

Section II: Revenue Summary



Revenue Summary

This revenue projection is being submitted to the Board of Selectmen as required under Section 13 of Chapter 753 of the Acts of 1968, as amended, An Act Establishing the Selectmen-Town Manager Form of Government in the Town of Lexington. Revenue projecting is a dynamic process. These projections maybe revised as additional data becomes available, and as noted below. FY 2007 revenues are projected to increase by \$10,118,375 or 7.95 percent over the FY2006 estimated revenues. This increase, by revenue source, is shown below.

Table 1: Revenue Summary	FY 2005	FY 2006	FY 2007	FY 06-07 Change	
	Actual	Estimate	Recommended	\$	%
Table 2: Property Tax Levy	\$ 91,192,659	\$ 94,811,902	\$ 99,344,955	\$ 4,533,053	4.78%
Table 3: State Aid	\$ 7,871,465	\$ 8,603,524	\$ 8,875,774	\$ 272,250	3.16%
Table 4: Local Receipts	\$ 10,246,954	\$ 9,674,610	\$ 10,187,644	\$ 513,034	5.30%
Table 5: Available Funds	\$ 1,728,160	\$ 1,382,484	\$ 4,743,000	\$ 3,360,516	243.08%
Table 6: Revenue Offsets	\$ (3,077,283)	\$ (3,145,438)	\$ (2,919,019)	\$ 226,419	-7.20%
Table 7: Other Revenue	\$ 15,145,328	\$ 15,894,196	\$ 17,107,299	\$ 1,213,104	7.63%
Total	\$ 123,107,283	\$ 127,221,278	\$ 137,339,653	\$ 10,118,375	7.95%

Property Tax Levy: The increase in property tax levy of \$4,533,053 or 4.78 percent is based on the allowable 2.5 percent increase plus estimated new growth (increase in the tax levy due to new construction) of \$1,675,000. This increase in new growth is a conservative estimate. Over the past five years, new growth has been averaging approximately \$1,675,000 annually.

State Aid: The State Aid estimate is highly dynamic, based on the actions of the Governor, and the Legislature. The increase of \$272,250 or 3.16 percent is based on the Legislature's commitment last year to "uncap" lottery distributions, thereby increasing the payments to cities and towns. It is likely that State Aid will increase further in other categories. The final State Aid figures, unfortunately, will not likely be known until June when the Legislature adopts and the Governor signs the FY2007 State budget.

Local Receipts: Local receipts are projected to increase by \$538,634 or approximately 5.5 percent. Local receipt estimates are based on the average revenue received in each category for the prior three or five-year period. No fee increases are assumed in these local receipt projections unless otherwise noted. To the extent the Board of Selectmen or other boards increase specific fees, this projection may be revised. Other key changes include: a decrease in Water/Sewer PILOT payments of \$187,500 (25%); the addition of \$195,000 in cell tower lease revenues which were previously accounted for off-budget as a revolving/gift fund account; and a decrease of \$575,000 in non recurring revenue which reflects a one-time NESWC payment made in FY2006.

Available Funds: It is recommended that \$4,743,000 be appropriated from Available Funds, an increase of \$3,360,516 over FY2006. The Town has approximately \$4,448,000 in Free Cash available for appropriation. Of this amount, it is recommended that \$2,000,000 be retained to maintain reserve accounts, \$250,000 be appropriated for the Fiske School project (NStar rebate), and approximately \$200,000 be available for FY2006 supplemental appropriations to fund any budget shortfalls (e.g., utility costs). The FY2007 projection does not include any appropriation from the Overlay Surplus account. Staff is continuing to work with the Assessors on this matter, which may result in a revised Available Funds figure.

Revenue Offsets: This category is for certain accounts that do not require Town Meeting appropriation but are, in fact, expenditures of the Town or restricted grant funds. Included are State assessments and offsets, the Overlay account for abatements and exemptions and the snow/ice deficits from the prior year. The decrease in this category is because a smaller snow and ice deficit is budgeted.

Other Revenue: This category includes revolving funds, grants and enterprise funds (both direct and indirect funding). Revolving funds are set to increase by \$17,204. Enterprise funds will grow \$1,114,496, to account for higher MWRA assessments in the Water & Sewer funds and increases in benefits and operational indirect funding via the Recreation Enterprise Fund.

Revenue Summary in Detail

This document details the revenues used to offset the expense recommendations made throughout the remainder of the FY 2007 Recommended Budget & Financing Plan.

General & Special Revenue Funds

Table 2: Property Tax Levy

	FY 2005 Actual	FY 2006 Restated	FY 2007 Recommended	FY 2007 Change (\$)	FY 2007 Change (%)
Tax Levy	\$ 78,000,157	\$ 85,867,574	\$ 89,868,589	\$ 4,001,015	4.66%
Prop. 2.5%	\$ 1,950,957	\$ 2,146,689	\$ 2,246,715	\$ 100,026	4.66%
New Growth	\$ 1,692,120	\$ 1,854,326	\$ 1,675,000	\$ (179,326)	-9.67%
Override	\$ 4,224,340	\$ -	\$ -	\$ -	-
<i>sub-total Property Tax levy</i>	\$ 85,867,574	\$ 89,868,589	\$ 93,790,304	\$ 3,921,715	4.36%
Exempt Debt	\$ 5,325,085	\$ 4,943,313	\$ 5,554,651	\$ 611,338	12.37%
Total all Tax Levy	\$ 91,192,659	\$ 94,811,902	\$ 99,344,955	\$ 4,533,053	4.78%

Table 3: State Aid

	FY 2005 Actual	FY 2006 Restated	FY 2007 Recommended	FY 2007 Change (\$)	FY 2007 Change (%)
Chapter 70	\$ 4,895,754	\$ 5,197,254	\$ 5,197,254	\$ -	0.00%
Lottery, Beano, Charity Games	\$ 1,392,955	\$ 1,581,017	\$ 1,853,267	\$ 272,250	17.22%
Police Career Incentive	\$ 188,765	\$ 202,482	\$ 202,482	\$ -	0.00%
Veterans' Benefits & Exemptions	\$ 71,968	\$ 71,486	\$ 71,486	\$ -	0.00%
Offsets (METCO, School Lunch & Library)	\$ 1,322,023	\$ 1,363,589	\$ 1,363,589	\$ -	0.00%
sub-Total (Cherry Sheet)	\$ 7,871,465	\$ 8,415,828	\$ 8,688,078	\$ 272,250	3.23%
School Construction (MSBA)	\$ -	\$ 187,696	\$ 187,696	\$ -	0.00%
Total	\$ 7,871,465	\$ 8,603,524	\$ 8,875,774	\$ 272,250	3.16%

Table 4: Local Receipts

	FY 2005 Actual	FY 2006 Restated	FY 2007 Recommended	FY 2007 Change (\$)	FY 2007 Change (%)
Motor Vehicle Excise Tax	\$ 4,179,205	\$ 3,391,664	\$ 3,870,000	\$ 478,336	14.10%
Other Excise	\$ 384,343	\$ 282,566	\$ 364,000	\$ 81,434	28.82%
Penalties & Interest	\$ 249,544	\$ 196,539	\$ 230,000	\$ 33,461	17.03%
PILOT's	\$ 993,372	\$ 1,023,730	\$ 913,000	\$ (110,730)	-10.82%
Rentals	\$ 49,212	\$ 44,268	\$ 211,000	\$ 166,732	376.64%
Departmental-Schools	\$ 871,522	\$ 874,598	\$ 898,000	\$ 23,402	2.68%
Departmental-Municipal	\$ 1,159,468	\$ 1,228,339	\$ 1,280,000	\$ 51,661	4.21%
Licenses & Permits	\$ 1,565,913	\$ 1,315,577	\$ 1,434,000	\$ 118,423	9.00%
Special Assessments	\$ 29,408	\$ 25,621	\$ 28,000	\$ 2,379	9.29%
Fines & Forfeits	\$ 315,296	\$ 237,672	\$ 275,000	\$ 37,328	15.71%
Investment Income	\$ 449,669	\$ 307,924	\$ 395,000	\$ 87,076	28.28%
Miscellaneous Recurring (Adult Day Care)	\$ -	\$ 171,112	\$ 289,644	\$ 118,532	69.27%
Miscellaneous Non-Recurring	\$ -	\$ 575,000	\$ -	\$ (575,000)	-100.00%
Total	\$ 10,246,954	\$ 9,674,610	\$ 10,187,644	\$ 513,034	5.30%

Table 5: Available Funds

	FY 2005 Actual	FY 2006 Restated	FY 2007 Recommended	FY 2007 Change (\$)	FY 2007 Change (%)
Parking	\$ 275,000	\$ 322,014	\$ 340,000	\$ 17,986	5.59%
Cemetery	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0.00%
Free Cash	\$ 150,000	\$ 434,287	\$ 4,250,000	\$ 3,815,713	878.62%
Overlay Surplus	\$ -	\$ 425,000	\$ -	\$ (425,000)	-100.00%
Receipts Reserved for Appr. (Lexpress)	\$ 1,203,160	\$ 101,183	\$ 53,000	\$ (48,183)	-47.62%
Stabilization Fund	\$ -	\$ -	\$ -	\$ -	-
Total	\$ 1,728,160	\$ 1,382,484	\$ 4,743,000	\$ 3,360,516	243.08%

Table 6: Revenue Offsets

	FY 2005 Actual	FY 2006 Restated	FY 2007 Recommended	FY 2007 Change (\$)	FY 2007 Change (%)
Cherry Sheet Assessments	\$ (674,131)	\$ (633,266)	\$ (655,430)	\$ (22,164)	3.50%
Cherry Sheet Offsets					
Racial Equality	\$ (1,263,144)	\$ (1,303,050)	\$ (1,303,050)	\$ -	0.00%
School Lunch	\$ (27,156)	\$ (26,765)	\$ (26,765)	\$ -	0.00%
Public Libraries	\$ (31,723)	\$ (33,774)	\$ (33,774)	\$ -	0.00%
Overlay (abatements)	\$ (899,183)	\$ (501,895)	\$ (600,000)	\$ (98,105)	19.55%
Snow Deficit	\$ (181,946)	\$ (646,688)	\$ (300,000)	\$ 346,688	-53.61%
Total	\$ (3,077,283)	\$ (3,145,438)	\$ (2,919,019)	\$ 226,419	-7.20%

Sub-total General & Special Revenue Funds \$ 107,961,955 \$ 111,327,082 \$ 120,232,353 \$ 8,905,271 8.00%

Revenue Summary in Detail

Table 7: Other Revenue

	FY 2005	FY 2006	FY 2007	FY 2007	FY 2007
	<u>Actual</u>	<u>Restated</u>	<u>Recommended</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revolving Funds	\$ 78,266	\$ 612,869	\$ 630,073	\$ 17,204	2.81%
Grants	\$ -	\$ 168,873	\$ 173,390	\$ 4,517	2.67%
Enterprise Funds (Direct)	\$ 13,293,865	\$ 13,322,541	\$ 14,476,523		
Water	\$ 5,343,239	\$ 5,391,794	\$ 5,889,756	\$ 497,962	9.24%
Wastewater (Sewer)	\$ 6,673,087	\$ 6,263,925	\$ 6,785,264	\$ 521,339	8.32%
Recreation	\$ 1,277,539	\$ 1,666,822	\$ 1,801,504	\$ 134,682	8.08%
Enterprise Funds (Indirect)	\$ 1,773,197	\$ 1,789,913	\$ 1,827,313	\$ 37,400	2.09%
Total	\$ 15,145,328	\$ 15,894,196	\$ 17,107,299	\$ 1,213,104	7.63%

Total Revenues (all funds)	\$ 123,107,283	\$ 127,221,278	\$ 137,339,653	\$ 10,118,375	7.95%
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