

Town of Lexington



Summit II-A

FY2021 Final Revenue Allocation

December 19, 2019



Town of Lexington Financial Summit II-A

Summary of Changes from Summit II to II-A

Original	Revised	Variance	School	Town	Description
\$238,232,111	\$237,432,111	\$ (800,000)	\$ (589,759)	\$ (210,241)	Reduced Free Cash Estimate
		\$ (800,000)	\$ (589,759)	\$ (210,241)	Total Revenue Impact
\$ 2,717,144	\$ 2,992,356	\$ 275,212	\$ (202,886)	\$ (72,326)	Updated Minuteman assessment, per preliminary figures (21%)
\$ 900,000	\$ 750,000	\$ (150,000)	\$ 110,580	\$ 39,420	Reduced Reserve Fund
\$ 500,000	\$ 250,000	\$ (250,000)	\$ 184,300	\$ 65,700	Reduced Set-Aside for Unanticipated Needs
\$ 863,540	\$ —	\$ (863,540)	\$ 636,601	\$ 226,939	Reduced Capital Stabilization Contribution from Tax Levy
\$ 2,136,460	\$ 1,324,801	\$ (811,659)	\$ 598,354	\$ 213,305	Reduced Capital Stabilization Contribution from Free Cash
		\$(1,799,987)	\$1,326,949	\$ 473,038	Total Spending Impact
		\$ 999,987	\$ 737,190	\$ 262,797	Net Impact on Revenue Allocation
			\$4,116,448	\$1,467,458	Original Revenue Allocation
			\$4,853,638	\$1,730,255	Revised Revenue Allocation

\$4,853,637

Goal from Summit II (half of \$1.47M)

Note - Set-Aside for Unanticipated Needs was originally \$1M, and was reduced to \$500,000 prior to Summit II.



Town of Lexington Financial Summit II-A

FY2021 Revenue Allocation Model

\$237,432		Projected FY2021 Revenue			
		Shared	Municipal	School	(\$s in 000s)
(1)	\$ (113,554)	\$ —	\$ —	\$ (113,554)	FY2020 school budget
(2)	\$ (40,272)	\$ —	\$ (40,272)	\$ —	FY2020 municipal budget
(3)	\$ (209)	\$ —	\$ (209)	\$ —	Tax Levy Support of Community Center (Article 12)
(4)	\$ (2,992)	\$ (2,992)	\$ —	\$ —	FY2021 Minuteman
(5)	\$ (6,686)	\$ (6,686)	\$ —	\$ —	FY2021 Contributory Retirement
(6)	\$ (16)	\$ (16)	\$ —	\$ —	FY2021 Non-Contributory Retirement
(7)	\$ (30,081)	\$ (30,081)	\$ —	\$ —	FY2021 Benefits
(8)	\$ (200)	\$ (200)	\$ —	\$ —	FY2021 Unemployment
(9)	\$ (875)	\$ (875)	\$ —	\$ —	FY2021 Workers' comp
(10)	\$ (845)	\$ (845)	\$ —	\$ —	FY2021 Property and Liability Insurance
(11)	\$ (250)	\$ (250)	\$ —	\$ —	FY2021 Uninsured Losses
(12)	\$ (410)	\$ (410)	\$ —	\$ —	FY2021 Solar Production Payment
(13)	\$ (7,916)	\$ (7,916)	\$ —	\$ —	FY2021 Debt Service
(14)	\$ (2,403)	\$ (2,403)	\$ —	\$ —	Pay Down Principal for Land Purchases
(15)	\$ (750)	\$ (750)	\$ —	\$ —	FY2021 Reserve Fund
(16)	\$ (11,943)	\$ (11,943)	\$ —	\$ —	FY2021 Facilities Department Budget
(17)	\$ —	\$ —	\$ —	\$ —	Facilities PIRs
(18)	\$(11,448)	\$ (250)	\$ —	\$ —	Set-Aside for as yet to be identified needs;
		\$ (200)	\$ —	\$ —	Unanticipated Current Fiscal Year Needs
		TBD	\$ —	\$ —	Debt Service Mitigation
		\$ (1,325)	\$ —	\$ —	Capital Stabilization Fund
		\$ (700)	\$ —	\$ —	Transition Free Cash out of Operating Budget - 2nd of 5
		\$ (4,200)	\$ —	\$ —	Cash Capital
		\$ (1,930)	\$ —	\$ —	OPEB
		\$ (2,634)	\$ —	\$ —	Street Improvement Program
		\$ (209)	\$ —	\$ —	Building Envelope Program
\$ —	\$ —	\$ —	Senior Work-Off Program		
(19)	\$ (230,848)	\$ (76,814)	\$ (40,480) 26.3%	\$ (113,554) 73.7%	Base Budget - Used for Allocation Percentage - Municipal and School Only
(20)	\$ 6,584	\$ 1,730 4.3%	\$ 4,854 4.3%	\$ —	Incremental Revenue Percent of Current Budget



Town of Lexington Financial Summit II-A

FY2022 Projected Revenue Allocation Model

\$243,235		Projected Revenue			
		Shared	Municipal	School	(\$s in 000s)
(1)	\$ (118,407)	\$ —	\$ —	\$ (118,407)	FY2021 school budget
(2)	\$ (41,911)	\$ —	\$ (41,911)	\$ —	FY2021 municipal budget
(3)	\$ (3,292)	\$ (3,292)	\$ —	\$ —	FY2022 Minuteman
(4)	\$ (7,036)	\$ (7,036)	\$ —	\$ —	FY2022 Contributory Retirement
(5)	\$ (16)	\$ (16)	\$ —	\$ —	FY2022 Non-Contributory Retirement
(6)	\$ (31,585)	\$ (31,585)	\$ —	\$ —	FY2022 Benefits
(7)	\$ (200)	\$ (200)	\$ —	\$ —	FY2022 Unemployment
(8)	\$ (875)	\$ (875)	\$ —	\$ —	FY2022 Workers' comp
(9)	\$ (887)	\$ (887)	\$ —	\$ —	FY2022 Property and Liability Insurance
(10)	\$ (250)	\$ (250)	\$ —	\$ —	FY2022 Uninsured Losses
(11)	\$ (410)	\$ (410)	\$ —	\$ —	FY2022 Solar Production Payment
(12)	\$ (8,272)	\$ (8,272)	\$ —	\$ —	FY2022 Debt Service
(13)	\$ (2,403)	\$ (2,403)	\$ —	\$ —	Pay Down Principal for Land Purchases
(14)	\$ (750)	\$ (750)	\$ —	\$ —	FY2022 Reserve Fund
(15)	\$ (11,943)	\$ (11,943)	\$ —	\$ —	FY2022 Facilities Department Budget
(16)	\$ —	\$ —	\$ —	\$ —	Facilities PIRs
(17)	\$(10,227)	\$ (250)	\$ —	\$ —	Set-Aside for as yet to be identified needs;
		\$ (200)	\$ —	\$ —	Unanticipated Current Fiscal Year Needs
		TBD	\$ —	\$ —	Debt Service Mitigation
		\$ (17)	\$ —	\$ —	Capital Stabilization Fund
		\$ (700)	\$ —	\$ —	Transition Free Cash out of Operating Budget - 2nd of 5
		\$ (4,200)	\$ —	\$ —	Cash Capital
		\$ (1,980)	\$ —	\$ —	OPEB
		\$ (2,652)	\$ —	\$ —	Street Improvement Program
		\$ (214)	\$ —	\$ —	Building Envelope Program
\$ (15)	\$ —	\$ —	Senior Work-Off Program		
(18)	\$ (238,464)	\$ (78,146)	\$ (41,911) 26.1%	\$ (118,407) 73.9%	Base Budget - Used for Allocation Percentage - Municipal and School Only
(19)	\$ 4,772		\$ 1,247 3.0%	\$ 3,524 3.0%	Incremental Revenue Percent of Current Budget



Town of Lexington

Financial Summit II-A

Revenues Set-Aside for Designated Expenses - FY2018-FY2022

	FY2018	FY2019	FY2020	FY2021	FY2022
1 Set-Aside for Unanticipated Current Fiscal Year Needs	\$ —	\$ —	\$ —	\$ 200,000	\$ 200,000
2 Other Post-Employment Benefits (OPEB)	\$ 1,829,721	\$ 1,829,721	\$ 1,879,721	\$ 1,929,721	\$ 1,979,721
3 Unallocated	\$ —	\$ —	\$ —	\$ 250,000	\$ 250,000
4 Cash Capital ⁽¹⁾	\$ 3,683,979	\$ 4,750,245	\$ 5,316,608	\$ 4,200,000	\$ 4,200,000
5 Appropriate <u>into</u> Capital Stabilization Fund ⁽²⁾	\$ 7,690,398	\$ 3,560,335	\$ 2,269,456	\$ 1,324,801	\$ 16,829
6 Appropriate <u>from</u> Capital Stabilization Fund	\$ 324,500	\$ 573,500	\$ —	TBD	TBD
7 Transition Free Cash out of Operating Budget	\$ —	\$ —	\$ —	\$ 700,000	\$ 700,000
8 Street Improvement Program	\$ 2,542,927	\$ 2,600,000	\$ 2,616,801	\$ 2,634,022	\$ 2,651,674
9 Municipal Building Envelope and Systems	\$ 194,713	\$ 198,893	\$ 203,865	\$ 208,962	\$ 214,186
10 Warrant Articles	\$ 393,000	\$ 70,000	\$ —	\$ —	\$ 15,000
11 Subtotal	\$16,659,238	\$ 13,582,694	\$12,286,451	\$ 11,447,506	\$ 10,227,410
12 Free Cash to Support Operating Budget ⁽³⁾	\$ 3,800,000	\$ 3,740,000	\$ 2,900,000	\$ 2,461,659	\$ 1,500,000
13 Retire Note for Land Purchases - Debt Service	\$ 2,351,487	\$ 3,050,000	\$ 2,234,614	\$ 2,403,450	\$ 2,403,450
14 Grand Total	\$22,810,725	\$ 20,372,694	\$17,421,065	\$ 16,312,615	\$ 14,130,860

⁽¹⁾ FY2020 Cash Capital includes \$700K of free cash transitioned out of operating budget

⁽²⁾ FY2020 appropriation into Capital Stabilization Fund includes \$732,697 of revenue surplus from Fall 2019 Special Town Meeting. The amount anticipated for FY2022 represents the leftover Free Cash (\$10.5M) after other items have been allocated.

⁽³⁾ FY2021 Free Cash to Support Operating Budget reflects \$250,000 and \$11,659, that had previously been under Unallocated and Appropriate into Capital Stabilization Fund, respectively.



Town of Lexington *Financial Summit II-A*

FY2021 Budget Calendar:

- Summit II - November 21st
- Summit IIa - December 19th
- Publish White Book - January 10th
- Summit III - January 16th
- Summit IV - February 6th
- Publish Brown Book - February 21st
- Town Meeting - March 23rd