

Section IV: Program 2000: Shared Expenses

This section includes detailed information about the FY2018 Operating Budget & Financing Plan for shared expenses. It includes:

- 2100 Employee Benefits IV-2
- 2200 Debt Service IV-9
- 2300 Reserve Fund IV-12
- 2400 Public Facilities IV-14

2100 Employee Benefits & Insurance *Town of Lexington, Massachusetts*

Mission: To provide and manage a comprehensive benefits program for Town and School employees and retirees.

Budget Overview: Included in the Employee Benefits and Insurance program are costs for the Town's pension assessment, workers' compensation, property and casualty insurance, unemployment insurance, health, dental and life insurance benefits and the Medicare tax.

Employee Benefits is comprised of the following:

- **Contributory Retirement Assessment:** The assessment of the Lexington Contributory Retirement System levied to the Town to finance a portion of retirement benefits of Town and non-teaching School employees. This assessment is issued pursuant to Massachusetts General Laws (MGL) Chapter 32 and is based on an actuarial valuation of the funding obligations of the Lexington Contributory Retirement System. In addition to this assessment, employee contributions - ranging from 5% to 11% depending on date of hire - provide the majority of pension system funding.
- **Non-Contributory Retirement:** The cost of benefits for employees who retired prior to the creation of the Lexington Contributory Retirement System.
- **Employee/Retiree Benefits:** The Town's annual contribution for health, dental and life insurance for active Town and School Department employees and retirees, and the Town's 1.45% share of Medicare tax for all employees hired after 1986.
- **Unemployment Compensation:** The cost of unemployment payments for eligible employees separated from Town or School Department employment. The Town self-insures for this expense.
- **Workers' Compensation:** The medical costs incurred by Town and School employees injured on the job, and medical costs of former public safety employees who retired on accidental disability. The Town largely self-insures for this expense, but purchases "stop loss" insurance for extraordinary work-related medical claims. The premiums for that insurance are captured in the Workers' Compensation budget.
- **Property and Liability Insurance:** The cost of premiums for policies that: (1) protect the Town against property loss and damage; (2) insure the Town's vehicles; and (3) cover the Town against liability claims.
- **Uninsured Losses:** A continuing balance account for uninsured property losses, settlements and deductibles contained in various insurance policies.

2100 Employee Benefits & Insurance *Town of Lexington, Massachusetts*

Authorized/Appropriated Staffing:

Staff support is provided through the Town Manager's Office, Human Resources and the Finance Department. Portions of the salaries of four employees are charged to the General Fund health insurance and property and liability insurance budgets.

Budget Recommendations:

The FY2018 recommended All Funds Employee Benefits and Insurance budget is \$35,392,823. This is a \$1,714,703 or 5.09% increase from the FY2017 budget. The recommended budget includes the benefits costs (health, dental, life, Medicare and workers' compensation) for two proposed new benefits-eligible municipal positions.

Changes Include:

1. A \$250,000, or 4.54% increase in Contributory Retirement based on a funding schedule included in the January 1, 2016 actuarial valuation of the Lexington Retirement System. This schedule would result in full funding of the system's unfunded liability by 2024.
2. A \$783 or 5.66% increase in Non-Contributory Retirement costs for employees receiving pensions awarded prior to the creation of the Contributory Retirement system.
3. A \$193,466 or 12.44% increase in the Town's contribution for the Medicare Tax based on FY2016 actual costs, projected FY2017 and FY2018 salaries and wages, and historical rates of increase in this tax. This increase is partially driven by retiring employees who are not covered by Medicare (pre-1986) being replaced by employees covered by Medicare.
4. A \$1,323,608 or 5.59% increase in health insurance costs (All Funds). The FY2018 budget is based on an increase of 8.0% in health insurance premiums across all plans and the projected addition of ninety (90) subscribers (new enrollees to health coverage, either from new retirees, active employees electing to begin or resume coverage, and active employees switching from individual to family plans). The recommended budget includes benefits for both new school and new town positions.
5. A \$20,242 or 1.93% increase in dental insurance costs (All Funds) based on an estimated increase in premium rates of 4% for FY2018.
6. No increase in life insurance costs based on projected enrollments.

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7. Level-funding of unemployment insurance based on a projection of the number of claimants for FY2018.
8. A \$59,471 or 7.95% increase in workers' compensation costs based on FY2016 actual experience, the continuation of \$100,000 to finance the medical costs of former public safety employees who retired due to work-related injuries; the continuation of efforts to build a reserve balance in this continuing balance account; and stop-loss insurance for all current and prospective municipal and school positions recommended in the FY2018 budget;
9. A \$37,281 or 5.51% net increase in the costs of property and liability insurance based on an estimated increase in premiums of 5%.
10. A \$25,000, or 11.11% increase in the budget for uninsured losses. The balance in this continuing balance account as of December 15, 2016 is \$834,292.

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Budget Summary:

Funding Sources (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Restated	FY2018 Recommended	Dollar Increase	Percent Increase
Tax Levy	\$ 27,099,190	\$ 28,716,236	\$ 33,000,267	\$ 34,822,643	\$ 1,822,376	5.52%
Enterprise Funds (Indirects)	\$ 526,378	\$ 572,252	\$ 609,209	\$ 691,893	\$ 82,685	14.45%
Directed Funding (Revolving Funds)	\$ 82,730	\$ 66,072	\$ 68,645	\$ 73,437	\$ 4,792	7.25%
Total 2100 Employee Benefits	\$ 27,708,298	\$ 29,354,560	\$ 33,678,121	\$ 35,587,973	\$ 1,909,852	5.67%

Appropriation Summary (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Restated	FY2018 Recommended	Dollar Increase	Percent Increase
Compensation	\$ 91,365	\$ 113,958	\$ 114,501	\$ 121,392	\$ 6,891	6.02%
Expenses	\$ 27,616,933	\$ 29,240,602	\$ 33,563,620	\$ 35,466,582	\$ 1,902,961	6.51%
Total 2100 Employee Benefits	\$ 27,708,298	\$ 29,354,560	\$ 33,678,121	\$ 35,587,973	\$ 1,909,852	5.67%

Level-Service Requests (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Restated	FY2018 Recommended	Dollar Increase	Percent Increase
Total 2110 Contributory Retirement	\$ 4,919,154	\$ 5,185,638	\$ 5,505,537	\$ 5,755,537	\$ 250,000	4.54%
Total 2120 Non-Contributory Retirement	\$ 13,447	\$ 13,836	\$ 13,837	\$ 14,620	\$ 783	5.66%
Total 2130 Medicare	\$ 1,404,332	\$ 1,496,653	\$ 1,555,603	\$ 1,749,069	\$ 193,466	12.44%
Total 2130 Health Insurance General Fund	\$ 18,770,557	\$ 20,280,804	\$ 23,614,030	\$ 24,932,984	\$ 1,318,954	5.59%
Total 2130 Health Insurance Non-General Fund	\$ 81,652	\$ 62,577	\$ 65,213	\$ 69,867	\$ 4,654	7.14%
Total 2130 Dental Insurance General Fund	\$ 968,888	\$ 880,312	\$ 1,046,193	\$ 1,066,298	\$ 20,105	1.92%
Total 2130 Dental Insurance Non-General Fund	\$ 1,078	\$ 3,495	\$ 3,432	\$ 3,569	\$ 137	4.00%
Total 2130 Life Insurance	\$ 23,222	\$ 20,210	\$ 25,000	\$ 25,000	\$ -	-
Total 2140 Unemployment	\$ 233,370	\$ 150,561	\$ 200,000	\$ 200,000	\$ -	-
Total 2150 Workers Compensation	\$ 402,508	\$ 490,589	\$ 747,665	\$ 807,136	\$ 59,471	7.95%
Total 2160 Property & Liability Insurance	\$ 802,581	\$ 646,401	\$ 676,612	\$ 713,893	\$ 37,281	5.51%
Total 2170 Uninsured Losses	\$ 87,510	\$ 123,484	\$ 225,000	\$ 250,000	\$ 25,000	11.11%
Total 2100 Employee Benefits	\$ 27,708,298	\$ 29,354,560	\$ 33,678,121	\$ 35,587,973	\$ 1,909,852	5.67%

Object Code Summary (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Restated	FY2018 Recommended	Dollar Increase	Percent Increase
Salaries & Wages	\$ 91,365	\$ 113,958	\$ 114,501	\$ 121,392	\$ 6,891	6.02%
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	-
<i>Compensation</i>	<i>\$ 91,365</i>	<i>\$ 113,958</i>	<i>\$ 114,501</i>	<i>\$ 121,392</i>	<i>\$ 6,891</i>	<i>6.02%</i>
Contractual Services	\$ 27,616,933	\$ 29,240,602	\$ 33,563,620	\$ 35,466,582	\$ 1,902,961	5.67%
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-
Small Capital	\$ -	\$ -	\$ -	\$ -	\$ -	-
<i>Expenses</i>	<i>\$ 27,616,933</i>	<i>\$ 29,240,602</i>	<i>\$ 33,563,620</i>	<i>\$ 35,466,582</i>	<i>\$ 1,902,961</i>	<i>5.67%</i>
Total 2100 Employee Benefits	\$ 27,708,298	\$ 29,354,560	\$ 33,678,121	\$ 35,587,973	\$ 1,909,852	5.67%

Appropriations Summary (General Fund Only)	FY2015 Actual	FY2016 Actual	FY2017 Restated	FY2018 Recommended	Dollar Increase	Percent Increase
Compensation	\$ 91,365	\$ 113,958	\$ 114,501	\$ 121,392	\$ 6,891	6.02%
Expenses	\$ 27,534,203	\$ 29,174,530	\$ 33,494,975	\$ 35,393,145	\$ 1,898,170	5.67%
Total 2100 Employee Benefits	\$ 27,625,569	\$ 29,288,488	\$ 33,609,476	\$ 35,514,536	\$ 1,905,061	5.67%

Appropriations Summary (Non-General Fund)	FY2015 Actual	FY2016 Actual	FY2017 Restated	FY2018 Recommended	Dollar Increase	Percent Increase
Compensation					\$ -	-
Expenses	\$ 82,730	\$ 66,072	\$ 68,645	\$ 73,437	\$ 4,792	6.98%
Total 2100 Employee Benefits	\$ 82,730	\$ 66,072	\$ 68,645	\$ 73,437	\$ 4,792	6.98%

2100 Employee Benefits & Insurance *Town of Lexington, Massachusetts*

Focus on: Health Benefits – Line Item 2130

While the cost of health insurance continues to be a concern for the Town of Lexington, as is the case with all public and private organizations in this region and across the country, the Town was successful in negotiating with the Employee Health Insurance Coalition to join the State's Group Insurance Commission (GIC) health insurance program, which has helped to slow the growth of this large cost driver.

The Town and the Public Employees Committee (PEC) have negotiated a three (3) year successor agreement to remain in the GIC through Fiscal Year 2018.

The table on the following page shows the number of employees and retirees enrolled in the Town's health insurance program.

2100 Employee Benefits & Insurance *Town of Lexington, Massachusetts*

Table 1: Health Insurance Enrollments ⁽¹⁾

				FY2017 Budget	FY2018 Budget
Actual Subscribers				Based on Actual Subscribers, plus Additional Projected Lives shown below	
Subscribers	Nov. 2012 (FY2013)	Nov. 2013 (FY2014)	Nov. 2014 (FY2015)	Nov. 2015 (FY2016)	Nov. 2016 (FY2017)
<u>Town</u>					
Individual	67	74	81	85	83
Family	186	191	187	176	178
subtotal	253	265	268	261	261
<u>School</u>					
Individual	317	333	337	358	333
Family	505	506	498	478	494
subtotal	822	839	835	836	827
<u>Retirees</u>	1,112	1,152	1,189	1,222	1,243
subtotal	2,187	2,256	2,292	2,319	2,331
Additional projected lives for budget purposes					
Position Vacancies					
Individual				8	13
Family				12	20
subtotal				20	33
Estimated Open Enrollment / Qualifying Events ⁽²⁾					
Individual				8	10
Family				28	30
Retirees				50	50
subtotal				86	90
Total	2,187	2,256	2,292	2,425	2,454
New Positions					
School ⁽³⁾				30	12
Municipal ⁽³⁾				1	2
Facilities Dept.				0	3
subtotal				31	17
Estimated Reduction in Subscribers					
School					
Retirees				(35)	(35)
Total	2,187	2,256	2,292	2,421	2,436
(1) The subscriber counts above do not include COBRA subscribers, but include 9 employees who are not General Fund employees.					
(2) The projection shown under open enrollment / qualifying events is based on an assumption of current employees losing coverage on their spouse's plans, and changes in marital status or dependent status.					
(3) Based on the budgets as recommended by the Superintendent and Town Manager and assumes that each full-time equivalent will subscribe to Town's insurance. The cost is estimated at a composite rate based on school and municipal personnel enrollment.					

2100 Employee Benefits & Insurance *Town of Lexington, Massachusetts*

Table 2: Health Insurance Budget: FY2013 - 2018

	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Actual	Budgeted FY2017	Projected FY2018	Percentage Increase FY2017 to FY2018
Town ⁽¹⁾	\$ 3,397,070	\$ 3,577,673	\$ 3,540,828	\$ 3,521,268	\$ 4,011,598	\$ 4,362,211	8.74%
School ⁽²⁾	\$ 9,851,024	\$ 9,957,423	\$ 9,932,387	\$10,246,365	\$12,167,930	\$13,070,879	7.42%
Retirees	\$ 5,026,524	\$ 5,364,397	\$ 5,207,456	\$ 6,420,186	\$ 7,035,114	\$ 7,406,910	5.28%
Total	\$18,274,618	\$18,899,493	\$18,680,671	\$20,187,820	\$23,214,642	\$24,840,000	7.00%
Mitigation Fund ⁽³⁾	\$ 1,120,000	---	---	---	\$ 300,000	\$ -	---
Early Retiree Reinsurance Program ⁽⁴⁾		\$ (336,492)					
Medicare Part B Penalty ⁽⁵⁾	\$ 101,205	\$ 93,683	\$ 89,886	\$ 92,984	\$ 99,388	\$ 92,984	-6.44%
Net Budget Amount	\$19,495,823	\$18,656,684	\$18,770,557	\$20,280,804	\$23,614,030	\$24,932,984	5.59%

(1) Portion of salaries attributable to health insurance administration is inclusive in these figures.

(2) FY2018 does not include costs of benefits for prospective new positions recommended by the Superintendent or Town Manager.

(3) Mitigation Fund is a one (1) time cost in FY2017 per the agreement between the Town and the Public Employee Committee (PEC).

(4) The Early Retiree Reinsurance Program was a federal grant to employers who provided health insurance to retirees under 65 years old.

(5) Medicare Part B Penalty is the penalty the Town must pay due to deferred migration of retirees from active plans to Medicare supplement plans.

2200 Debt Service

Mission: To manage the issuance of Town debt in a manner which protects assets that are required to deliver town services and yet limits large increases or decreases in annual debt service.

Budget Overview: Debt service includes General Fund principal and interest payments for levy-supported (non-exempt) debt and temporary borrowing, both authorized by Town Meeting as well as for capital projects being proposed to the 2017 Annual Town Meeting. Also included in these figures are debt issuance costs and interest on abatements. Debt service on water and sewer enterprise projects is shown in elements 3610 and 3710. Debt Service voted to be exempt from Proposition 2½, while not appropriated by Town Meeting, is shown for informational purposes.

Authorized/Appropriated Staffing:

There is no direct staff charged to this line-item. Staff support is provided through the Town Manager and Finance departments.

Budget Recommendations:

Combined gross FY2018 debt service – inclusive of Within-Levy and Exempt debt service – is increasing by \$3,369,145, or 21.70%.

Within-Levy debt service is increasing by \$6,600, or 0.09%. The original FY2017 appropriation as adopted at the 2016 Annual Town Meeting was \$7,199,028, which was mitigated by \$710,000 from the Capital Stabilization Fund yielding net debt service of \$6,489,028. FY2018 gross debt service (before any use of the Capital Stabilization Fund) is recommended at \$7,205,628 which is inclusive of:

- Two projects that are proposed to be funded with new revenue (Westview Cemetery Building Assessment and a Street Acceptance project); and, therefore, there is no need to mitigate the debt service impact with the use of the Capital Stabilization Fund;
- Four projects that are potential candidates for debt exclusion votes (Fire Station Replacement Design, Supplemental Funds for Hastings Elementary School Design, design funds for improvements to Fire Department swing space at the newly acquired property at 173 Bedford Street, and design funds for space for the Lexington Children's Place (LCP) program); and
- Projected debt service for three prior authorizations that are also candidates for debt exclusion votes (the initial \$1.5 million for Hastings design, and acquisition of properties at 20 Pelham Road (\$8 million) and 173 Bedford Street (\$4.43 million)).

2200 Debt Service

If the anticipated debt exclusion votes are not approved, projected debt service net solely of the two projects proposed to be funded with new revenue is \$7,194,508. This is an increase of \$53,023 from the originally published debt service budget due to a decision from the Department of Revenue on the eligibility of a supplemental request for excluded debt which was received after publication. In order to maintain the original \$324,500 drawdown from the Capital Stabilization fund and the corresponding 5% increase for within-levy debt service, the \$53,023 is funded from a transfer from the Unallocated balance. The FY2018 proposed capital projects are described in greater detail in the Section XI: Capital Investment in this book.

If the projects described above that are candidates for debt exclusion votes are approved, projected debt service of \$7,205,028 decreases to \$6,891,406, which will only require the use of \$178,500 in Capital Stabilization Funds to meet the target of a 5% increase in debt service.

FY2017 gross exempt debt service is \$8,330,185, which did not require mitigation from the Capital Stabilization Fund. FY2018 gross exempt debt service is \$11,692,730. If no mitigation is applied, this yields an increase of \$3,362,545, or 40.37%. The increase in debt service is driven primarily by the debt service for excluded projects approved by the voters in May 2016 including the Clarke and Diamond renovations and the installation of 6 elementary modular classrooms, as well as projected debt service for those projects that are candidates for debt exclusion votes – on the assumption that those votes are successful – including Fire Station Replacement Design, Hastings Elementary School Design, design funds for improvements to Fire Department swing space at the newly acquired property at 173 Bedford Street, design funds for space for the Lexington Children's Place (LCP) program and Community Center space, and funds for the acquisitions of 20 Pelham Road and 173 Bedford Street. To mitigate the impact of this increase on Lexington taxpayers, it is proposed that \$2.4 million of Capital Stabilization Funds be appropriated to offset exempt debt service.

2200 Debt Service

Budget Summary:

Funding Sources (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Projected	Dollar Increase	Percent Increase
Tax Levy	\$ 15,103,973	\$ 15,415,016	\$ 15,529,213	\$ 18,898,358	\$ 3,369,145	21.70%
Enterprise Funds (Indirects)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Fees & Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total 2200 Debt Service	\$ 15,103,973	\$ 15,415,016	\$ 15,529,213	\$ 18,898,358	\$ 3,369,145	21.70%

Appropriation Summary (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Recommended	Dollar Increase	Percent Increase
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Expenses	\$ 13,853,588	\$ 14,823,816	\$ 15,529,213	\$ 18,898,358	\$ 3,369,145	21.70%
Total 2200 Debt Service	\$ 15,103,973	\$ 15,415,016	\$ 15,529,213	\$ 18,898,358	\$ 3,369,145	21.70%

Level-Service Requests (Within Levy Debt)	FY2015 Actual	FY2016 Actual	FY2017 Appropriated	FY2018 Recommended	Dollar Increase	Percent Increase
Total 2210 Within-Levy Principal	\$ 5,490,412	\$ 5,169,842	\$ 5,904,336	\$ 5,640,760	\$ (263,576)	-4.46%
Total 2220 Within Levy Interest	\$ 971,079	\$ 921,553	\$ 1,039,068	\$ 1,172,415	\$ 133,347	12.83%
Total 2230 Temporary Borrowing ¹	\$ 63,129	\$ 649,142	\$ 255,624	\$ 392,453	\$ 136,829	53.53%
Total 2200 Within-Levy Debt Service	\$ 6,524,620	\$ 6,740,537	\$ 7,199,028	\$ 7,205,628	\$ 6,600	0.09%
Use of Capital Stabilization Fund to hold debt service increases (net of projects funded with new revenue) to 5% annually	\$ (919,000)	\$ (620,567)	\$ (710,000)	\$ (324,500)	\$ 385,500	-54.30%
Net 2200 Within-Levy Debt Service	\$ 5,605,620	\$ 6,119,970	\$ 6,489,028	\$ 6,881,128	\$ 392,100	6.04%

Level-Service Requests (Exempt Debt)	FY2015 Actual	FY2016 Actual	FY2017 Appropriated	FY2018 Recommended	Dollar Change	Percent Change
Total 2200 Exempt Debt Service	\$ 8,373,332	\$ 8,539,697	\$ 8,330,185	\$ 11,692,730	\$ 3,362,545	40.37%
Use of Capital Stabilization Fund to mitigate impact of excluded debt service on property tax bills	\$ (950,000)	\$ (215,000)	\$ -	\$ (2,400,000)	\$ (2,400,000)	---
Net 2200 Exempt Debt Service	\$ 7,423,332	\$ 8,324,697	\$ 8,330,185	\$ 9,292,730	\$ 962,545	11.55%

Total 2200 Debt Service	\$ 15,103,973	\$ 15,415,016	\$ 15,529,213	\$ 18,898,358	\$ 3,369,145	21.70%
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Object Code Summary (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Appropriated	FY2018 Recommended	Dollar Increase	Percent Increase
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	-
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	-
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contractual Services	\$ 15,103,973	\$ 15,415,016	\$ 15,529,213	\$ 18,898,358	\$ 3,483,342	22.60%
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-
Small Capital	\$ -	\$ -	\$ -	\$ -	\$ -	-
Expenses	\$ 15,103,973	\$ 15,415,016	\$ 15,529,213	\$ 18,898,358	\$ 3,483,342	25.12%
Total 2200 Debt Service	\$ 15,103,973	\$ 15,415,016	\$ 15,529,213	\$ 18,898,358	\$ 3,369,145	21.70%

2300 Reserve Fund

Mission: To provide for extraordinary and unforeseen expenses.

Budget Overview: The Reserve Fund is under the jurisdiction of the Appropriation Committee.

Authorized/Appropriated Staffing:

There is no direct staff charged to this line-item. Staff support is provided through the Town Manager and Finance departments.

Budget Recommendations:

The FY2018 recommendation for the Reserve Fund is \$900,000, which represents no increase over the FY2017 appropriation.

Notes: The FY2015 and FY2016 budgets for the Reserve Fund were \$900,000 in each year.

In FY2015, a total of \$289,620 was transferred for supplemental funding for –

- Economic Development contractual services (\$69,120),
- Economic Development part-time wages (\$17,500),
- Economic Development supplies (\$17,500),
- Board of Health contractual services (\$11,500),
- Facilities Capital - LHS Modular Classrooms (\$150,000), and
- Board of Selectmen legal services (\$24,000).
- The Economic Development transfers were in support of the Town's assumption of operations of the Lexington Visitor Center in September 2014.

In FY2016, a total of \$176,800 was transferred for supplemental funding for –

- the Cary Memorial Building Project for the remediation of unforeseen hazardous materials (\$150,000), and
- supplemental funding for park improvements – hard court resurfacing (\$26,800).

For historical details regarding the amounts transferred and to which departments, please see the table in Appendix C, "Summary of Reserve Fund Transfers".

2300 Reserve Fund

Budget Summary:

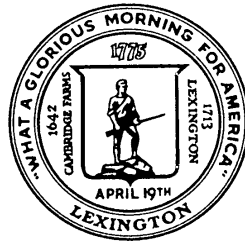
Funding Sources	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Projected	Dollar Increase	Percent Increase
Tax Levy	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-
Enterprise Funds (Indirects)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Directed Funding (Revolving Funds)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total 2300 Reserve Fund	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-

Appropriation Summary	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Expenses	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-
Total 2300 Reserve Fund	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-

Level-Service Requests	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Total 2300 Reserve Fund	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-
Total 2300 Reserve Fund	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-

Object Code Summary	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	-
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	-
<i>Compensation</i>	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contractual Services	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-
Small Capital	\$ -	\$ -	\$ -	\$ -	\$ -	-
<i>Expenses</i>	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-
Total 2300 Reserve Fund	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ -	-

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2400 Public Facilities

Mission: The mission of the Department of Public Facilities is to manage the efficient operation and maintenance of Town buildings, preserve facility and equipment assets of the Town, and plan and implement capital improvements. This mission is accomplished by establishing appropriate services in support of building users, fostering continuous improvement in delivery of services, and by establishing a five-year capital plan in collaboration with the Permanent Building Committee and other Town committees.

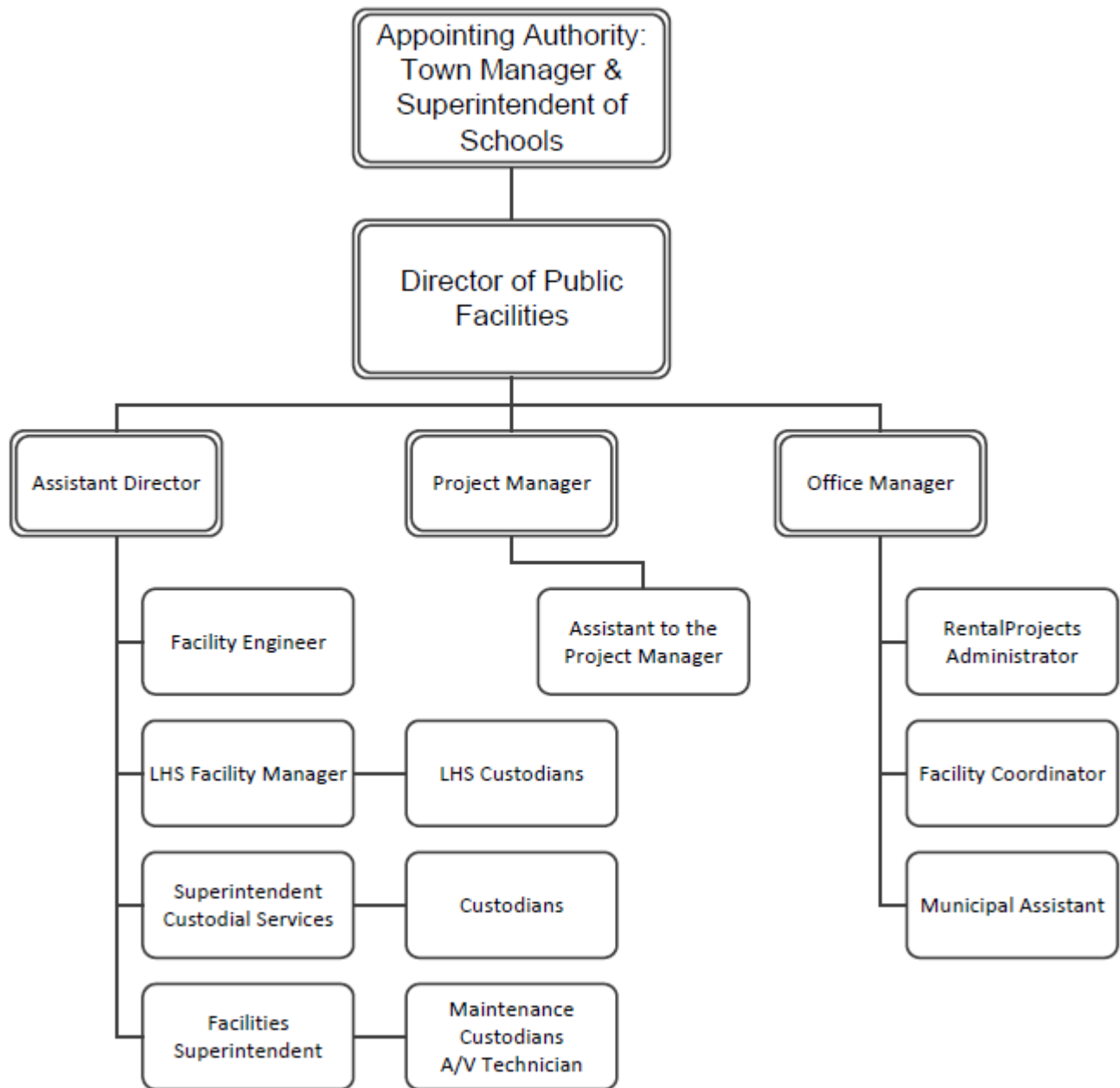
Budget Overview: The Department of Public Facilities (DPF) is responsible for the coordination and care of all Town-owned buildings inclusive of those under the control of the Town Manager, Library Trustees and School Committee. The primary areas of service include custodial care and cleaning, building maintenance and repair (including preventative maintenance), utilities, and landscaping and grounds (school buildings only). The DPF administrative staff develops and implements the programs that provide services for the Town buildings. In addition, the DPF Capital Budget and the Building Rental Revolving Fund are managed by DPF staff.

Departmental Initiatives:

1. Continue renovations and additions at schools in support of increasing enrollments
2. Support implementation of Town Public Safety projects
3. Implement other priority projects.

2400 Public Facilities

Authorized/Appropriated Staffing



2400 Public Facilities

Town of Lexington, Massachusetts

	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Request
School Facilities 2410				
Maintenance Staff	10	11	11	11
Custodian ¹	48	48	49	52
Subtotal FTE	58	59	60	63
Municipal Facilities 2420				
Foreman ²	1	0	0	0
Technician ³	1	0	0	0
Custodian	9	10	10	10
Subtotal FTE	11	10	10	10
Shared Facilities 2430				
Administrative Asst - Facility Coordinator	1	1	1	1
Administrative Asst - Clerical/Rental Administrator	1	1	1	1
Office Manager	1	1	1	1
Municipal Assistant - Part time	0.5	0.5	0.5	0.5
Director of Public Facilities	1	1	1	1
Assistant Director of Public Facilities	1	1	1	1
Superintendent of Custodial Services	1	1	1	1
Project Manager	1	1	1	1
Facility Superintendent	1	1	1	1
Facility Engineer	1	1	1	1
Event Manager	1	1	1	1
LHS Facility Manager	1	1	1	1
Subtotal FTE⁴	11.5	11.5	11.5	11.5
Total FTE	80.5	80.5	81.5	84.5

Notes:

¹ FY2017 includes 1 additional staff at LHS resulting from two prefab buildings. FY2018 includes 3 additional staff for the Lexington Children's Place at the Central Administration Building, and Diamond and Clarke Middle School additions and renovations.

² Foreman position replaced by Head Custodian position.

³ Municipal Technician replaced by Electrician in School (Townwide) Maintenance Staff

⁴ FTE count does not include a full-time Assistant Project Manager. Expense charged to construction projects.

2400 Public Facilities

Budget Recommendations:

The FY2018 recommended All Funds Department of Public Facilities budget inclusive of the General Fund operating budget, the Building Rental Revolving Fund and the PEG Revolving Fund – which funds staff that provide technical support to governmental programming – is \$10,898,271. The recommended budget is a \$416,328, or 3.97% increase from the FY2017 budget.

The Department of Public Facilities FY2018 recommended General Fund operating budget – inclusive of the Education Facilities, Municipal Facilities and Shared Facilities divisions – is \$10,402,987, which is a \$400,571, or 4.00% increase from the FY2017 General Fund budget.

The General Fund operating budget for Compensation is \$5,352,096, and reflects a \$349,690, or 6.99% increase, which is attributable to the addition of three custodians to maintain new education spaces at Clarke, Diamond and the Lexington Children’s Place at the Central Administration Building; the correction of a technical error in the FY2017 budget which omitted the salary for a maintenance staff vacancy; and contractual obligations for step increases and cost-of-living adjustments under the SEIU and AFSCME contracts which extend through June 30, 2018.

The General Fund operating budget for Expenses is \$5,050,891 and reflects a \$50,881, or 1.02% increase. Utility costs are stable, with only a \$6,446 or 0.22% increase, which includes a savings of \$66,088 or 7.87% in natural gas, and an increase of \$55,834 or 2.85% in electricity which is offset by estimated savings of \$190,000 from the new solar installation at Hartwell Avenue. Utility costs for new buildings at Pelham Rd. and 171/173 Bedford St. are also included.

The FY2018 Facilities Department recommended PEG Revolving Fund request is \$22,208, which reflects a \$1,516 or 7.33% increase from the FY2017 budget, primarily to reflect the actual cost of benefits for staff assigned to the fund. The Board of Selectmen’s budget includes additional spending associated with the PEG Revolving Fund. The Building Rental Revolving Fund budget request is \$473,077, an increase of \$14,242, or 3.10% which is primarily attributable to prospective increases in wages for staff charged to this account, reflecting the actual costs of benefits for those staff, and increases in supply costs due to increasing rental use.

Program Improvement Requests:

Description	Request			Recommended			Not Recommended
	Salaries and Expenses	Benefits (reflected in Shared Expenses)	Total Requested	Salaries and Expenses	Benefits (reflected in Shared Expenses)	Total	
In-House Cleaning of Town Buildings	\$ 11,698	\$ 33,513	\$ 45,211	\$ -	\$ -	\$ -	\$ 45,211

* PIR total requested is net of amount currently in expense budget for contracted services.

2400 Public Facilities

Budget Summary:

Funding Sources (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Estimated	FY2018 Projected	Dollar Increase	Percent Increase
Tax Levy	\$ 9,894,474	\$ 9,820,826	\$ 10,002,416	\$ 10,402,987	\$ 400,571	4.00%
Revolving Funds				\$ -		
Building Rental Revolving Fund	\$ 388,275	\$ 472,443	\$ 458,835	\$ 473,077	\$ 14,242	3.10%
PEG Revolving Fund	\$ 13,970	\$ 20,502	\$ 20,692	\$ 22,208	\$ 1,516	7.33%
Total 2400 Public Facilities (All Funds)	\$ 10,296,720	\$ 10,313,771	\$ 10,481,943	\$ 10,898,271	\$ 416,328	3.97%

Appropriation Summary (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Compensation	\$ 4,925,159	\$ 5,046,750	\$ 5,274,617	\$ 5,625,188	\$ 350,571	6.65%
Expenses	\$ 5,367,065	\$ 5,247,773	\$ 5,188,010	\$ 5,248,891	\$ 60,881	1.17%
Benefits	\$ 4,495	\$ 19,248	\$ 19,316	\$ 24,192	\$ 4,876	25.25%
Total 2400 Public Facilities (All Funds)	\$ 10,296,720	\$ 10,313,771	\$ 10,481,943	\$ 10,898,271	\$ 416,328	3.97%

Program Summary (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Education Facilities	\$ 7,386,777	\$ 7,175,126	\$ 7,347,808	\$ 7,771,708	\$ 423,901	5.77%
Municipal Facilities	\$ 1,754,596	\$ 1,873,851	\$ 1,924,752	\$ 1,871,581	\$ (53,171)	-2.76%
Shared Facilities	\$ 1,155,347	\$ 1,264,794	\$ 1,209,382	\$ 1,254,981	\$ 45,599	3.77%
Total 2400 Public Facilities (All Funds)	\$ 10,296,720	\$ 10,313,771	\$ 10,481,943	\$ 10,898,271	\$ 416,328	3.97%

Object Code Summary (All Funds)	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Salaries & Wages	\$ 4,383,139	\$ 4,549,361	\$ 4,832,909	\$ 5,178,767	\$ 345,858	7.16%
Overtime	\$ 542,021	\$ 497,389	\$ 441,708	\$ 446,421	\$ 4,713	1.07%
<i>Personal Services</i>	<i>\$ 4,925,159</i>	<i>\$ 5,046,750</i>	<i>\$ 5,274,617</i>	<i>\$ 5,625,188</i>	<i>\$ 350,571</i>	<i>6.65%</i>
Contractual Services	\$ 1,386,048	\$ 1,433,539	\$ 1,346,560	\$ 1,325,060	\$ (21,500)	-1.60%
Utilities	\$ 3,194,209	\$ 2,817,094	\$ 2,994,730	\$ 3,001,176	\$ 6,446	0.22%
Supplies	\$ 685,872	\$ 786,570	\$ 717,720	\$ 786,155	\$ 68,435	9.54%
Small Capital	\$ 100,937	\$ 210,570	\$ 129,000	\$ 136,500	\$ 7,500	5.81%
Expenses	\$ 5,367,065	\$ 5,247,773	\$ 5,188,010	\$ 5,248,891	\$ 60,881	1.17%
Benefits	\$ 4,495	\$ 19,248	\$ 19,316	\$ 24,192	\$ 4,876	25.2%
Total 2400 Public Facilities (All Funds)	\$ 10,296,720	\$ 10,313,771	\$ 10,481,943	\$ 10,898,271	\$ 416,328	3.97%

Appropriations Summary (General Fund Only)	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Compensation	\$ 4,689,947	\$ 4,767,444	\$ 5,002,406	\$ 5,352,096	\$ 349,690	6.99%
Expenses	\$ 5,204,527	\$ 5,053,382	\$ 5,000,010	\$ 5,050,891	\$ 50,881	1.02%
Total 2400 Public Facilities (General Fund)	\$ 9,894,474	\$ 9,820,826	\$ 10,002,416	\$ 10,402,987	\$ 400,571	4.00%

Appropriations Summary (Non-General Fund)	FY2015 Actual	FY2016 Actual	FY2017 Appropriation	FY2018 Recommended	Dollar Increase	Percent Increase
Building Rental Revolving Fund	\$ 388,275	\$ 472,443	\$ 458,835	\$ 473,077	\$ 14,242	3.10%
Personal Services	\$ 221,242	\$ 263,713	\$ 256,065	\$ 256,746	\$ 681	0.27%
Benefits	\$ 4,495	\$ 14,339	\$ 14,770	\$ 18,331	\$ 3,561	24.11%
Expenses	\$ 162,538	\$ 194,391	\$ 188,000	\$ 198,000	\$ 10,000	5.32%
PEG Revolving Fund	\$ 13,970	\$ 20,502	\$ 20,692	\$ 22,208	\$ 1,516	7.33%
Personal Services	\$ 13,970	\$ 15,594	\$ 16,146	\$ 16,347	\$ 201	1.24%
Benefits	\$ -	\$ 4,908	\$ 4,546	\$ 5,861	\$ 1,315	28.94%
Total 2400 Public Facilities (Non-General Fund)	\$ 402,245	\$ 492,945	\$ 479,527	\$ 495,285	\$ 15,758	3.29%