

# Section I: How to Read the Budget

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# How To Read The FY 2005 Appropriated Budget

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The FY 2005 Appropriated Budget contains estimated expenditures and revenues for all departments, committees and functions that are funded by property taxes or fees for services that the Town charges for various services. This document details actual expenditures for fiscal year 2003, adjusted appropriation figures for the current fiscal year (Fiscal Year 2004) and projected revenues and expenditures for the next fiscal year (Fiscal Year 2005). There are three categories of funds: the General Fund, Enterprise Funds and Special Revenue Funds. Balance sheets for each fund are provided in the Revenue section of the budget.

The Budget is arranged into several major sections:

- **Overview** - An overview section containing summary information on revenues, expenditures, capital, debt and the budget message
- **Programs** - The program section, containing detailed information on each program, sub-program and element for each service the Town of Lexington provides; and
- **Appendix** - The appendix, which provides general information on the Town staffing levels, information on the community, information on the proposed override, a glossary and the index.

The budget utilizes four different colors of pages:

- **Blue pages are covers.** They mark the beginning of major sections of the budgets such as the Overview, the Debt Management section and Programs.
- **Green pages show programs.** Each green page has a summary of the program, a listing of the subprograms, and the amount appropriated for each subprogram on the front of the page, and the organizational chart for all of the departments included within the program.
- **Yellow pages describe subprograms.** The first yellow page has a summary of the subprogram, a listing of the elements contained within the

subprogram and the amount appropriated for each element. On the next several pages, a list of the goals, objectives and performance measures for each subprogram is provided. A further explanation of performance measures is provided for later in this section.

- **White pages are element pages.** These are the building blocks of the budget. They provide information about the service provided, accomplishments of the previous year, important budget issues and staffing levels. Appropriated revenues and expenses for the element are also included.

The FY 2005 Appropriated Budget is a programmatic budget. The budget is arranged into programs for the purpose of identifying and describing the various functions of town government in broad terms. The Town of Lexington budget has nine programs:

- **Program 1000** – Education (Lexington Public Schools)
- **Program 2000** – Shared Expenses (Benefits, Debt service, Organizational Expenses)
- **Program 3000** – Community Services (DPW, Transportation, Water and Sewer Utilities)
- **Program 4000** – Public Safety (Police, Fire)
- **Program 5000** – Culture and Recreation (Cary Memorial Library, Recreation)
- **Program 6000** – Social Services (Council on Aging, Social Services)
- **Program 7000** – Community Development (Inspections, Conservation, Planning, Econ. Dev.)
- **Program 8000** – General Government (Board of Selectmen, Town Manager, Town Clerk, Town Committees, Finance, MIS - Management Information Systems)
- **Program 9000** – Capital Budget (Capital Improvements & Expenses)

Each Program, subprogram and element page looks similar.

Program, Sub-program or Element Name and Number

Highlights

Budget Issues

**Subprogram: DPW Oversight  
Town of Lexington 2005 Appropriated Budget**

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**Element : 3110 DPW Administration**

**DESCRIPTION OF SERVICES:**  
 DPW Administration staff direct the department's activities, prepare budgets, monitor expenditures, develop bid specifications for DPW procurement and respond to citizens' concerns and complaints. Management also schedules work assignments, evaluates work performance, monitors attendance, sick leave and vacation time, and participates in the contract negotiation process. The administrative division supervises contracts for services relating to curbside refuse and recycling collections, the regional Minuteman Household Hazardous Products (MHHP) Facility events, Cathode Ray Tube recycling, snow plowing, traffic signal maintenance, traffic/street sign construction and repair, street line/crosswalk painting, storm drain cleaning, and transportation services. These contracts are awarded through a competitive bidding process.

**HIGHLIGHTS:**

- Staff responded to numerous resident questions and comments regarding the implementation and cessation of the Pay As You Throw (PAYT) trash program.
- In early 2003 staff developed and managed the process of reimbursing residents for the value of unused PAYT tags and barrel labels.
- Staff assisted the Superintendent of Environmental Services with trash and recycling information and education.
- Staff continues to be responsible for the administrative support and record management for the MHHP Committee.
- Staff helped reorganize the department and took on additional duties due to the loss of positions through the failed override, early retirement initiative, and general turnover.

**BUDGET ISSUES:**

- The reduction of the Management Analyst position to part time has primarily been felt internally, as the Management Analyst has taken on fewer duties within the department and organization. This has increased the responsibilities of other members of the department, especially with regard to budget creation. The Management Analyst also provides counter and phone customer service and acts as staff support on several citizen committees. The reduction in hours has impacted the level of support that can be provided to those customers and committees.
- The Manager of Operations position was combined with the Highway Superintendent position and funded through the Highway Department. This has impacted the level of strategic planning, project management, and other functions done by the Manager of Operations in the past. The responsibilities will now have to be shared between the Director and the Highway Superintendent.

**STAFFING:**

1 Director	1 Office Manager/Executive Secretary
2 Department Account Clerks	1 Office Manager/Transportation Coordinator
1 Part Time Management Analyst	

Element Totals	FY2003 Expended	FY2004 Appropriated	FY 2005 Dept Request		
			FY 2005 Recommended	FY 2005 Appropriated	
Compensation	\$336,714	\$357,508	\$285,026	\$285,026	\$285,026
Benefits	0	0	0	0	0
Expenses	31,503	30,250	30,250	30,250	30,250
<b>Town Funded Expenses</b>	<b>\$368,217</b>	<b>\$387,758</b>	<b>\$315,276</b>	<b>\$315,276</b>	<b>\$315,276</b>
General Fund	\$109,905	\$91,379	\$118,897	\$118,897	\$118,897
Enterprise Funds	171,740	196,379	196,379	196,379	196,379
Directed Funding	100,000	100,000	0	0	0
<b>Appropriated Resources</b>	<b>\$381,645</b>	<b>\$387,758</b>	<b>\$315,276</b>	<b>\$315,276</b>	<b>\$315,276</b>

Description of Program, Subprogram or Element

Staffing Levels

Subprogram or element listing – three year collection

## Summary of Performance Measures

### What are performance measures?

Performance measurement is a management tool for determining how well a program is accomplishing its mission, goals and objectives through the delivery of its services. A performance measure identifies what will be measured to monitor accomplishment of objectives and progress toward goals. The Town of Lexington utilizes three different kinds of performance measures: workload or output measures, efficiency measures and outcome measures.

**Workload/ Output Measures** – Workload indicators report the quantity or volume of products and services provided by the program without regard to quality. An example of this is shown on the next page. The number of 911 calls received by dispatch is a workload measure – it

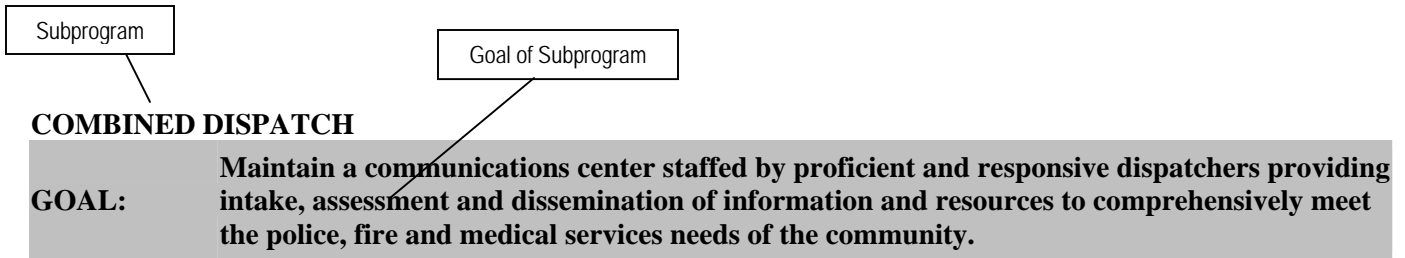
measures the quantity of calls received, but does not describe the quality of the assistance provided the dispatcher or how quickly the emergency was resolved.

**Efficiency Measures** – Efficiency measures indicate how well resources are being used. Efficiency indicators measure the cost, either in terms of dollars or personnel hours per unit of output or outcome. Efficiency measures indicate how well resources are being used. This type of measure is focused on productivity and/or cost-effectiveness. Using the dispatch example, dividing the number of calls received by dispatchers by the number of full-time employees is one form of efficiency measure.

**Outcome Measures/ Effectiveness** – Outcome indicators measure the results and accomplishments of the program or service provided. Outcome indicators can be defined as measures of the quality of the program outputs (for example, responsiveness, timeliness, compliance, accuracy and customer satisfaction). Outcome indicators can also be defined as measuring the degree to which programs accomplish their mission. Outcome measures should be important to the customers and/or the public. Some outcome measures reflect intermediate steps to achieving

the intended purpose. Therefore, not all of the measures in this category reflect end outcomes in and of themselves.

In the case of dispatch, the desired outcome is to make sure that the call for help is answered by dispatch without transfer to another agency. The goal for this measure to make sure that all calls are answered by dispatch. In the last three years, the police has met this goal except for one call.



**OBJECTIVES**

- ▶ To have 100% of 911 calls answered professionally at the dispatch center before transfer to a back up agency.

Performance Measure	Type of Measure	FY2001	FY2002	FY2003	FY2004	FY2005
Number of 911 calls received	Workload	5,077	4,815	4,652	4,700	4,700
Number of 911 calls answered per FTE	Efficiency	634.6	601	581	671	600
Number of 911 calls answered before transfer to back-up agency	Outcome	100%	100%	99.4%	99%	99%

Diagram labels: 'Measure' points to the first column; 'Type of Measure' points to the second column; 'Five-Year Trend' points to the last five columns.

Performance measures such as the one shown above for dispatch follow a similar design throughout the budget. Goals that describe the departments’ main tasks are broken up into objectives. All objectives are easily found by looking for the ▶ symbol. Particular objectives are then are broken into performance measures.

increasingly being used by the Town of Lexington and municipalities throughout the country to evaluate the quality and quantity of services provided. Performance measures are included in the budget to show how departments perform the tasks they are assigned to do, how efficiently they use resources, and what services need improvement.

**Why Performance Measures?**

The Town of Lexington strives to provide the highest quality of services at the lowest possible burden to its taxpayers and citizens. Performance measures are


**Lexington 2020 Vision: Guide to the Future**

In 1998, Lexington 2020 Vision was launched as a town-wide effort to empower and engage residents to help determine what the town will

be like in the year 2020. The process is a comprehensive, long-range, public visioning and planning effort. Since Spring 2001, town and school staff has begun integrating the 2020 Goals and Actions into their annual planning efforts. One of the



central planning efforts undertaken each year is the preparation of the annual budget.

Adjacent to  selective objectives a 2020 symbol, such as the one shown at right, will appear. This symbol means that the particular budgetary objective shown addresses a recommended action or is aligned with a goal in 2020 Vision. Although the particular goal within 2020 Vision is not identified, the idea is to make citizens aware of the connection between Lexington's long-range vision and the short-term objectives within the budget. For more information on Lexington 2020 Vision, including a detailed report on the progress of the plan, please contact the Town Manager's Office at (781) 862-0500 ext. 276 or go online to <http://ci.lexington.ma.us>.

## New for the FY 2005 Appropriated Budget

The FY 2005 Appropriated Budget continues Lexington's tradition of providing the most accurate and detailed financial information about town services to its citizens. In addition to sections on programs, subprograms and elements, several sections have been revised for added clarity and transparency. They include:

- **Revenue:** Easier to read diagrams which detail the budget process.
- **Fund Summaries:** Easier to read & more comprehensive fund summaries show where the resources come from that make up the budget and how they are spent.
- **Override Section:** A summary of the programs placed for vote and results of this year's override vote.