March	April	May	June
Elections												
Town Meeting												
Town Manager												
Summit				I	II	III	IV V	VI				
BOS												
School Cmte.												
	Calendar Year 2015						Calendar Year 2016					

Important Dates

<p>August 2015 Issuance of Capital and Operating Budget Guidelines</p> <p>October 2015 Summit I - Financial Indicators & Projections Discuss Guidelines and Drivers Town Manager Review of Capital Budget Requests October 8th</p> <p>November 2015 Summit II - Revenue Projection and Allocation Town Manager Review of Operating Budget Requests November 12th</p> <p>December 2015 Municipal Budget Workshops with Selectmen School Committee Hearings on Budget Summit III - Revenue Allocation TBD</p> <p>January 2016 Submittal of FY2017 Superintendent's Recommended Budget to SC January 5th Submittal of FY2017 Manager's Recommended Budget to BOS January 11th Summit IV - Review of FY2017 Town Manager's Preliminary Budget January 14th (tent.)</p>	<p>February 2016 Summit V - Comment and Budget Deliberations February 18th (tent.) Board of Selectmen Vote on the FY2016 Recommended Budget Budget Decisions and Deliberations Concluded February 22nd FY2016 Recommended Budget submitted to Town Meeting February 29th</p> <p>March 2016 Municipal Election March 7th (tent.) Town Meeting Commences (anticipated) TBD Budget Presentations by Town Manager and Superintendent TBD Town Meeting Begins Budget Deliberations TBD</p>
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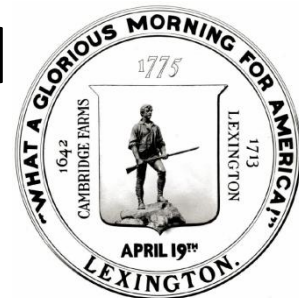
Lexington Public Schools FY2017-19 Three Year Budget Projections



Lexington Public Schools
October 8, 2015

Mission / Vision Statement

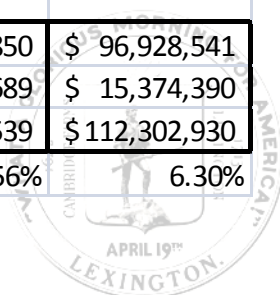
The Lexington Public Schools serve to inspire and empower every student to become a lifelong learner prepared to be an active and resilient citizen who will lead a healthy and productive life. Educators, staff, parents, guardians and community members will honor diversity and work together to provide all students with an education that ensures academic excellence in a culture of caring and respectful relationships.



Summary

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY2019
	Appropriation	Appropriation	Appropriation	Projected	Projected	Projected
1 Above the Line - detail on pages 5-6						
2 Salary and Wages	\$ 69,153,948	\$ 73,496,851	\$ 78,675,324	\$ 82,261,325	\$ 85,963,615	\$ 88,529,572
3 Expenses	\$ 12,246,559	\$ 13,127,078	\$ 13,384,993	\$ 13,786,543	\$ 14,200,139	\$ 14,626,143
4 Total Above & Below the Line	\$ 81,400,507	\$ 86,623,929	\$ 92,060,317	\$ 96,047,868	\$ 100,163,754	\$ 103,155,715
5 Percentage Change		6.42%	6.28%	4.33%	4.29%	2.99%
6						
7 Below The Line - detail on pages 7-11						
8 FY14-16 Benefits for new positions	\$ 610,380	\$ 642,332	\$ 623,783			
9 FY17 Salaries, Wages, benefits, steps & COLA - enrollment growth				\$ 2,452,956	\$ 2,575,604	\$ 2,704,384
10 Minuteman one-time Facility Expenses				\$ 300,000		
11 Minuteman Lease				\$ 168,000	\$ 168,000	\$ 168,000
12 Minuteman Expenses				\$ 175,000	\$ 180,250	\$ 185,658
13 FY18 Salaries, Wages, benefits, steps & COLA - enrollment growth					\$ 2,287,631	\$ 2,402,012
14 Pelham Rd Expenses					\$ 175,000	\$ 180,250
15 Middle School Expenses					\$ 101,300	\$ 104,339
16 FY19 Salaries, Wages, benefits, steps & COLA - enrollment growth						\$ 3,292,572
17 Hastings Expense Increases						\$ 110,000
18						
19 Above & Below the Line						
20 Salary and Wages	\$ 69,764,328	\$ 74,139,183	\$ 79,299,107	\$ 84,714,281	\$ 90,826,850	\$ 96,928,541
21 Expenses	\$ 12,246,559	\$ 13,127,078	\$ 13,384,993	\$ 14,429,543	\$ 14,824,689	\$ 15,374,390
22 Total Above & Below the Line	\$ 82,010,887	\$ 87,266,261	\$ 92,684,100	\$ 99,143,824	\$ 105,651,539	\$ 112,302,930
23 Percentage Change		6.41%	6.21%	6.97%	6.56%	6.30%

Note: One-time expenses include retrofit of Minuteman Lease Space for Facilities





Key School Policy Issues

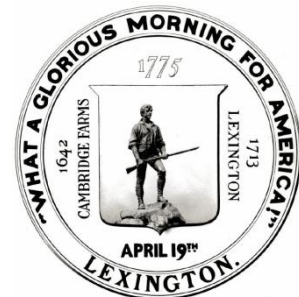
- Enrollment Growth
- Building Capacity
- Maximizing Existing Space/Capacity
- Redistricting
- Preserving and Maintaining Programs
- Program Improvements
- Financial Implications of above



Assumptions “Above” the Line:

(reflects current staffing and enrollment)

- **Salaries & Wages: Includes 3% for step increases, (-\$500,000) for staff turnover savings**
- **Salaries & Wages: Includes 2.25% in FY 17 for ALA & LEA Unit A and 2% for FY18 for LEA Unit A only**
- **Expenses: Includes 3% increase**



“Above” the Line

(reflects current staffing and enrollment)

Above the Line	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 Appropriation	FY 2017 Projected	FY 2018 Projected	FY2019 Projected
Salary and Wages	\$ 69,153,948	\$ 73,496,851	\$ 78,675,324	\$ 82,261,325	\$ 85,963,615	\$ 88,529,572
Expenses	\$ 12,246,559	\$ 13,127,078	\$ 13,384,993	\$ 13,786,543	\$ 14,200,139	\$ 14,626,143
Total Above the Line	\$ 81,400,507	\$ 86,623,929	\$ 92,060,317	\$ 96,047,868	\$ 100,163,754	\$ 103,155,715
Percentage Change	6.23%	6.42%	6.28%	4.33%	4.29%	2.99%



Assumptions “Below” the Line:

(staffing changes due to projected enrollment growth)

- **Salaries & Wages: Establishes FTE increase per 1.00% increase in enrollment**
- **Salaries & Wages: Uses aggregate estimated benefits, workers comp, Medicare cost to add FTE**
- **Salaries & Wages: Uses Enrollment Working Group FY17-19 District enrollment projections**
- **Salaries & Wages: ALA falls “below the line” FY18; LEA Unit A (teachers) falls “below the line” in FY19**



“Below” the Line

(staffing changes due to projected enrollment growth)

Below the Line	FY2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Enrollment	6,608	6,746	6,866	7,008	7,103	7,211
Percent Change in Enrollment	1.63%	2.09%	1.78%	2.07%	1.36%	1.52%
FTE	963.56	989.12	1,035.73	1,065.21	1,084.53	1,106.20
Change in FTE	40.09	25.56	46.61	29.48	19.32	21.67
PIR FTE	12.68	15.10	9.37			
Enrollment/Mandate FTE	27.41	10.46	37.24			
FTE increase per 1.0% change in enrollment	16.81	5.01	20.94	14.25	14.25	14.25

Below the Line	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 Appropriation	FY 2017 Projected	FY 2018 Projected	FY2019 Projected
Salaries Proj. - enrollment growth				\$ 1,492,898	\$ 998,103	\$ 1,119,509
Benefits Proj. - enrollment growth				\$ 416,167	\$ 286,419	\$ 337,321
Cost of 1% increase for current non-settled contracts/agreements				\$ 165,407	\$ 219,144	\$ 880,978



Assumptions “Below” the Line:

(reflects new and/or expanding facilities)

- **Recurring staff related costs are inclusive of benefits, workers comp, Medicare**
- **Only includes marginal cost increase for projects, not total program costs**
- **Estimated cost of Elementary World Language Program is additional \$1,496,224 in FY18; inclusive of salaries, benefits, supplies, and 1% increase to LEA – Unit A (not included in projection)**



"Below" the Line

(reflects new and/or expanding facilities)

FY 2017		
Lexington Children's Place Lease - Minuteman		
	Recurring Costs	One-time cost
School Salaries	\$ 37,487	
Facilities Salaries	\$ 134,238	
Facilities Expenses	\$ 343,000	\$ 300,000
Sub Total	\$ 514,725	\$ 300,000
Total		\$ 814,725

FY 2018		
Pelham Road Property Costs		
	Recurring Costs	One-time cost
School Salaries	\$ 292,380	
Facilities Salaries	\$ 136,220	
Facilities Expenses	\$ 175,000	
Sub Total	\$ 603,600	\$ -
Total		\$ 603,600
Middle School Projects		
	Recurring Costs	One-time cost
Facilities Salaries	\$ 136,220	
Facilities Expenses	\$ 101,300	
Sub Total	\$ 237,520	\$ -
Total		\$ 237,520

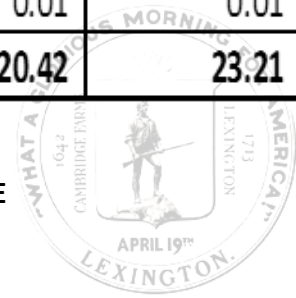
FY 2019		
Hastings w.out MSBA		
	Recurring Costs	One-time cost
Facilities Salaries	\$ 73,785	
Facilities Expenses	\$ 110,000	
Sub Total	\$ 183,785	\$ -
Total		\$ 183,785



FTE separated by category

FTE Requests by Category	FY2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Change in Enrollment	106	138	120	142	95	108
Reg Ed Teaching	3.85	6.90	6.75	6.75	4.51	5.13
Other Reg Ed Support Sections (World Lang)	0.65	0.40	1.40	0.98	0.66	0.75
Performing Arts/Fine Arts/PE Wellness/APE	1.29	1.20	1.38	1.53	1.02	1.16
SPED Teaching (ILP, LLP, DLP)	2.60	(0.50)	5.40	3.12	2.09	2.37
SPED Teaching Support (SLP/OT/PT/Soc Work)	1.40	(0.70)	0.80	0.70	0.47	0.53
ELL		-	1.85	0.73	0.49	0.56
Guidance/Social Worker		0.40	1.90	0.89	0.59	0.67
Nurses		0.60	0.70	0.48	0.32	0.37
Reg Ed Non-union Support Staff (K-Asst, OMA)	5.33	-	1.92	3.14	2.10	2.39
SPED Para Staff	12.28	1.94	12.89	11.23	7.52	8.54
Clerical Support		0.23	2.22	0.95	0.64	0.73
Tech Support		-	-	-	-	-
Administrative Time		-	0.05	0.02	0.01	0.01
Total FTE	27.41	10.47	37.25	30.52	20.42	23.21

Note: FY17-19 FTE Projected FTE derived from FY14-16 actual budgeted FTE by category. These figures are not used in the projection/model but are intended to show consistency with the budget model and the number of FTE added given varying enrollment increases.



AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

Key Policy Issues Related to FY2017 Budget

PRESENTER:

Carl Valente and Mary Czajkowski

ITEM NUMBER:

3

SUMMARY:

See attached key policy issues for discussion.

SUGGESTED MOTION:

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

ATTACHMENTS:

Description	Type
<input type="checkbox"/> FY2017 Policy Issues	Presentation



1. Financing Plan for Increasing School Population
2. Financing Plan/Tax Impact for School Facilities
3. Financing Plan/Tax Impact for Public Safety Facilities
4. Funding for and use of the Capital Projects Stabilization Fund

AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

Review Special Town Meeting Warrant

PRESENTER:

Joe Pato

ITEM NUMBER:

4

SUMMARY:

See attached warrants for Special Town Meeting #1 and Special Town Meeting #2.

Pat Goddard will provide a School Facilities Plan Update.

Carl Valente will discuss a proposed Town Manager Task Force for a School Projects Financing Plan.

See attached warrants for Special Town Meeting #1 and Special Town Meeting #2.

SUGGESTED MOTION:

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Special Town Meeting Warrant #1 - Schools	Backup Material
<input type="checkbox"/> Special Town Meeting Warrant #2	Backup Material



TOWN WARRANT
Town of Lexington
Special Town Meeting #1

Commonwealth of Massachusetts

Middlesex, ss.

To any of the Constables of the Town of Lexington

Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify the inhabitants of the Town of Lexington qualified to vote in elections and in Town affairs to meet in the Margery Milne Battin Hall in Cary Memorial Building, 1605 Massachusetts Avenue, in said Town on Monday, November 2, 2015, at 7:30 p.m., at which time and place the following articles are to be acted upon and determined exclusively by the Town Meeting Members in accordance with Chapter 215 of the Acts of 1929, as amended, and subject to the referendum provided for by Section eight of said Chapter, as amended.

NOTE: There is a possibility that the Cary Memorial Building renovation project will not be completed in time for Town Meeting to convene in the Margery Milne Battin Hall on November 2. If so, Town Meeting will be relocated to the Clarke Middle School Auditorium. Town Meeting Members will be notified via the TMMA listserv and the Town's website, prior to November 2, of any relocation. Residents are asked to check the Town's website to confirm the location of Town Meeting. Signage will also be placed in front of the Cary Memorial Building if the relocation is necessary.

ARTICLE 1

REPORTS OF TOWN BOARDS, OFFICERS, COMMITTEES

To receive the reports of any Board or Town Officer or of any Committee of the Town, or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

DESCRIPTION: This article remains open throughout the Special Town Meeting.

ARTICLE 2

APPROPRIATE FOR SCHOOL FACILITIES CAPITAL PROJECTS

To see if the Town will vote to appropriate a sum of money for: continuing the school facility master planning study for specific capital projects for the Fiske, Hastings and Harrington Elementary Schools and the Clarke and Diamond Middle Schools; design, engineering and architectural services for these projects; and for the related remodeling, reconstruction or making extraordinary repairs to these or other school facilities; for the construction of the buildings, including original equipment and landscaping, paving and other site improvements incidental or directly related to such remodeling, reconstruction or repair, determine whether the money shall be provided by the tax levy, by transfer from available funds, by borrowing, or by any combination of these methods; determine if the Town will authorize the Selectmen to apply for, accept, expend and borrow in anticipation of state aid for such capital improvements; or act in any other manner in relation thereto.

(Inserted by the School Committee)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This article is to request funding for the studies, design and construction of school facilities to address current and anticipated school enrollment.

ARTICLE 3

LAND PURCHASE AND IMPROVEMENTS - 20 PELHAM ROAD

To see if the Town will vote to authorize the Selectmen to purchase or otherwise acquire, or to take by eminent domain for municipal or school purposes, any fee, easement, or other interest in all or any part of land known as 20 Pelham Road and shown as lot 65A on Assessors' Property Map 31, owned by the Congregation of Armenian Sisters of the Immaculate Conception, Inc.; for design, engineering and architectural services for plans and specifications and related costs; and to make access and site improvements and to remodel, reconstruct and make extraordinary repairs to the existing school building on such property; and to appropriate a sum of money therefor and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This article requests funding to purchase the property at 20 Pelham Road for municipal or school purposes and to make access and site improvements, remodel, reconstruct and make extraordinary repairs to the existing school building on the property.

ARTICLE 4

APPROPRIATE FOR ENGINEERING STUDY – 20 PELHAM ROAD

To see if the Town will vote to raise and appropriate a sum of money for engineering studies and related costs for access roads and sidewalks connecting Pelham Road, the property at 20 Pelham Road and the Community Center at 39 Marrett Road and Marrett Road and any improvements that may be necessary to Pelham Road to access 20 Pelham Road; determine whether the money shall be provided by the tax levy, by transfer from available funds, by borrowing, or any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: Should Town Meeting approve the purchase of the 20 Pelham Road property, this Article would fund the engineering study for roadways and sidewalks to connect this property to the Community Center property, Marrett Road and Massachusetts Avenue.

And you are directed to serve this warrant not less than fourteen days at least before the time of said meeting, as provided in the Bylaws of the Town.

Hereof fail not and make due return of this warrant, with your doings thereon, to the Town Clerk, on or before the time of said meeting.

Given under our hands this 5th day of October 2015.

Joseph N. Pato
Peter C.J. Kelley
Norman P. Cohen
Suzanne E. Barry
Selectmen
of
Lexington

A true copy, Attest:

Richard W. Ham, Jr.
Constable of Lexington



TOWN WARRANT
Town of Lexington
Special Town Meeting #2

Commonwealth of Massachusetts

Middlesex, ss.

To any of the Constables of the Town of Lexington

Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify the inhabitants of the Town of Lexington qualified to vote in elections and in Town affairs to meet in the Margery Milne Battin Hall in Cary Memorial Building, 1605 Massachusetts Avenue, in said Town on Monday, November 2, 2015 at 7:35 p.m., at which time and place the following articles are to be acted upon and determined exclusively by the Town Meeting Members in accordance with Chapter 215 of the Acts of 1929, as amended, and subject to the referendum provided for by Section eight of said Chapter, as amended.

NOTE: There is a possibility that the Cary Memorial Building renovation project will not be completed in time for Town Meeting to convene in the Margery Milne Battin Hall on November 2. If so, Town Meeting will be relocated to the Clarke Middle School Auditorium. Town Meeting Members will be notified via the TMAA listserv and the Town's website, prior to November 2, of any relocation. Residents are asked to check the Town's website to confirm the location of Town Meeting. Signage will also be placed in front of the Cary Memorial Building if the relocation is necessary.

ARTICLE 1

REPORTS OF TOWN BOARDS, OFFICERS, COMMITTEES

To receive the reports of any Board or Town Officer or of any Committee of the Town, or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

DESCRIPTION: This article remains open throughout the Special Town Meeting.

ARTICLE 2

AMEND MINUTEMAN REGIONAL AGREEMENT

To see if the Town will accept and approve the "Amendment to Minuteman Regional Agreement regarding the Withdrawal of the Town of Wayland from the Minuteman Regional School District", which was approved by the Minuteman Regional School Committee on July 7, 2015 and which has been submitted to the Board of Selectmen consistent with the current Minuteman Regional Agreement, or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

DESCRIPTION: The Town of Wayland voted to seek withdrawal from the Minuteman Regional School District. As required, the District School Committee drafted an amendment to the Regional Agreement setting forth the terms by which Wayland may withdraw from the District. The Amendment permitting the Town of Wayland to withdraw from the District will become effective only if all sixteen member towns of the District, as well as the Commission of Education, vote to approve this Amendment.

ARTICLE 3

TRANSFER OF PROPERTY TO LEXHAB

To see if the Town will vote to authorize the Board of Selectmen to transfer the land known as 34 Lowell Street and further shown as Lot 2A on a plan of land entitled "Lowell Street, Lexington, Massachusetts, Assessor's Map 20/Parcel 38, Subdivision Plan of Land Approval Not Required", recorded at the Middlesex South Registry of Deeds in Plan Book 02015, Page 108, to the Lexington Housing Assistance Board, Inc. ("LexHAB") for nominal consideration, or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen at the request of the LexHAB)

DESCRIPTION: The property in this article is owned by the Town of Lexington. This article will authorize the transfer of ownership of the land to LexHAB.

ARTICLE 4**APPROPRIATE FOR WATER SYSTEM IMPROVEMENTS**

To see if the Town will vote to make water distribution system improvements, including the installation of new water mains and replace or clean and line existing water mains and standpipes, conduct engineering studies and purchase and install equipment in connection therewith, in such accepted or unaccepted streets or other land as the Selectmen may determine, subject to the assessment of betterments or otherwise; and to take by eminent domain, purchase or otherwise acquire any fee, easement or other interest in land necessary therefor; appropriate money for such improvements and land acquisition and determine whether the money shall be provided by the tax levy, by transfer from available funds, including any special water funds, by borrowing, or by any combination of these methods; to determine whether the Town will authorize the Selectmen to apply for, accept, expend and borrow in anticipation of or from federal and state aid for such projects; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: Funds requested in this article will be used to repair and replace large water mains in east Massachusetts Avenue. Some of these water mains date from 1896 and have deteriorated and have pin-hole size leaks.

ARTICLE 5**APPROPRIATE FOR PROPERTY IMPROVEMENTS - 241 GROVE STREET**

To see if the Town will vote, upon recommendation of the Community Preservation Committee, to raise and appropriate a sum of money to remodel, reconstruct and make extraordinary repairs and related improvements to the existing farm house at 241 Grove Street for community housing purposes, and for other mitigation to the property, determine whether the money shall be provided by the tax levy, by transfer from available funds, including the Community Preservation Fund, by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This article is to request funding for necessary improvements to the farm house on the Wright Farm property owned by the Town in order to provide a unit of affordable housing.

ARTICLE 6**APPROPRIATE FUNDS FOR FIRE STATION SITE STUDY**

To see if the Town will vote to appropriate a sum of money for studying potential sites for a fire station; determine whether the money shall be provided by the tax levy, by transfer from available funds, by borrowing or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This article is to request funding for evaluating potential sites for a fire station.

ARTICLE 7**AMEND FY2016 OPERATING, ENTERPRISE FUND AND
COMMUNITY PRESERVATION BUDGETS**

To see if the Town will vote to make supplementary appropriations, to be used in conjunction with money appropriated under Articles 4, 5 and 8 of the warrant for the 2015 Annual Town Meeting, to be used during the current fiscal year, or make any other adjustments to the current fiscal year budgets and appropriations that may be necessary; to determine whether the money shall be provided by the tax levy, by transfer from available funds, from Community Preservation funds or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This is an article to permit adjustments to current fiscal year (FY2016) appropriations.

ARTICLE 8

APPROPRIATE TO AND FROM SPECIFIED STABILIZATION FUNDS

To see if the Town will vote to appropriate sums of money to and from Stabilization Funds in accordance with Section 5B of Chapter 40 of the Massachusetts General Laws for the purposes of: (a) Section 135 Zoning By-Law, (b) Traffic Mitigation, (c) Transportation Demand Management/Public Transportation, (d) School Bus Transportation, (e) Special Education, (f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District, (i) Avalon Bay School Enrollment Mitigation Fund, and (j) Capital Projects; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This article proposes to fund Stabilization Funds for specific purposes and to appropriate funds therefrom. Money in those funds may be invested and the interest may then become a part of the particular fund. The use of these funds may be appropriated for the specific designated purpose by a two-thirds vote of an Annual or Special Town Meeting.

ARTICLE 9

APPROPRIATE FOR AUTHORIZED CAPITAL IMPROVEMENTS

To see if the Town will vote to make supplementary appropriations to be used in conjunction with money appropriated in prior years for the installation or construction of water mains, sewers and sewerage systems, drains, streets, buildings, recreational facilities or other capital improvements and equipment that have heretofore been authorized; determine whether the money shall be provided by the tax levy, by transfer from the balances in other articles, by transfer from available funds, including enterprise funds and the Community Preservation Fund, by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This is an article to request funds to supplement existing appropriations for certain capital projects in light of revised cost estimates that exceed such appropriations.

ARTICLE 10

APPROPRIATE FOR PRIOR YEARS' UNPAID BILLS

To see if the Town will vote to raise and appropriate money to pay any unpaid bills rendered to the Town for prior years; to determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Board of Selectmen)

FUNDS REQUESTED: unknown at press time

DESCRIPTION: This is an article to request funds to pay bills after the close of the fiscal year in which the goods were received or the services performed and for which no money was encumbered.

And you are directed to serve this warrant not less than fourteen days at least before the time of said meeting, as provided in the Bylaws of the Town.

Hereof fail not and make due return of this warrant, with your doings thereon, to the Town Clerk, on or before the time of said meeting.

Given under our hands this 5th day of October 2015.

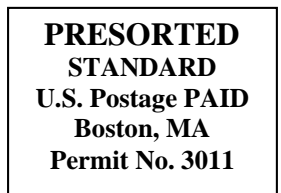
Joseph N. Pato
Peter C.J. Kelley
Norman P. Cohen
Michelle L. Ciccolo
Suzanne E. Barry

Selectmen
of
Lexington

A true copy, Attest:

Richard W. Ham, Jr.
Constable of Lexington

Town of Lexington
Lexington, MA 02420



ECRWSS
Residential Patron

Lexington, MA

AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

Establish Date: Summit 2

PRESENTER:

Joe Pato

ITEM NUMBER:

5

SUMMARY:

The proposed date for Summit 2 is November 12, 2015.

SUGGESTED MOTION:

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

Confirm Special Town Meeting Warrant Vote

PRESENTER:

Joe Pato

ITEM NUMBER:

6

SUMMARY:

At the Selectmen meeting on October 5, 2015, the Board signed Special Town Meeting warrants #1 and #2. Upon examination of detailed plot plans during executive session, Ms. Ciccolo discovered that she may have a conflict of interest with the Pelham property and decided that she should recuse herself from voting to sign the warrant for Special Town Meeting #1. As the Board entered executive session with the declared intent to return to open session only to adjourn, corrective action could not be taken that night.

SUGGESTED MOTION:

- 1) Motion to rescind the signing of the November 2015 Special Town Meeting #1 Warrant
- 2) Motion to sign the November 2015 Special Town Meeting #1 Warrant

FOLLOW-UP:

Selectmen's Office

DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

Annual Town Meeting Location Discussion

PRESENTER:

Joe Pato

ITEM NUMBER:

7

SUMMARY:

The Symphony has requested the use of Battin Hall for March 28 and 30 for very important Symphony rehearsals. The Lexington High School Auditorium is available if the Board agrees to move Town Meeting on those two nights.

SUGGESTED MOTION:

FOLLOW-UP:

Selectmen's Office

DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Emails Regarding Symphony Request	Backup Material

Lynne Pease

From: Carl Valente
Sent: Tuesday, October 06, 2015 6:38 PM
To: 'Michelle Ciccolo'; Patrick Goddard; Lynne Pease
Cc: Norman Cohen
Subject: RE: Your help with Lexington Symphony scheduling

Michelle and Norman,

Town Meeting for these two dates can be at the High School. The BOS sets the location of Town Meeting. We have it on the agenda for Thursday. If the Board approves, the Symphony can be accommodated at Cary.

Carl
Carl F. Valente
Town Manager
1625 Massachusetts Avenue
Lexington, MA 02420
781 698-4545
781 861-2921 (fax)



(When writing or responding please understand that the Secretary of State has determined that emails are a public record and, therefore, may not be kept confidential.)

From: Michelle Ciccolo [mailto:mciccolo@gmail.com]
Sent: Monday, October 05, 2015 1:37 PM
To: Carl Valente <cvalente@lexingtonma.gov>; Patrick Goddard <pgoddard@lexingtonma.gov>; Lynne Pease <LPEASE@lexingtonma.gov>
Subject: Fwd: Your help with Lexington Symphony scheduling

Not sure Norm or I should be in the middle of this... Should I have her call one of you?

----- Forwarded message -----

From: <vhecker@lexingtonsymphony.org>
Date: Sun, Oct 4, 2015 at 11:54 AM
Subject: Your help with Lexington Symphony scheduling
To: Michelle Ciccolo <mciccolo@gmail.com>, Norm Cohen <linorm@comcast.net>
Cc: Sam Wade <swade@lexingtonsymphony.org>, Jonathan McPhee <JBMcphee@aol.com>

Dear Michelle (and Norm) -

I am writing to ask for your help. Lexington Symphony is in a difficult situation regarding a scheduling conflict for rehearsals for our concert in April 2016. Norm is already aware of the situation, and I am hoping that the two of you together as Selectmen might be able to help us.

We learned last week that all of our rehearsals in March (March 23, 28 and 30) at Cary Hall, in preparation for our concert on April 2, conflict with Town Meeting. This was a great surprise to us, as we had received confirmation for all dates for

our entire season of concerts and rehearsals at Cary Hall last Spring, and all dates have been confirmed with musicians and soloists.

Our concert on April 2, 2016, is Lexington Symphony's biggest undertaking in its entire 20 year history. It is called "The Essential Ring" and is a distillation of the first 2 operas of Richard Wagner's "Ring Cycle" (which in its full version is 4 operas, each 4 hours long). This version has been entirely edited by Music Director Jonathan McPhee, and will be a total of 3 hours. The program is a collaboration with Symphony New Hampshire, where Jonathan also conducts. There will be a with a combined orchestra of 110 musicians, and we have booked 8 spectacular international vocal soloists who are coming from all over the world for two performances -- one at Cary Hall and one at Keefe Center for the Arts Nashua. We are expecting huge press coverage for this.

Rehearsals in the venue where we are performing are essential for this production. In addition to the huge orchestra and 8 solo singers, we have super-titles for translation of the opera and lighting that need to be coordinated with the music. The logistics for this program are extremely complicated. Because we are doing 2 concerts in 2 different locations (which we normally do not), we have only 2 evenings in Cary Hall to rehearse this program with full orchestra and soloists, on Monday, March 28 and Wednesday, March 30, and one opportunity for rehearsal in NH the following evening, Thursday, March 31. March 28 and 30 (particularly the 30th) are dates when we desperately need Cary Hall for rehearsal, more that any other time in the orchestra's history. We can possibly move the March 23 rehearsal to another location.

We have already discussed switching dates with Symphony New Hampshire (moving ours to March 31 and theirs to March 30) but their venue is not available on March 30. Not having dates to rehearse in Cary Hall prior to the concert is just not an option for Lexington Symphony. All contracts with orchestra players and singers have been signed and cannot be changed.

We are hoping that through your intercession, there might be a possibility of moving Town Meeting to another location on March 28 and 30.

We would appreciate it so very much if you could help us with this predicament. Norm suggested speaking with Deborah Brown. Jonathan McPhee is also willing to speak with both of you, and anyone else that could have the influence to change the meeting location.

This particular concert is so special, we have worked for months to put the amazing cast together, Jonathan has put in countless hours on editing the score, and it is a program that will make the Town of Lexington proud! We hope that this one time for something as special as this, that the Town will take our situation into consideration.

Thank you both so much for anything you can do to help. We appreciate all the support that both of you have given to Lexington Symphony, and we hope that others in the community will show their support by helping us with this issue.

If you have any questions, please call me at 617-599-8181 or General Manager

Samantha Wade at 781-704-5275.

With many thanks and best wishes,
Virginia

Virginia Hecker

--

Michelle Ciccolo Jackson
50 Shade Street, Lexington, MA 02421
781-307-7330 Mobile
781-862-0808 Home

Follow me on Twitter @mciccolo

Visit my website: www.michelleciccolo.com

Like my facebook page: <https://www.facebook.com/michelleforlexington>

AGENDA ITEM SUMMARY

LEXINGTON BOARD OF SELECTMEN MEETING

AGENDA ITEM TITLE:

Selectmen Consent Items

PRESENTER:

Joe Pato

ITEM NUMBER:

8

SUMMARY:

A request was received to serve beer and wine at a private birthday party at the Depot Building on October 17, 2015 from 9:00 p.m. to 12:00 midnight. A one-day liquor license is needed because the function is being held in a public location.

The Lexington Minutemen have request permission to use the Battle Green for a drill and musket firing on Saturday, October 10, 2015, from 1:00 PM to 3:00 PM. Police, Engineering have no concerns. Public Works has no concerns as long as the Minutemen clean up the area and there are no vehicles parked on the Battle Green.

SUGGESTED MOTION:

Motion to approve the Consent Agenda.

FOLLOW-UP:

Selectmen's Office

DATE AND APPROXIMATE TIME ON AGENDA:

10/8/2015

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Lexington Minutemen Request for Battle Green	Backup Material

