

Appendix A: Program Improvement Request Summary



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Appendix A: Program Improvement Requests

Shared and Municipal Programs 2000 - 8000

FY2023 Recommended Budget: Program Improvements

Program Improvement Request Summary

Program	Department Requests	Recommended	Not Recommended
General Fund			
Public Facilities	\$ 99,496	\$ 43,796	\$ 55,700
Public Works	\$ 177,786	\$ 26,967	\$ 150,819
Police	\$ 256,052	\$ 95,933	\$ 160,119
Fire	\$ 187,961	\$ 48,633	\$ 139,328
Library	\$ 92,021	\$ —	\$ 92,021
Recreation - Non-Enterprise	\$ 25,000	\$ —	\$ 25,000
Human Services	\$ —	\$ —	\$ —
Land Use, Health and Development	\$ 223,670	\$ 41,184	\$ 182,486
Select Board	\$ 20,000	\$ 20,000	\$ —
Town Manager's Office	\$ 43,399	\$ —	\$ 43,399
Miscellaneous Boards and Committees	\$ 10,000	\$ —	\$ 10,000
Finance	\$ —	\$ —	\$ —
Town Clerk	\$ 94,714	\$ 30,500	\$ 64,214
Innovation & Technology	\$ 140,366	\$ 11,937	\$ 128,429
Total General Fund Requests	\$ 1,370,465	\$ 318,950	\$ 1,051,515
Non-General Fund			
Water/Sewer Enterprise	\$ 101,516	\$ —	\$ 101,516
Recreation Enterprise	\$ 127,363	\$ 127,363	\$ —
Total Non-General Fund	\$ 228,879	\$ 127,363	\$ 101,516
Combined Requests Total	\$ 1,599,344	\$ 446,313	\$ 1,153,031

GENERAL FUND		Departmental Request				Recommendation	
Program	Description	Compensation	Expenses	Benefits	Total	Recommended	Not Recommended
Public Facilities							
2630 - Shared Facilities	Update Admin Role and Make Full-time	\$ 27,000	\$ —	\$ 16,796	\$ 43,796	\$ 43,796	\$ —
2620 - Municipal Facilities	Additional Maintenance Responsibilities	\$ —	\$ 30,700	\$ —	\$ 30,700	\$ —	\$ 30,700
2620-Municipal Facilities	Maintenance of Empty Facilities	\$ —	\$ 25,000	\$ —	\$ 25,000	\$ —	\$ 25,000
Total Public Facilities		\$ 27,000	\$ 55,700	\$ 16,796	\$ 99,496	\$ 43,796	\$ 55,700
Public Works							
3420 Recycling	Transition PT Compost Site Attendant to FT	\$ 32,429	\$ —	\$ 16,874	\$ 49,303	\$ —	\$ 49,303
3420 Recycling	W-6 position upgrade	\$ 2,496	\$ —	\$ —	\$ 2,496	\$ 2,496	\$ —
3100 Administration	Transition DPW Management Analyst from PT to FT	\$ 24,121	\$ —	\$ 350	\$ 24,471	\$ 24,471	\$ —
3300 Public Grounds	Assistant Superintendent for Public Grounds	\$ 83,895	\$ —	\$ 17,621	\$ 101,516	\$ —	\$ 101,516
Total Public Works		\$ 142,941	\$ —	\$ 34,845	\$ 177,786	\$ 26,967	\$ 150,819
Police							
4110 Police Administration	Administrative Lieutenant	\$ 141,661	\$ —	\$ 18,458	\$ 160,119	\$ —	\$ 160,119
4120 Patrol & Enforcement	Required Police Training	\$ 41,840	\$ —	\$ 607	\$ 42,447	\$ 42,447	\$ —
4120 Patrol & Enforcement	Holding Cell Shifts	\$ 44,800	\$ —	\$ 650	\$ 45,450	\$ 45,450	\$ —
4170 Crossing Guards	Crossing Guard	\$ 7,921	\$ —	\$ 115	\$ 8,036	\$ 8,036	\$ —
Total Police		\$ 236,222	\$ —	\$ 19,830	\$ 256,052	\$ 95,933	\$ 160,119
Fire							
4240 - Emergency Management Services	Advanced Life Support Training and Simulation Manikin	\$ —	\$ 48,633	\$ —	\$ 48,633	\$ 48,633	\$ —
4240 - Emergency Management Services	Medstat MS 500 EMS ATV and Trailer	\$ —	\$ 84,048	\$ —	\$ 84,048	\$ —	\$ 84,048
4210 - Fire Administration	Combination Wildfire Scout and Personnel Transporter ATV	\$ —	\$ 55,280	\$ —	\$ 55,280	\$ —	\$ 55,280
Total Fire		\$ —	\$ 187,961	\$ —	\$ 187,961	\$ 48,633	\$ 139,328
Library							
5130 - Youth Services	Full-Time Youth Services Librarian	\$ 69,456	\$ —	\$ 17,411	\$ 86,867	\$ —	\$ 86,867
5120 - Adult Services	Library Fellowship	\$ 5,080	\$ —	\$ 74	\$ 5,154	\$ —	\$ 5,154
Total Library		\$ 74,536	\$ —	\$ 17,485	\$ 92,021	\$ —	\$ 92,021
Recreation - General Fund							
Cash Capital - Non-Recreation Enterprise Fund	Community Center Furniture	\$ —	\$ 25,000	\$ —	\$ 25,000	\$ —	\$ 25,000
Cash Capital - Non-Recreation Enterprise Fund	Community Center Generator	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Recreation - General Fund		\$ —	\$ 25,000	\$ —	\$ 25,000	\$ —	\$ 25,000
Land Use, Health & Development							
7120 - Administration	ACROSS Lexington Brochures	\$ —	\$ 5,000	\$ —	\$ 5,000	\$ 5,000	\$ —
7140 - Board of Health	Increase Public Health Nurse to Full-time	\$ 34,681	\$ —	\$ 1,503	\$ 36,184	\$ 36,184	\$ —
7200 - Planning	Senior Planner	\$ 90,000	\$ —	\$ 17,709	\$ 107,709	\$ —	\$ 107,709
7300 - Economic Development	Visitors Center Assistant Manager (PT to FT)	\$ 57,538	\$ —	\$ 17,239	\$ 74,777	\$ —	\$ 74,777
Total Land Use, Health & Development		\$ 182,219	\$ 5,000	\$ 36,451	\$ 223,670	\$ 41,184	\$ 182,486
Select Board							
8110 - Select Board Office	Goal Setting	\$ —	\$ 20,000	\$ —	\$ 20,000	\$ 20,000	\$ —
Total Select Board		\$ —	\$ 20,000	\$ —	\$ 20,000	\$ 20,000	\$ —
Town Manager							
8220 - Human Resources	Full-time HR Administrative Assistant (PT to FT)	\$ 26,609	\$ —	\$ 16,790	\$ 43,399	\$ —	\$ 43,399
Total Town Manager		\$ 26,609	\$ —	\$ 16,790	\$ 43,399	\$ —	\$ 43,399

Town Committees		Compensation	Expenses	Benefits	Total	Recommended	Not Recommended
8320 - Misc. Boards & Committees	Lexington Human Rights Committee Budget	\$ —	\$ 6,000	\$ —	\$ 6,000	\$ —	\$ 6,000
8320 - Misc. Boards & Committees	Lexington Council for the Arts Expanded Programming	\$ —	\$ 4,000	\$ —	\$ 4,000	\$ —	\$ 4,000
Total Town Committees		\$ —	\$ 10,000	\$ —	\$ 10,000	\$ —	\$ 10,000

Town Clerk		Compensation	Expenses	Benefits	Total	Recommended	Not Recommended
8510 - Town Clerk Admin.	Municipal Clerk Position - additional hours	\$ 10,351	\$ —	\$ 16,554	\$ 26,905	\$ —	\$ 26,905
8540 - Records Management	Archivist/Records Manager - Additional Hours	\$ 20,606	\$ —	\$ 16,703	\$ 37,309	\$ —	\$ 37,309
8530 - Elections	Election Modernization - Poll Pads	\$ —	\$ 30,500	\$ —	\$ 30,500	\$ 30,500	\$ —
Total Town Clerk		\$ 30,957	\$ 30,500	\$ 33,257	\$ 94,714	\$ 30,500	\$ 64,214

Innovation & Technology		Compensation	Expenses	Benefits	Total	Recommended	Not Recommended
8600 - IT	Administrative Assistant (PT to FT)	\$ 34,197	\$ —	\$ 16,900	\$ 51,097	\$ 6,937	\$ 44,160
8600 - IT	Applications Administrator	\$ 66,895	\$ —	\$ 17,374	\$ 84,269	\$ —	\$ 84,269
8600 - IT	Fiber Maintenance and Repair	\$ —	\$ 5,000	\$ —	\$ 5,000	\$ 5,000	\$ —
Total Innovation & Technology		\$ 101,092	\$ 5,000	\$ 34,274	\$ 140,366	\$ 11,937	\$ 128,429

Total General Fund \$ 821,576 \$ 339,161 \$ 209,728 \$ 1,370,465 \$ 318,950 \$ 1,051,515

NON-GENERAL FUND

Water/Sewer Enterprise		Compensation	Expenses	Benefits	Total	Recommended	Not Recommended
3610/3710 - Water/Sewer Operations	Assistant Superintendent for Water/Sewer	\$ 83,895	\$ —	\$ 17,621	\$ 101,516	\$ —	\$ 101,516
Total Water/Sewer Enterprise		\$ 83,895	\$ —	\$ 17,621	\$ 101,516	\$ —	\$ 101,516

Recreation Enterprise		Compensation	Expenses	Benefits	Total	Recommended	Not Recommended
5210 - Administration	Vehicle Replacement	\$ —	\$ 47,000	\$ —	\$ 47,000	\$ 47,000	\$ —
5220 - Recreation	Part-time Recreation Coordinator	\$ 25,000	\$ —	\$ 363	\$ 25,363	\$ 25,363	\$ —
5210 - Administration	Program Guide - Mailing & Printing	\$ —	\$ 55,000	\$ —	\$ 55,000	\$ 55,000	\$ —
Total Recreation Enterprise		\$ 25,000	\$ 102,000	\$ 363	\$ 127,363	\$ 127,363	\$ —

Total Non-General Fund \$ 108,895 \$ 102,000 \$ 17,984 \$ 228,879 \$ 127,363 \$ 101,516

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Appendix B: Budget Information



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This document summarizes local and state law regarding town budget preparation and submission. References are made to Massachusetts General Laws, the bylaws of the Town of Lexington, the Lexington Selectmen-Town Manager Act, and the Administrative Directives of the Lexington Town Manager. Those references offering the greatest amount of information on the given topic have been listed first.

The Town Manager

The Town Manager is appointed by the Select Board to oversee the daily operations of the Town, to administer the policies and procedures of the Board, and to enforce all bylaws and actions passed at Town Meetings. The Manager is the Chief Executive Officer of the Town, and his/her authority and responsibilities are established in the Selectmen-Town Manager Act of 1968 (at page A20107 - Appendix §A201 Special Acts).

REQUEST FOR DEPARTMENTAL BUDGET INFORMATION

TO OCCUR: Annually, at Town Manager's request

REFERENCE: Selectmen-Town Manager Act §13 (Appendix §A201 Special Acts at page A20113)

The Town Manager may request all boards, departments, committees, commissions and officers of the Town, except the School Committee, to submit to him/her in writing a detailed estimate of the appropriations required for the efficient and proper conduct of the respective departments and offices during the next fiscal year.

REQUEST FOR SCHOOL BUDGET INFORMATION

TO OCCUR: Annually, at Town Manager's request

REFERENCE: Selectmen-Town Manager Act §13 (Appendix §A201 Special Acts at page A20113)

The Town Manager may request from the School Committee a total budget estimate for the next fiscal year.

The Town Manager (continued)

REQUEST FOR CAPITAL EXPENDITURES INFORMATION

TO OCCUR: Annually, at Town Manager's request

REFERENCE: Selectmen-Town Manager Act §12 (Appendix §A201 Special Acts at page A20113)
Sections 29-13 and 29-14 of the Code of the Town of Lexington

All boards, departments, committees, commissions and officers of the Town shall annually submit to the Town Manager and to the Capital Expenditures Committee in writing a detailed estimate of the capital expenditures (as defined below) required for the efficient and proper conduct of their respective departments and offices for the next fiscal year and the ensuing four year period.

Definitions of Capital Expenditures

Per Section 29-14 of the Code of the Town of Lexington, "Capital Expenditures shall mean any and all expense of a non-recurring nature not construed as an ordinary operating expense, the benefit of which will accrue to the Town over an extended period of time."

Per the Manager's budget, "A capital project is defined as a major, non-recurring expenditure including at least one of the following:

- acquisition of land for a public purpose;
 - construction of, or addition to, a facility such as a public building, water or sewer lines, or playfields, etc.;
 - rehabilitation or repair of a building, facility, or equipment; provided the cost is \$25,000 or more and the improvement will have a useful life of 10 years or more;
 - purchase of equipment costing \$25,000 or more, with a useful life of 5 years or more (all cars are defined to be non-capital items);
 - any planning, engineering or design study related to an individual capital project."
-

The Town Manager (continued)

SUBMISSION OF TOWN BUDGET TO SELECT BOARD

TO OCCUR: On the specified date

REFERENCE: Section 90-12 of the Code of the Town of Lexington
Selectmen-Town Manager Act §13 (Appendix §A201 Special Acts at page A20113)

Section 12. The Town Manager shall annually submit to the Select Board, the Appropriation Committee, and the Capital Expenditures Committee for their consideration a proposed budget, revenue statement and tax rate estimate on a date specified no later than September 30 by the Select Board after consultation with the School Committee, Appropriation Committee and the Capital Expenditures Committee.

SUBMISSION OF CAPITAL EXPENDITURES BUDGET TO SELECT BOARD

TO OCCUR: Annually

REFERENCE: Selectmen-Town Manager Act §12 (Appendix §A201 Special Acts at page A20113)

The Town Manager shall submit in writing to the Select Board and to the Capital Expenditures Committee a careful, detailed estimate of the recommended capital expenditures for the next fiscal year and the ensuing four year period, showing specifically the amount necessary to be provided for each office, department and activity and a statement of the amounts required to meet the interest and maturing bonds and notes or other indebtedness of the Town.

The Select Board

Lexington's charter establishes an elected five-member Select Board to oversee the executive branch of Town government. Select Board Members are elected for three-year terms and are responsible for the general direction and management of the property and affairs of the Town.

RECOMMENDATIONS ON TOWN BUDGET

TO OCCUR: Prior to the Annual Town Meeting

REFERENCE: Selectmen-Town Manager Act §13 (Appendix §A201 Special Acts at page A20113)
Mass. General Law Ch. 41, §60

The Select Board shall consider the proposed budget submitted by the Town Manager and make such recommendations relative thereto as they deem expedient and proper in the interest of the Town. The Select Board shall transmit a copy of the budget together with their recommendations relative thereto to the Appropriation Committee and, for its information, a copy to the Capital Expenditures Committee.

RECOMMENDATIONS ON CAPITAL BUDGET

TO OCCUR: Prior to the annual Town Meeting

REFERENCE: Selectmen-Town Manager Act §12-13 (Appendix §A201 Special Acts at page A20113)

The Select Board shall consider the capital budget submitted by the Town Manager and make such recommendations relative thereto as they deem appropriate and proper in the interests of the Town. The Select Board shall transmit a copy of the capital budget together with their recommendations relative thereto to the Appropriation Committee and to the Capital Expenditures Committee.

SUBMISSION OF BUDGET TO TOWN MEETING

TO OCCUR: At least four weeks prior to the date when the Annual Town Meeting is scheduled to consider the budget.

REFERENCE: Section 90-13 of the Code of the Town of Lexington

The Select Board shall submit a budget at the annual Town Meeting. The Select Board's proposed budget shall be distributed to the Appropriation Committee, the Capital Expenditures Committee, and to each Town Meeting Member at least four weeks prior to the date when the Annual Town Meeting is scheduled to consider it.

The Appropriation Committee

The Appropriation Committee is a nine-member board appointed by the Town Moderator. Members are appointed to three-year overlapping terms and serve to evaluate the fiscal policies and priorities set by the Select Board and the Town Meeting. The Committee advises Town Meeting Members on financial proposals, analyzes operating budget proposals, makes fiscal projections, and reviews funding for proposed capital improvements. The Committee's approval is required to use reserve funds for unanticipated operating costs.

APPROPRIATION COMMITTEE REPORT ON TOWN BUDGET

TO OCCUR: Prior to the Annual Town Meeting

REFERENCE: Section 29-11(A) of the Code of the Town of Lexington
Mass. General Law Ch. 39, §16

The Committee shall prior to each annual town meeting for the transaction of business prepare, publish and distribute by making copies available at the Office of the Town Clerk and at Cary Memorial Library, and by mailing or otherwise distributing to each town meeting member a review of the budget adopted by the Select Board to be considered at the Annual Town Meeting. This review will include the Committee's advice and recommendations with reference to the various appropriations of town funds, and other municipal matters coming before such town meeting. The Appropriation Committee shall include in its report an assessment of the budget plan based on all the data available to it concerning the next year's revenues and expenses as well as a projection for future years' revenues and expenses.

This publication may be combined with and distributed at the same time as the Capital Expenditures Committee Report (Section 29-13(B) of the Code of the Town of Lexington).

EXPLANATION OF APPROPRIATION COMMITTEE REPORT

TO OCCUR: At the annual Town Meeting

REFERENCE: Section 29-11(B) of the Code of the Town of Lexington

The Appropriation Committee shall explain its report with advice and recommendations and it shall also at each special Town meeting give its advice and recommendations with reference to any appropriation of the Town funds or other municipal matter coming before such special Town meeting.

The Capital Expenditures Committee

The Capital Expenditures Committee is a five to seven member board appointed by the Town Moderator. Members are appointed to three-year overlapping terms and consider the relative need, timing and cost of capital expenditure projects proposed for the ensuing five-year period.

CAPITAL EXPENDITURES REPORT

TO OCCUR: Prior to the annual Town Meeting

REFERENCE: Section 29-13 of the Code of the Town of Lexington

Each year the Capital Expenditures Committee shall request and receive from the Town boards and departments a list of all capital expenditures that may be required within the ensuing five-year period. The Committee shall consider the relative need, timing and cost of these projects, the adequacy thereof and the effect these expenditures might have on the financial position of the Town.

The Committee shall prior to each annual meeting for the transaction of business prepare, publish and distribute by making copies available at the office of the Town Clerk and at Cary Memorial Library, and by mailing or otherwise distributing to each Town meeting member, a report of its findings, setting forth a list of all such capital expenditures together with the Committee's recommendations as to the projects that should be undertaken within the five-year period and the approximate date on which each recommended project should be started. This publication may be combined with and distributed at the same time as the Appropriation Committee report.

Appendix C: Financial Information



Summary of Town Fund Balances

Combined Summary of Revenues & Expenditures - FY2021 Actuals

The chart below is an extract from the FY2021 Annual Town Report. Revenues received by category (Tax levy, intergovernmental/state aid, fees, etc.) appear at the top, followed by expenditures by service category (education, public safety, public works, etc.). The resulting net impact on overall fund balance is shown in the beginning and ending fund balance figures at the bottom. FY2021 actuals are provided because it is the most recent fiscal year for which data is available.

	Governmental				Fiduciary	Combined Totals
	General	Special Revenue	Community Preservation	Capital Projects	Expendable Trust	Memorandum Only 2021
Revenues:						
Property Taxes	\$ 205,700,754	\$ —	\$ 5,483,354	\$ —	\$ —	\$ 211,184,108
Intergovernmental	\$ 16,537,430	\$ 15,645,813	\$ 1,556,176	\$ 2,551,255	\$ 10,382	\$ 36,301,056
Motor Vehicle & Other Excise Tax	\$ 6,148,772	\$ —	\$ —	\$ —	\$ —	\$ 6,148,772
Departmental Fees & Charges	\$ 3,745,015	\$ 12,755,054	\$ —	\$ —	\$ 198,442	\$ 16,698,511
Investment Income	\$ 277,170	\$ 3,880	\$ 31,543	\$ —	\$ 5,309,223	\$ 5,621,817
Special Assessments	\$ 25,644	\$ —	\$ —	\$ —	\$ —	\$ 25,644
Payments in Lieu of Tax	\$ 660,966	\$ —	\$ —	\$ —	\$ —	\$ 660,966
Penalties & Interest	\$ 518,515	\$ —	\$ 10,065	\$ —	\$ —	\$ 528,580
Licenses & Permits	\$ 3,542,914	\$ —	\$ —	\$ —	\$ —	\$ 3,542,914
Fines & Forfeits	\$ 59,178	\$ —	\$ —	\$ —	\$ —	\$ 59,178
Total Revenues	\$ 237,216,360	\$ 28,404,747	\$ 7,081,138	\$ 2,551,255	\$ 5,518,047	\$ 280,771,547
Expenditures:						
General Government	\$ 12,537,197	\$ 1,040,581	\$ 5,381,812	\$ 1,447,390	\$ 227,389	\$ 20,634,370
Public Safety	\$ 16,512,148	\$ 4,430,930	\$ —	\$ 2,987,725	\$ —	\$ 23,930,803
Education	\$ 123,973,135	\$ 11,687,163	\$ —	\$ 10,936,736	\$ —	\$ 146,597,034
Public Works	\$ 8,482,363	\$ 1,817,249	\$ —	\$ 13,111,968	\$ 76,749	\$ 23,488,328
Health & Human Services	\$ 1,689,416	\$ 618,716	\$ —	\$ —	\$ 11,257	\$ 2,319,388
Culture & Recreation	\$ 4,133,652	\$ 109,564	\$ —	\$ 27,014	\$ 6,645	\$ 4,276,875
State & County Assessments	\$ 990,747	\$ 83,637	\$ —	\$ —	\$ —	\$ 1,074,384
Debt Service	\$ 27,783,470	\$ 205,557	\$ 3,923,961	\$ —	\$ —	\$ 31,912,988
Pension	\$ 6,695,106	\$ —	\$ —	\$ —	\$ —	\$ 6,695,106
Insurance	\$ 31,131,543	\$ 29,180,527	\$ —	\$ —	\$ —	\$ 60,312,070
Total Expenditures	\$ 233,928,775	\$ 49,173,924	\$ 9,305,774	\$ 28,510,833	\$ 322,040	\$ 321,241,346
Excess (Deficiency) of Rev over Exp	\$ 3,287,584	\$ (20,769,178)	\$ (2,224,635)	\$ (25,959,578)	\$ 5,196,007	\$ (40,469,799)
Other Financing Sources (Uses):						
Proceeds of Bonds/BANS	\$ —	\$ 60,172	\$ 2,026,000	\$ 8,242,350	\$ —	\$ 10,328,522
Repayment of Bonds/BANS	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Transfer from Reserve for Abatements	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Transfer from other Funds	\$ 11,573,384	\$ 25,678,672	\$ 3,192,024	\$ 8,508,993	\$ 750,000	\$ 49,703,073
Transfer to other Funds	\$ (8,987,431)	\$ (2,504,382)	\$ (3,196,165)	\$ (598,166)	\$ (5,176,057)	\$ (20,462,200)
Total Other (Uses)	\$ 2,585,953	\$ 23,234,462	\$ 2,021,859	\$ 16,153,178	\$ (4,426,057)	\$ 39,569,395
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,873,538	\$ 2,465,284	\$ (202,776)	\$ (9,806,400)	\$ 769,950	\$ (900,404)
Fund Balance, Beg. of Year	\$ 41,459,885	\$ 16,348,144	\$ 7,302,262	\$ 22,120,547	\$ 57,439,253	\$ 144,670,092
Fund Balance, End of Year	\$ 47,333,423	\$ 18,813,428	\$ 7,099,486	\$ 12,314,147	\$ 58,209,203	\$ 143,769,688

Summary of Revolving Fund Balances

FY2021 Actuals (and first half of FY2022)

This chart shows beginning and ending balances for municipal Revolving Funds for FY2021 and the first half of FY2022. Beginning balances (as of July 1, 2020) are shown in the first column, followed by all revenues received for the year and expenditures made. Rules for the establishment, use and reporting of Revolving Funds are set forth in M.G.L. Chapter 44, Section 53E½.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	7/1/2020 Beg. Bal.	FY2021 Revenue	FY2021 Expenditures	7/1/2021 End Bal.	July-Dec 21 Revenue	July-Dec 21 Expenditures	12/31/2021 End Bal.
School Bus Transportation	\$ 465,025	\$ 444,398	\$ 201,309	\$ 708,114	\$ 647,688	\$ 401,283	\$ 954,519
Building Rental Revolving Fund	\$ 404,878	\$ 32,591	\$ 114,231	\$ 323,238	\$ 69,449	\$ 75,138	\$ 317,549
Regional Cache - Hartwell Ave	\$ 24,616	\$ 9,248	\$ 1,883	\$ 31,981	\$ —	\$ —	\$ 31,981
Trees	\$ 175,437	\$ 54,120	\$ 23,450	\$ 206,107	\$ 73,270	\$ 5,780	\$ 273,597
Burial Containers	\$ 261,783	\$ 35,680	\$ 23,060	\$ 274,403	\$ 19,420	\$ 7,902	\$ 285,921
Compost Operations	\$ 598,365	\$ 804,309	\$ 877,501	\$ 525,173	\$ 372,057	\$ 314,137	\$ 583,093
Minuteman Household Hazardous Waste Program	\$ 59,424	\$ 206,854	\$ 202,253	\$ 64,025	\$ 90,255	\$ 36,743	\$ 117,537
Senior Services	\$ 42,438	\$ 8,151	\$ 6,469	\$ 44,121	\$ 11,306	\$ 1,816	\$ 53,610
Health Programs	\$ 72,475	\$ 21,342	\$ 26,531	\$ 67,287	\$ 7,341	\$ 24,925	\$ 49,702
Liberty Ride	\$ (4,195)	\$ 790	\$ —	\$ (3,404)	\$ 52,096	\$ 69,192	\$ (20,501)
Visitors Center	\$ (11,686)	\$ 74,242	\$ 59,470	\$ 3,086	\$ 150,915	\$ 122,839	\$ 31,163

Stabilization Fund History

Authorized M.G.L. Ch. 40, Sec. 5, the Town of Lexington's general stabilization fund has grown steadily since FY2007. Stemming from actions of Town Meeting and recommendations of the Select Board's Ad Hoc Fiscal Policy Committee, annual fund balances are shown in the table below.

General Stabilization Fund History

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Beginning Balance	\$ 9,056,939	\$ 9,251,859	\$ 9,447,866	\$ 9,649,865	\$ 9,800,414	\$ 9,920,811
Interest Earned	\$ 194,920	\$ 196,008	\$ 201,999	\$ 150,549	\$ 120,397	\$ 116,927
T.M. Appropriation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
T.M. Withdrawal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Ending Balance	\$ 9,251,859	\$ 9,447,866	\$ 9,649,865	\$ 9,800,414	\$ 9,920,811	\$10,037,738

Specialized Stabilization Funds

<i>Ending balances as of fiscal year end</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Transportation Demand Management	\$ 300,766	\$ 214,309	\$ 226,906	\$ 182,762	\$ 377,177	\$ 236,806
Traffic Mitigation Stabilization Fund	\$ 147,401	\$ 146,701	\$ 321,751	\$ 357,800	\$ 645,163	\$ 646,173
Special Education Stabilization Fund	\$ 1,078,170	\$ 1,088,001	\$ 1,105,262	\$ 1,132,883	\$ 1,151,926	\$ 1,154,087
Capital Stabilization Fund	\$ 16,725,947	\$ 23,203,210	\$ 28,597,934	\$ 27,727,713	\$ 25,229,254	\$ 20,674,058
Center Improvement Stabilization Fund	\$ 86,872	\$ 87,664	\$ 61,628	\$ 35,497	\$ 10,357	\$ 10,376
TMOD Stabilization Fund	\$ 98,164	\$ 98,263	\$ 333,310	\$ 344,226	\$ 98,944	\$ 99,483
Debt Stabilization Fund	\$ 895,503	\$ 778,494	\$ 664,828	\$ 554,300	\$ 438,280	\$ 314,977
Visitors Center Stabilization Fund	\$ —	\$ —	\$ 242	\$ 212,573	\$ 218,083	\$ 23,791
Affordable Housing Capital Stabilization Fund	\$ —	\$ —	\$ —	\$ —	\$ 186,922	\$ 191,255

Dedicated Trust Funds

<i>Ending balances as of fiscal year end</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Other Post Employment Benefits (OPEB)	\$ 7,334,848	\$ 9,869,875	\$ 12,475,463	\$ 15,773,899	\$ 18,466,182	\$ 24,058,353
Health Claims Trust Fund	\$ 5,693,188	\$ 4,540,875	\$ 3,851,400	\$ 3,178,997	\$ 2,474,692	\$ 1,728,923
Dental Trust Fund	\$ 223,169	\$ 225,204	\$ 228,777	\$ 234,494	\$ 238,435	\$ 238,883

Summary of Reserve Fund Transfers

FY2016-FY2021

The chart below shows the budgeted and actual transfers from the Appropriation Committee Reserve Fund. The fund, set forth under M.G.L. Ch. 40, Sec. 6, is to be used for extraordinary and unforeseen expenditures, which cannot be paid through regular program appropriations.

Specifically, M.G.L. states:

Chapter 40, Section 6. Towns; reserve funds for extraordinary expenditures; establishment

Section 6. To provide for extraordinary or unforeseen expenditures, a town may at an annual or special town meeting appropriate or transfer a sum or sums not exceeding in the aggregate five per cent of the levy of the fiscal year preceding the fiscal year for which the fund, to be known as the reserve fund, is established. No direct drafts against this fund shall be made, but transfers from the fund may from time to time be voted by the finance or appropriation committee of the town, in towns having such a committee, and in other towns by the selectmen; and the town accountant in towns having such an official, and in other towns the auditor or board of auditors, shall make such transfers accordingly.

Appropriated by Town Meeting annually, the Appropriation Committee approves transfer requests.

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Budgeted Amounts	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 750,000
Reserve Fund Transfers	\$ 176,800	\$ 198,115	\$ 106,000	\$ —	\$ 100,000	\$ 15,000
2400 - Public Facilities		\$ 106,000	\$ 106,000			
4200 - Fire Wages					\$ 100,000	
7130 - Conservation						\$ 15,000
Capital	\$ 176,800	\$ 92,115				

Budgeted Full-Time Employee (FTE) Levels

The figures below represent the original budgeted full-time employee (FTE) levels by department over the last 10 years. For explanations of individual adjustments, please refer to the individual department staffing pages for the year(s) in question.

Department	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Public Schools										
Unit A - LEA	649.0	660.9	685.6	702.2	726.3	751.8	769.9	778.1	777.3	782.2
Unit D - LEA	75.9	78.0	82.2	88.9	88.4	90.2	92.4	90.2	89.7	90.2
Unit C - IA/SSI/SIA	133.2	143.6	152.7	159.5	158.4	162.5	176.5	176.0	183.5	184.8
Other Staff	105.6	106.7	115.3	119.1	128.2	123.2	125.9	125.1	112.8	108.3
Total LPS FTEs	963.7	989.1	1,035.7	1,069.7	1,101.3	1,127.7	1,164.7	1,169.4	1,163.3	1,165.6
Public Facilities	80.0	80.5	80.5	81.5	84.5	84.5	86.5	89.5	89.5	90.0
Total Shared Svcs. FTEs	80.0	80.5	80.5	81.5	84.5	84.5	86.5	89.5	89.5	90.0
DPW - Admin & Engineering	13.9	14.9	14.9	14.9	15.9	15.9	15.9	15.9	15.9	16.3
DPW - Highway	19.0	19.0	19.0	18.5	18.5	18.5	18.5	18.5	18.5	18.5
DPW - Public Grounds	25.2	25.2	25.2	25.2	25.2	25.2	26.2	26.2	26.2	25.6
DPW - Environmental Svcs.	3.7	4.2	4.2	4.2	4.2	4.7	4.7	4.7	4.7	4.7
DPW - Water	10.7	10.7	10.7	10.7	10.7	11.2	11.2	11.2	11.2	11.2
DPW - Sewer	4.4	4.4	4.4	4.4	4.4	4.9	4.9	4.9	4.9	4.9
Police	72.2	72.2	74.2	73.3	73.3	74.6	74.6	75.6	72.8	73.0
Fire	63.7	63.9	63.9	63.9	63.9	65.9	65.9	65.9	65.9	65.9
Cary Library	34.5	34.5	34.5	34.5	34.2	34.5	34.8	35.1	36.1	36.0
Recreation & Comm. Pgms.	5.3	5.3	10.8	11.3	11.3	12.0	12.0	9.8	11.8	12.2
Human Services	10.0	10.0	8.7	8.9	8.9	10.2	10.4	10.6	10.6	10.6
Land Use - Bldg & Zoning	6.3	6.4	6.6	6.6	6.6	6.8	6.8	6.8	6.8	7.0
Land Use - Admin	5.0	5.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Land Use - Conservation	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Land Use - Health	2.6	2.6	2.6	2.6	2.6	2.6	2.6	3.6	3.6	4.0
Land Use - Planning	3.6	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Land Use - Econ. Dev.	1.7	1.7	8.5	9.0	9.0	9.0	9.0	8.3	8.3	8.3
Select Board	1.9	1.9	1.9	2.0	2.1	2.2	2.2	2.3	2.3	2.3
Town Manager	8.1	8.1	7.1	7.1	7.1	8.1	9.1	9.7	11.7	11.7
Finance	18.5	17.3	17.7	18.0	18.0	16.8	16.8	16.8	17.8	17.8
Town Clerk	4.4	4.5	4.5	4.5	4.5	4.7	4.7	4.7	4.7	4.7
Innovation & Technology	5.0	6.0	9.8	9.8	10.0	10.0	10.7	10.7	9.7	9.8
Total Municipal FTEs	322.0	324.1	341.4	341.7	342.7	351.0	354.1	354.3	356.4	357.5
Overall Budgeted FTEs	1,365.7	1,393.7	1,457.6	1,492.9	1,528.6	1,563.2	1,605.3	1,613.1	1,609.3	1,613.0

Lexington Retirement System History

Authorized under M.G.L. Ch. 32, the Lexington Retirement System is charged with managing the pensions of most municipal and school employees. Teachers are covered by the Massachusetts Teachers Retirement System. State law requires that retirement systems fully fund their pension liabilities by 2040.

The Lexington Retirement Board conducts a full update to the Lexington Retirement System's actuarial valuation every two years. The most recent valuation was as of January 1, 2021, and incorporated updated employment and salary information as well changes to model assumptions. In particular, the Retirement Board voted to decrease the assumed rate of return from 7.50% to 7.25%, and to factor in a COLA base increase from \$14,000 to \$15,000 beginning in FY2023. These factors contributed to an increase the System's unfunded liability and corresponding decrease in the overall percentage funded.

The FY2023 assessment reflects the new actuarial valuation and updated funding schedules. The Town is now on track to fully fund the Retirement System in 2030.

The following table shows information concerning the Pension Liability.

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Assessment	\$ 5,505,537	\$ 5,755,537	\$ 6,005,537	\$ 6,405,537	\$ 6,755,537	\$ 7,500,000	\$ 8,250,000
% Funded	85.3%	87.0%	87.1%	89.1%	79.9%	81.8%	
Target Date for 100% Liability Funding	2024	2024	2024	2024	2028	2028	2030

Snow & Ice History

The following chart details snow and ice expenditures for the Town of Lexington over the last 10 fiscal years. As a variable expenditure, Massachusetts General Law allows cities and towns to carry over deficits from one year to be funded by revenue in the following year. The Town works to limit expenditures where feasible, leverage available funds from other Department of Public Works items, or transfer from the Reserve Fund. Where balances remain, they are funded in the following year, as noted in the column on the right.

Fiscal Year	Budget	Actual	Surplus/ (Shortfall)	Transfers within DPW Budget	Reserve Fund Transfers	Year End Deficit Raised in Next Fiscal Year
2021	\$ 1,459,612	\$ 1,447,960	\$ 11,652	\$ —	\$ —	\$ —
2020	\$ 1,387,233	\$ 974,463	\$ 412,770	\$ —	\$ —	\$ —
2019	\$ 1,354,130	\$ 1,338,630	\$ 15,500	\$ —	\$ —	\$ —
2018	\$ 1,257,822	\$ 1,628,760	\$ (370,938)	\$ 70,938	\$ —	\$ 300,000
2017	\$ 1,188,024	\$ 1,685,467	\$ (497,443)	\$ 232,193	\$ —	\$ 265,250
2016	\$ 1,128,216	\$ 1,196,662	\$ (68,446)	\$ 68,446	\$ —	\$ —
2015	\$ 1,127,716	\$ 2,235,573	\$ (1,107,857)	\$ 464,207	\$ —	\$ 643,650
2014	\$ 1,091,534	\$ 1,744,540	\$ (653,006)	\$ —	\$ —	\$ 653,006
2013	\$ 1,091,534	\$ 1,448,098	\$ (356,564)	\$ 149,564	\$ 207,000	\$ —
2012	\$ 1,004,944	\$ 603,900	\$ 401,044	\$ —	\$ —	\$ —
Total	\$12,090,765	\$14,304,053	\$ (2,213,288)	\$ 985,348	\$ 207,000	\$ 1,861,905
2017-2021 Average	\$ 1,329,364	\$ 1,415,056	\$ (85,692)	\$ 60,626	\$ —	\$ 113,050
2012-2021 Average	\$ 1,209,077	\$ 1,430,405	\$ (221,329)	\$ 98,535	\$ 20,700	\$ 186,191

APPENDIX C: COMMUNITY PRESERVATION ACT SUMMARY

	Authorization ATM Article	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	Proposed Amended FY2022 Budget	Recommended FY2023 Budget
Community Preservation Act Revenue									
Prior Year Balance (allocated and unallocated)									
CPA Property Tax Surcharge		\$ 4,224,137	\$ 4,398,551	\$ 4,649,498	\$ 4,896,101	\$ 5,179,607	\$ 5,489,575	\$ 5,700,000	\$ 5,950,000
State Match		\$ 1,229,774	\$ 897,243	\$ 789,905	\$ 922,256	\$ 1,219,950	\$ 1,549,955	\$ 2,500,261	\$ 2,166,000
Investment Income		\$ 26,720	\$ 30,076	\$ 53,935	\$ 182,053	\$ 73,014	\$ 31,543	\$ 20,000	\$ 20,000
Donations/Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues		\$ 5,480,632	\$ 5,325,871	\$ 5,493,338	\$ 6,000,410	\$ 6,472,571	\$ 7,071,074	\$ 8,220,261	\$ 8,136,000

Use of Community Preservation Funds

Open Space Reserve Fund

Beginning balance		\$ 772,618	\$ 573,191	\$ 538,903	\$ 261,322	\$ 652,172	\$ 647,310	\$ 6,159	\$ 488,935
New Allocation to Open Space Reserve		\$ 504,800	\$ 538,600	\$ 547,200	\$ 551,400	\$ 634,495	\$ 680,000	\$ 822,026	\$ 813,600
Close Out of Unused Project Balances		\$ -	\$ -	\$ -	\$ 220,000	\$ 1,443	\$ 1,324		
Total		\$ 1,277,418	\$ 1,111,791	\$ 1,086,103	\$ 1,032,722	\$ 1,288,110	\$ 1,328,634	\$ 828,185	\$ 1,302,535

Appropriations from Open Space Reserve:

Conservation Meadow Preservation Program	2015	8(a)	\$ 26,400						
Property Purchase - 241 Grove Street - Total acquisition costs are \$618,000; \$264,428 is from Community Housing and \$100,545 is from Unbudgeted Reserves	2015	9	\$ 253,027						
Wright Farm Barn Needs Assessment and Feasibility Study	2016	8(a)		\$ 35,000					
Grain Mill Alley Design Implementation	2016	8(o)		\$ 127,838					
Cotton Farm Conservation Area Improvements	2017	10(f)			\$ 301,300				
Willard's Woods and Wright Farm Meadow Preservation	2017	10(e)			\$ 40,480				
Wright Farm Supplemental Funds	2017	10(g)			\$ 87,701				
Conservation Land Acquisition	2019	14(a)				\$ 275,000			
Daisy Wilson Meadow Preservation	2020	10(e)					\$ 22,425		
Wright Farm Site Access Planning and Design	2020	10(f)					\$ 69,000		
Land Acquisition - 39 Highland Ave - Total acquisition costs \$3,560,000; \$880,000 from Open Space Reserve, \$2,680,000 from Undesignated Fund Balance	STM 2020-3	7					\$ 880,000		
West Farm Meadow Preservation	2022	10(c)							\$ 28,175
CPA Debt Service - Wright Farm Acquisition (Auth. Art. 9(a) 2012 ATM)			\$ 424,800	\$ 410,050	\$ 395,300	\$ 380,550	\$ 365,800	\$ 351,050	\$ 339,250
subtotal - appropriations from Open Space Reserve			\$ 704,227	\$ 572,888	\$ 824,781	\$ 380,550	\$ 640,800	\$ 1,322,475	\$ 339,250
Open Space Reserve Fund Balance at end of fiscal year			\$ 573,191	\$ 538,903	\$ 261,322	\$ 652,172	\$ 647,310	\$ 6,159	\$ 488,935
									\$ 949,860

APPENDIX C: COMMUNITY PRESERVATION ACT SUMMARY

	Authorization		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Proposed	Recommended
	ATM	Article	Actual	Actual	Actual	Actual	Actual	Actual	FY2022 Budget	FY2023 Budget
Historic Resources Reserve Fund										
Beginning balance			\$ 122,187	\$ 79,313	\$ 612,746	\$ 447,833	\$ 52,633	\$ 129,542	\$ 114,637	\$ 166,163
New Allocation to Historic Resources Reserve			\$ 504,800	\$ 538,600	\$ 547,200	\$ 551,400	\$ 634,495	\$ 680,000	\$ 822,026	\$ 813,600
Close Out of Unused Project Balances			\$ 13,714	\$ 49,113	\$ 42,637	\$ 38,400	\$ 2,414	\$ 76,139	\$ -	\$ -
Total			\$ 640,701	\$ 667,026	\$ 1,202,583	\$ 1,037,633	\$ 689,542	\$ 885,681	\$ 936,663	\$ 979,763
Appropriations from Historic Resource Reserve:										
<i>Cary Memorial Building Sidewalk Enhancements (Special Town Meeting, 3/23/2015)</i>	STM	4	\$ 194,200							
<i>Parker's Revenge Site Restoration</i>	2015	8(b)	\$ 36,790							
<i>First Parish Church Restoration - Historic Structure Report</i>	2015	8(c)	\$ 40,000							
<i>Cary Memorial Building Records Center Shelving</i>	2015	8(d)	\$ 75,398							
<i>Battle Green Streetscape Improvements</i>	2015	8(e)	\$ 140,000							
<i>Community Center Sidewalk Design</i>	2015	8(f)	\$ 50,000							
<i>Community Center Preservation Restriction Endowment</i>	2015	8(h)	\$ 25,000							
<i>Munroe Center for the Arts Window Study</i>	2016	8(b)		\$ 30,000						
<i>Lexington Arts and Crafts Society Parson's Gallery Lighting Renovation</i>	2016	8(c)		\$ 24,280						
<i>Munroe School Window Restoration</i>	2017	10(i)			\$ 675,000					
<i>Interpretive Signage Project</i>	2017	10(a)			\$ 38,400					
<i>Parker's Revenge Interpretive and Public Education Project</i>	2017	10(b)			\$ 41,350					
<i>Community Center Sidewalk</i>	2018	10(b)				\$ 365,000				
<i>Archives & Records Management/Records Conservation & Preservation</i>	2018	10(c)				\$ 20,000				
<i>9 Oakland St. Renovation and Adaptive Re-Use</i>	2018	10(d)				\$ 200,000				
<i>Archives & Records Management</i>	2020	10(a)					\$ 20,000			
<i>Restoration of Margaret Lady of Lexington Painting</i>	2020	10(b)					\$ 9,000			
<i>Battle Green Master Plan Phase-3</i>	2020	10(c)					\$ 317,044			
<i>Community Center Mansion Sidewalk & Patio</i>	2021	10(c)						\$ 110,000		
<i>Archives & Records Management</i>	2022	10(a)								\$ 20,000
<i>Wright Farm Barn Stabilization</i>	2022	10(b)								\$ 155,000
<i>CPA Debt Service - Marrett Road Acquisition (Authorized Art. 2, 2013 ATM)</i>						\$ 400,000	\$ 560,000	\$ 425,000	\$ 660,500	\$ 773,000
subtotal - appropriations from Historic Resources Reserve			\$ 561,388	\$ 54,280	\$ 754,750	\$ 985,000	\$ 560,000	\$ 771,044	\$ 770,500	\$ 948,000
Historic Resources Reserve Fund Balance at end of fiscal year			\$ 79,313	\$ 612,746	\$ 447,833	\$ 52,633	\$ 129,542	\$ 114,637	\$ 166,163	\$ 31,763

APPENDIX C: COMMUNITY PRESERVATION ACT SUMMARY

	Authorization		FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	Proposed	Recommended
	ATM	Article							FY2022 Budget	FY2023 Budget
Community Housing Reserve Fund										
Beginning balance			\$ 8,102	\$ 48,473	\$ 185,949	\$ 56,437	\$ 194,948	\$ 729,743	\$ 1,210,347	\$ 2,032,373
New Allocation to Community Housing Reserve			\$ 504,800	\$ 538,600	\$ 547,200	\$ 551,400	\$ 634,495	\$ 680,000	\$ 822,026	\$ 813,600
Close Out of Unused Project Balances			\$ -	\$ 47,126	\$ -	\$ 187,111	\$ -	\$ 5,605	\$ -	\$ -
Total			\$ 512,902	\$ 634,199	\$ 733,149	\$ 794,948	\$ 829,443	\$ 1,415,347	\$ 2,032,373	\$ 2,845,973
Appropriations from Community Housing Reserve:										
<i>Property Purchase - 241 Grove Street - total acquisition costs are \$618,000; \$253,027 funded from Open Space and \$100,545 funded from Unbudgeted Reserve</i>	2015	9	\$ 264,428							
<i>Property Improvements - 241 Grove Street (Special Town Meeting, 12/2/2015)</i>	STM	5	\$ 200,000							
<i>Keeler Farm Community Housing acquisition</i>	2016	8(e)		\$ 185,000						
<i>Greeley Village Rear Door and Porch Preservation</i>	2016	8(f)		\$ 263,250						
<i>Affordable Units Preservation - Pine Grove/Judge's Road</i>	2017	10(d)			\$ 620,000					
<i>Greeley Village Rear Door and Porch Supplemental Request</i>	2017	10(c)			\$ 56,712					
<i>Lowell Street - Farmview Affordable Housing Supplemental Funds</i>	2018	10(j)				\$ 600,000				
<i>LexHAB Preservation Rehabilitation and Restoration of Affordable Housing</i>	2019	14(k)					\$ 99,700			
<i>LHA: Greeley Village Community Center Preservation</i>	2020	10(i)						\$ 130,000		
<i>LexHAB: 116 Vine Street Design Funds</i>	2020	10(m)						\$ 75,000		
<i>LexHAB: Preservation and Rehabilitation</i>	2022	10(j)								\$ 234,000
<i>LexHAB: 116 Vine Street Construction Funds (Total cost is \$5,300,000; \$3,300,000 funded from Undesignated Fund Balance.)</i>	2022	10(k)								\$ 2,000,000
<i>LHA: Vynebrooke Village Preservation</i>	2022	10(l)								\$ 160,790
subtotal - appropriations from Community Housing Reserve			\$ 464,428	\$ 448,250	\$ 676,712	\$ 600,000	\$ 99,700	\$ 205,000	\$ -	\$ 2,394,790
Community Housing Reserve Fund Balance at end of fiscal year			\$ 48,473	\$ 185,949	\$ 56,437	\$ 194,948	\$ 729,743	\$ 1,210,347	\$ 2,032,373	\$ 451,183

APPENDIX C: COMMUNITY PRESERVATION ACT SUMMARY

	Authorization		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Proposed	Recommended
	ATM	Article	Actual	Actual	Actual	Actual	Actual	Actual	Amended FY2022 Budget	FY2023 Budget
Unbudgeted Reserve										
Beginning balance			NA	NA	NA	NA	NA	NA	NA	NA
New Allocation to Unbudgeted Reserve			\$ 3,533,600	\$ 3,710,071	\$ 3,851,738	\$ 4,346,210	\$ 4,441,465	\$ 4,760,000	\$ 5,754,183	\$ 5,695,200
Total			\$ 3,533,600	\$ 3,710,071	\$ 3,851,738	\$ 4,346,210	\$ 4,441,465	\$ 4,760,000	\$ 5,754,183	\$ 5,695,200
Appropriations from Unbudgeted Reserve:										
Park Improvements - Athletic Fields	2015	8(j)	\$ 85,000							
Park and Playground Improvements	2015	8(i)	\$ 68,000							
Park and Playground ADA Accessibility Study	2015	8(k)	\$ 78,000							
Park Improvements - Hard Court Resurfacing	2015	8(l)	\$ 55,000							
Lincoln Park Field Improvements	2015	8(m)	\$ 220,000							
Minuteman Bikeway Culvert Rehabilitation	2015	8(n)	\$ 290,000							
Grain Mill Alley Design Funds	2015	8(o)	\$ 18,000							
Minuteman Bikeway Wayfinding Signs	2015	8(p)	\$ 39,000							
Lower Vine Brook Paved Recreation Path Reconstruction	2015	8(q)	\$ 369,813							
Property Purchase - 241 Grove Street - total acquisition costs are \$618,000; \$264,428 funded from Community Housing, and \$253,027 funded from Open Space	2015	9	\$ 100,545							
Antony Park Construction - Design	2016	8(h)		\$ 60,000						
Minuteman Bikeway Wayfinding Signs Implementation	2016	8(i)		\$ 120,000						
Town Pool Renovation Design and Engineering	2016	8(j)		\$ 166,000						
Park Improvements - Hard Court Resurfacing	2016	8(k)		\$ 61,000						
Granite Forest Pocket Park Construction at Lincoln Park	2016	8(l)		\$ 30,000						
Park Improvements - Athletic Fields	2016	8(m)		\$ 120,000						
Park and Playground Improvements	2016	8(n)		\$ 75,000						
Park and Playground Improvements	2017	10(n)			\$ 60,000					
Park Improvements - Athletic Fields	2017	10(i)			\$ 125,000					
Affordable Units Preservation - Pine Grove/Judge's Road	2017	10(d)			\$ 428,000					
Town Pool Renovation - Total cost is \$2,154,350; \$1,920,000 funded from Undesignated Fund Balance	2017	10(m)			\$ 234,350					
Public Grounds Irrigation Improvements - Total cost is \$100,000; \$60,000 funded from Free Cash	2018	10(e)				\$ 40,000				
Old Reservoir Bathhouse Design	2018	10(i)				\$ 75,000				
Athletic Facility Lighting	2018	10(g)				\$ 975,000				
Playground Replacement Program - Bowman School	2018	10(f)				\$ 302,000				
Willard's Woods Site Improvements	2019	14(b)					\$ 138,273			
Archives & Records Management	2019	14(c)					\$ 20,000			
Battle Green Master Plan Phase-3	2019	14(d)					\$ 253,394			
9 Oakland Street - Renovation and Adaptive Re-Use	2019	14(e)					\$ 70,000			
Park Improvements - Hard Court Resurfacing	2019	14(h)					\$ 70,000			
Park Improvements - Athletic Fields	2019	14(i)					\$ 435,000			
Playground Replacement Program - Bridge School	2019	14(j)					\$ 302,000			
Athletic Facility Lighting	2020	10(g)						\$ 450,000		
Park Improvements - Hard Court Resurfacing	2020	10(h)						\$ 100,000		
Park and Playground Improvements	2020	10(i)						\$ 95,000		
Park Improvements - Athletic Fields	2020	10(j)						\$ 370,000		
Parker Meadow Accessible Trail	2020	10(k)						\$ 551,026		
Park and Playground Improvements	2021	10(a)							\$ 170,000	
Park Improvements - Athletic Fields	2021	10(b)							\$ 155,000	
Playground Enhancements - Pour-in-Place Surfaces	2021	10(d)							\$ 150,000	
Park and Playground Improvements Supp. (Special Town Meeting, 11/9/2021)	STM	6(a)							\$ 75,000	

APPENDIX C: COMMUNITY PRESERVATION ACT SUMMARY

	Authorization		FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	Proposed	Recommended
	ATM	Article							FY2022 Budget	FY2023 Budget
<i>Parker Meadow Accessible Pathway Supp. (Special Town Meeting, 11/9/2021)</i>	STM	6(b)							\$ 235,750	
<i>Playground Enhancements - Poured-in-Place Surfaces</i>	2022	10(d)								\$ 1,459,591
<i>Park Improvements - Hard Court Surfaces</i>	2022	10(f)								\$ 2,500,000
<i>Park and Playground Improvements</i>	2022	10(g)								\$ 200,000
<i>Park Improvements - Athletic Fields</i>	2022	10(h)								\$ 250,000
<i>Lincoln Park Master Plan</i>	2022	10(i)								\$ 100,000
<i>Annual Administrative Expenses</i>			\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
<i>CPA Debt Service - Marrett Rd. Purchase</i>			\$ 1,065,100	\$ 1,028,100	\$ 991,100	\$ 554,100	\$ 357,100	\$ 455,100	\$ 190,000	\$ 35,500
<i>CPA Debt Service - Cary Memorial Building Construction</i>			\$ 899,459	\$ 889,600	\$ 869,800	\$ 838,400	\$ 812,200	\$ 786,000	\$ 759,800	\$ 802,635
<i>CPA Debt Service - Community Center Renovation</i>						\$ 47,166				
<i>CPA Debt Service - Center Track and Field Reconstruction</i>							\$ 954,945	\$ 999,580		
subtotal - appropriations from Unbudgeted Reserve			\$ 3,437,917	\$ 2,699,700	\$ 2,858,250	\$ 2,981,666	\$ 3,562,912	\$ 3,956,706	\$ 1,885,550	\$ 5,497,726
Unallocated Unbudgeted Reserve - Closes to Undesignated Fund Balance			\$ 95,683	\$ 1,010,371	\$ 993,488	\$ 1,364,544	\$ 878,553	\$ 803,294	\$ 3,868,633	\$ 197,474

Appropriations from Undesignated Fund Balance (year-end surplus available for appropriation)

<i>Town Pool Renovation - total cost is \$2,154,350; \$234,350 funded from Unbudgeted Reserve</i>	2017	10(m)			\$ 1,920,000					
<i>Lowell Street - Farmview Affordable Housing Supplemental Funds</i>	2018	10(j)				\$ 800,000				
<i>Old Reservoir Bathhouse Renovation</i>	2019	14(g)					\$ 620,000			
<i>Land Acquisition - 39 Highland Ave - Total acquisition costs \$3,560,000; \$880,000 from Open Space Reserve, \$2,680,000 from Undesignated Fund Balance</i>	STM 2020-3	7						\$ 2,680,000		
<i>CPA Debt Service (Supplemental) - Cary Memorial Building</i>	2015	30	\$ 1,000,960							
<i>CPA Debt Service (Supplemental) - Community Center</i>	STM	5		\$ 40,000						
<i>CPA Debt Service - Center Track and Field</i>								\$ 951,864		
<i>Center Playground Bathrooms and Maintenance Building Renovation</i>	2022	10(e)								\$ 915,000
<i>LexHAB: 116 Vine Street Construction Funds (Total cost is \$5,300,000; \$2,000,000 funded from Community Housing.)</i>	2022	10(k)								\$ 3,300,000
subtotal - appropriations from Undesignated Fund Balance			\$ 1,000,960	\$ 40,000	\$ 1,920,000	\$ 800,000	\$ 620,000	\$ 3,631,864	\$ -	\$ 4,215,000
Total CPA Appropriations from All Funds			\$ 6,168,920	\$ 3,815,118	\$ 7,034,493	\$ 5,747,216	\$ 5,483,412	\$ 9,887,089	\$ 2,995,300	\$ 13,408,191

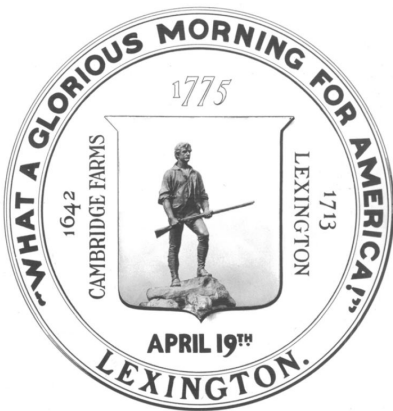
Community Preservation Fund - Historical Debt Service Summary*

Project Description:	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Projected	FY2023 Budgeted
Wright Farm	\$ 424,800	\$ 410,050	\$ 395,300	\$ 380,550	\$ 365,800	\$ 351,050	\$ 339,250	\$ 324,500
Marrett Road Purchase	\$ 1,065,100	\$ 1,028,100	\$ 991,100	\$ 954,100	\$ 917,100	\$ 880,100	\$ 850,500	\$ 808,500
Cary Memorial Building Construction	\$ 1,900,419	\$ 889,600	\$ 869,800	\$ 838,400	\$ 812,200	\$ 786,000	\$ 759,800	\$ 772,208
Community Center Renovation	\$ -	\$ 40,000	\$ -	\$ 47,166	\$ -	\$ -	\$ -	\$ 30,427
Center Track and Field Reconstruction	\$ -	\$ -	\$ -	\$ -	\$ 954,945	\$ 1,906,811	\$ -	\$ -
Total CPA Debt Service	\$ 3,390,319	\$ 2,367,750	\$ 2,256,200	\$ 2,220,216	\$ 3,050,045	\$ 3,923,961	\$ 1,949,550	\$ 1,935,635

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Appendix D: Glossary



Glossary

ABATEMENT - An Abatement is a reduction of a tax liability. The Board of Assessors grants abatements for real estate and personal property taxes in cases where an individual's assessed valuation is determined to be in excess of fair market value.

ACCRUAL BASIS FOR ACCOUNTING - A method of accounting that recognizes revenue when earned, rather than when collected, and recognizes expenses when incurred, rather than when paid. In Massachusetts, cities and towns must use this basis of accounting for the audited financial statements of Enterprise funds. (Also see Modified Accrual Basis of Accounting).

APPROPRIATION - An authorization granted by Town Meeting to make expenditures and to incur obligations for specific purposes. Appropriations for any expenditure specify dollar amounts, funding sources, and a period of time within which the funds must be spent. Any funds not expended within the specified time (usually one fiscal year) revert to the Unreserved Fund Balance.

APPROPRIATED BUDGET - As used in fund summaries and department summaries within the budget document, represents the current year budget as originally adopted by Town Meeting. It does not include prior year encumbrances.

ARTICLE - An article or item on the Town Warrant. There are four standard financial articles that appear in the Warrant every year: the Operating Budget Article; an Article for "Supplementary Appropriations for the Current Fiscal Year" (the current fiscal year was appropriated at the previous year's Town Meeting); an Article for Prior Years' Unpaid Bills; and an Article for supplementary appropriations for previously authorized capital improvement projects. "New" capital project requests and other special items generally appear as individual articles without a predetermined order.

ARTICLE TRANSFERS - Projects from previous year Town Meeting article appropriations occasionally have unexpended balances not required once the project is complete. The unexpended balance becomes available for future Town Meeting appropriation.

ASSESSED VALUATION - The valuation of real estate or other property determined by the Town Assessor for tax levying purposes. The Commonwealth certifies the values and methodology in determining values every five years.

ASSETS - Property, plant and equipment owned by the Town.

AUDIT - An examination of the town's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool for evaluation of the fiscal performance of a community.

BUDGETARY FUND BALANCE (also FREE CASH) - Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the Comptroller. Free cash is not available for appropriation until certified by the Director of Accounts at the Department of Revenue.

BOND - A written promise to pay a specified sum of money - called the face value or principal amount - at a specified date in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between notes, usually one year or two years in length, and a bond is that the latter runs for a longer period of time. State statute and the Select Board establish the length of a bond repayment.

BOND ANTICIPATION NOTE (BAN or Note) - A temporary note issued for no more than one or two years. This is commonly used to defer the initial pay down of debt or to accommodate reimbursement for borrowed notes from a private source or other governmental entity.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period with proposed means of financing. Lexington's budget is a financial plan that is established for a single fiscal year that begins on July 1 and ends on June 30.

BUDGET MESSAGE (Town Manager's Transmittal Letter) - The opening section of the budget that provides the Select Board, Town Meeting Members, and the general public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the recommendations of the Town Manager.

CAPITAL EXPENDITURE - A major, non-recurring expenditure involving land acquisition, construction or major rehabilitation of a facility, or purchase of equipment costing \$25,000 or more with a useful life of five years or more.

CAPITAL IMPROVEMENT PROGRAM (CIP) - A financial planning and management tool that identifies public facility and equipment requirements, presents these requirements in order of priority, and schedules them for funding and implementation.

CEMETERY FUND - See Special Revenue Fund.

CHAPTER 90 - Massachusetts General Laws Chapter 90, Section 34 authorizes the Commonwealth to allocate funds to municipalities for highway construction, preservation and improvement projects that create or extend the life of capital facilities. Routine maintenance operations such as pothole filling and snow and ice removal are not covered. The formula for determining the Chapter 90 level of funding is based on a municipality's miles of public ways, population and level of employment. Municipalities receive Chapter 90 funds for pre-approved projects on a reimbursement basis.

CHERRY SHEET - The State allocates a portion of generated revenue to municipalities each year for education and general governmental expenditures. The amount of state aid each community will receive is itemized in a financial statement printed on cherry colored paper (thus the name). The amount of revenue is a function of the State budget, which begins July 1st. Towns usually receive notification in late summer, subsequent to the beginning of the fiscal year.

COMMUNITY PRESERVATION ACT (CPA) - A local acceptance statute approved by Lexington voters in 2006. The purpose of the CPA is to fund open space, affordable housing, historic preservation and recreation projects that meet the eligibility criteria of the Act. Funding for projects comes from an annual property tax surcharge of up to three percent, which is the percentage adopted in Lexington. The local surcharge is matched by State funds collected as part of the deeds excise tax. The matching funds have ranged from 100% in 2007 to 17.8% in 2017.

COMMUNITY PRESERVATION COMMITTEE (CPC) - This nine-member appointed Committee reviews projects and determines their eligibility under the CPA. Projects that are approved by the Committee are then recommended to Town Meeting, which has the final vote on appropriating funds for each project. Members of the CPC are appointed by the Select Board (3), Planning Board, Conservation Commission, Recreation Committee, Housing Authority, Housing Partnership and Historical Commission.

COMPETITIVE BIDDING PROCESS - The process following State law requiring that for purchases of \$50,000 or more a Town must advertise, solicit and publicly open sealed bids from prospective vendors. After a review period, the Town Manager then awards a contract to the successful bidder.

CONTINUING BALANCE ACCOUNTS - At the end of a fiscal year, any unexpended balance in a continuing balance account carries forward to the next year as a type of reserve against future liabilities related to the account. Massachusetts General Laws provides for a number of continuing balance accounts including those for: workers compensation claims, property and liability uninsured losses, and unemployment compensation claims. A continuing balance account is also typically used to fund compensated absence liabilities, facility repair accounts and equipment replacement accounts.

DEBT EXCLUSION - The amount of taxes assessed in excess of the Proposition 2½ levy limit for the payment of debt service costs, subject to a popular referendum. Two-thirds of the Select Board and a majority of citizens voting must approve the exclusion. These funds are raised to retire the debt service for the project. They are not added to the tax levy limit for the following fiscal year.

DEBT SERVICE - Payment of interest and principal on an obligation resulting from the issuance of bonds.

DEPARTMENT - A division of the Town that has overall management responsibility for an operation or group of related operations within a functional area.

DEPRECIATION - 1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, and inadequacy of obsolescence. 2) That portion of the cost of a capital asset that is charged as an expense during a particular period. Depreciation is based on historic costs, not replacement value.

ELEMENT - The smallest unit of budgetary accountability, which encompasses specific and distinguishable lines of work performed for the purpose of accomplishing a function for which the Town is responsible.

ENCUMBRANCE - To encumber funds means to set aside or commit funds for a future expenditure. Encumbrances include obligations in the form of purchase orders, contracts or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved.

ENTERPRISE FUND - An account supported by user fees for a specific service that the Town operates as a separate "business" (e.g. Water, Sewer, Recreation). Enterprise funds do not depend on taxes for operating revenue as user fee revenue and expenses are balanced over the long run. Budgeting for all Enterprise Funds is done on a Generally Accepted Accounting Practices (GAAP) basis.

EXPENDITURE - Decrease in net financial resources for the purpose of acquiring and providing goods and services.

EXPENSES - Outflows or other using up of assets or incurring of liabilities during a period from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations. Expenses consist of the following objects of expenditure: Utilities, Supplies and Materials, Contractual Services, and Equipment.

FINES & FORFEITURES - Revenue collected from court fines, penalty charges for overdue taxes along with non-criminal fines are included in this category.

FREE CASH - see Budgetary Fund Balance.

FUND BALANCE - The excess of assets over liabilities.

FUNDING SOURCE - The specifically identified funds allocated to meet budget requirements/ expenses.

GENERAL FUND - Revenues derived from the tax levy, state aid, local receipts and available funds are considered General Fund revenues. The General Fund is distinguished from Enterprise Funds and Special Revenue Funds.

GFOA - Government Finance Officers Association of the United States and Canada. The GFOA is a professional organization of governmental finance officers.

GRANT - A contribution by one government unit or outside agency to another governmental unit. The contribution is usually made for a specific purpose but is sometimes for general purposes.

INVESTMENT INCOME - The Town earns interest on cash held in savings accounts and invested in short-term securities. The investment goal is to ensure that all funds are invested in short-term, risk-averse investments. The Treasurer is very restricted as to the instruments in which investments can be made. The amount of investment income is a function of the amount of funds invested and the interest rate.

LIABILITY - Debt or other legal obligation which must be paid, renewed or refunded at some future date, but does not include encumbrances.

LOCAL RECEIPTS - A category of revenue sources including municipal and school department charges for services, investment income, fines and forfeitures, building permits and excise taxes. These revenues are not considered part of the Proposition 2½ Tax Levy.

MASSACHUSETTS SCHOOL BUILDING AUTHORITY (MSBA) - A program of the Commonwealth of Massachusetts for the purpose of assisting municipalities in the reconstruction and renewal of its public schools.

MODIFIED ACCRUAL BASIS FOR ACCOUNTING - A method of accounting that recognizes revenue when it is actually received and recognizes expenditures when a commitment is made. In Massachusetts, cities and towns must use this basis for accounting for the general government.

MOTOR VEHICLE EXCISE - All Massachusetts vehicle owners who have their vehicle(s) registered in the State of Massachusetts pay an annual motor vehicle excise tax to the city or town in which they reside. The Registry of Motor Vehicles creates a listing of all vehicles registered in Lexington and the book value assigned to each vehicle. The Town uses this information to bill all owners an annual tax equal to 2½ percent or \$25 for each \$1,000 of the vehicle's value.

MWRA - Massachusetts Water Resources Authority, from which the Town purchases water at a wholesale rate in the form of annual assessments to the Water and Wastewater (Sewer) departments.

OPEB - Other Post-Employment Benefits refer to the Town's fiscal obligation to provide health, dental and life insurance benefits to qualified retirees. Over the next 30 years, the Town's OPEB liability is approximately \$150 million. In FY2009, the Town began funding an OPEB Trust Fund for the purpose of reducing the liability. (See page C-3 for the current balance in the Fund.)

OPERATING BUDGET - The portion of the budget that pertains to daily operations, which provides basic services for the fiscal year. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel and the proposed means of financing them.

OPERATING EXPENDITURE - An ongoing or recurring cost of performing a function or providing a service. Operating expenditures include personal services, supplies and materials, utilities, contractual services, minor equipment, and debt service.

OPERATING OVERRIDE - An action taken by the voters of the town to exceed the limit placed on tax revenue growth by the State tax limitation law known as Proposition 2½. The tax levy limit can be exceeded only if a majority of residents voting approve an override. This sum is then added to the base levy for the next fiscal year and becomes a permanent addition to the tax levy limit.

OTHER EXCISE (Hotel/Motel, Meals and Jet Fuel) - Lexington hotels and motels charge an 11.7% room tax to guests, which includes a 6% local option. Lexington restaurants collect a 7.0% sales tax, which includes a 0.75% local option. A portion of the jet fuel tax collected at Hanscom airport is distributed to Lexington. These revenues are collected by the Department of Revenue and distributed to the Town of Lexington on a quarterly basis. (See page II-4 of the Revenue Section).

OTHER FEES AND CHARGES - Revenue is received from fees or charges by the Building & Zoning, and Planning Departments, and the Department of Public Works. Also included in this category are collections from ambulance fees, municipal liens, and building rentals.

OVERLAY - The amount reserved for funding property tax abatements and exemptions granted by the Board of Assessors.

PARKING FUND - Revenue from electric vehicle (EV) charging stations, town parking meters, pay-by-phone, and parking permits are deposited into the Parking Fund. This fund helps offset the costs of Police Department personal services and parking meter expenses, and Department of Public Works expenses directly related to parking lot maintenance and EV charging station maintenance and operations.

PERSONAL SERVICES - A line on the program, subprogram and element sheets which refers to the total of the following objects of expenditure: Wages, Overtime, and Other Compensation.

PROGRAM - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the Town is responsible.

PROPOSITION 2½ - A tax limitation measure passed by Massachusetts voters in 1980 which limits the growth of the total property tax levy to 2.5% per year. In other words, the total revenue allowed to be raised through real estate and personal property taxes cannot increase by more than 2.5% from one fiscal year to the next. New construction values are in addition to this limit. Two provisions within Proposition 2½ allow the citizens of a community by popular vote to authorize the Town to raise taxes above the tax levy limit: an **operating override** or a **debt exclusion**. (See page xxiii of the Town Manager's Report for an Override History.)

RECREATION FEES - Users of Town recreational facilities and teams participating in Town sponsored sports pay fees for these services. Revenue collected from these fees covers the costs of maintaining facilities, providing coaches and referees, and recreation program management, as well as some Recreation related capital improvements. These recreation programs are managed through a Recreation Enterprise Fund.

RESERVE FUND - An amount set aside annually within the budget of a city or town to provide a funding source for "extraordinary and unforeseen" expenditures. In a town, the Finance (or Appropriation) Committee can authorize transfers from this fund. (See page C-4 for the a history of the funding and use of Lexington's Reserve Fund.)

RETAINED EARNINGS - The equity account reflecting the accumulated earnings of the enterprise funds.

REVENUE - Budgetary resources. The various revenues the Town receives are listed in the Revenue Summary in the Budget Overview section. (See page II-4.)

SCHOOL REVENUE - Revenue received by Lexington Public Schools from athletic fees, as well as applicable bus transportation fees.

SENIOR MANAGEMENT TEAM - A group of top managers including department heads from ten departments and the Town Manager's Office.

SEWER & WATER CHARGES - The Town operates Water and Sewer Enterprise Funds to manage these municipal operations. Users of sewer and water services provided by the Town pay charges depending upon metered usage. Revenue received from charges for sewer and water services is used to fully support the costs of utility operations, such as Massachusetts Water Resources Authority (MWRA) assessments, debt service obligations, personal service costs, and capital projects. Charges for services are based on a three-tier block rate structure corresponding to usage. Charges rise as usage increases. The Town pays the MWRA assessments to supply water and dispose of Town sewage.

SPECIAL REVENUE FUND - A group of accounts that are funded by revenues from other sources such as the Parking, Cemetery, and Public Education Government (PEG) Access Funds.

STABILIZATION FUND - Massachusetts General Law Ch.40, Sec. 5B, allows a municipality to appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding fiscal year; the aggregate amount in the fund shall not exceed ten percent of the equalized valuation of the municipality. The treasurer shall be custodian of the fund and may invest the proceeds legally; any interest earned shall remain with the fund. Money from the Stabilization Fund may be appropriated for any lawful purpose by a two-thirds vote of Town Meeting. In addition to the General Stabilization Fund, the town has stabilization funds for specific purposes, including the Transportation Demand Management Fund, Traffic Mitigation Fund, Special Education Stabilization Fund, and the Capital Stabilization Fund. (See page C-3 for the current balances in the Town's Stabilization Funds.)

TAX LEVY - The total amount to be raised through real estate and personal property taxes. Lexington property owners pay taxes to the Town based on the assessed value of their real and/or personal property. Each year the Select Board conducts a tax classification hearing to determine a tax rate. The Town Assessor makes adjustments to real estate values in order to properly reflect fair market value. In addition to real estate, businesses may also pay a personal property tax (set at the commercial rate) based on the value of their professional equipment, furniture and fixtures. The amount of taxes a property owner pays is determined by multiplying the applicable tax rate by the valuation. For example, if the tax rate is \$13 and a property's assessed value is \$1,000,000, the property owner will pay \$13 times 1,000 ($\$1,000,000/1,000$), or \$13,000. Tax levy revenues are the largest source of funding for the Town.

TAX LEVY LIMIT - The maximum amount that can be raised by a municipality within Proposition 2½.

TAX RATE - The amount of tax levied for each \$1,000 of assessed valuation.

TRANSPORTATION NETWORK COMPANY (TNC) SPECIAL REVENUE FUND - A 2018 state law began regulating Transportation Network Companies (TNCs - e.g., Uber and Lyft). Part of that law established a surcharge of \$0.40 per ride, of which \$0.20 is returned to the community where the ride originated. Those funds are distributed by the state each year, and must be appropriated by Town Meeting for projects that offset the impact of the TNCs.

USER FEES - Fees paid for direct receipt of a public service by the user or beneficiary of the service.