

Budget/Financial Summit I
Estabrook Hall, Cary Memorial Building
Monday, September 19th, 2005
5:30 pm

Agenda

Attendees: Board of Selectmen, School Committee, Appropriations Committee, Capital Expenditures Committee

1. Special Town Meeting – FY05/06 Budget Review/Adjustment
 - Pending/potential budget shortfalls
 - a) FY05 unpaid bills, snow and ice
 - b) FY06 adjustments (special education, utilities, salary accounts, other). Discussion of when to request funding.
 - Potential funding sources
 - a) Additional State Aid
 - b) Tax levy (new growth)
 - c) Free Cash
 - d) Stabilization Fund

2. Possible Date for Summit II

Background Material

Attachment #1: FY 2006 Balance Issues
Attachment #2: LPS FY 2005 Deficit
Attachment #3: LPS FY 2006 Identified Deficit
Attachment #4: FY 2005 Free Cash Projection
Attachment #5: FY 2005 Closeout – Misc. Information



Town of Lexington

Summit I - September 19, 2005

Attachment #1

FY 2006 Balance Issues

PRELIMINARY - For discussion purposes only

This sheet shows the major expense areas which are effecting the FY 2006 Budget at this time as well as potential funding sources to correct these problems. Utility costs for both the Municipal and School could potentially escalate dependent upon rising energy costs. Gasoline, Diesel & Heating Oil costs are fixed, but Natural Gas and Electric are not at this time.

Expenses

Snow & Ice Deficit (FY 2005)	\$	646,688
Prior Year's Bills (FY 2005)	\$	529,005
Municipal Utility Costs (<i>Estimate - Gas & Electric unknowns driving cost</i>)	\$	106,000
FY 2006 School Adjustments (<i>Net of proposed reductions of \$728,700 from 9/8/05 AC meeting</i>)	\$	563,535
Contractual Settlements (6 muni. Contracts unsettled)		???,???
Amount of Expenses	\$	1,845,228

Funding Options

(1) Net State Aid Increase	\$	502,797
(2) FY 2006 Growth (<i>in excess of Town Meeting Estimates</i>)		???,???
(3) Free Cash	\$	4,970,000
(4) Stabilization Fund	\$	1,568,013
Total Amount of Available Funding Options	\$	7,040,810

LEXINGTON PUBLIC SCHOOLS

Summary - Deficit FY05

8-Sep-05

Attachment #2

Special Education	\$	113,296	<i>*This would apply \$54662 from additional Circuit Breaker (\$167958 less \$54662)</i>
Kelly Services	\$	117,572	
Legal Services	\$	15,019	
Tsongas Arena (bal due)	\$	2,899	
Misc vendors	\$	5,973	
Curriculum work done in June	\$	12,000	
ServiceMaster	\$	25,750	
Returned from Town	\$	12,090	
Utilities	\$	224,406	
	\$	529,005	<i>net of additional circuit breaker funds</i>

LEXINGTON PUBLIC SCHOOLS

Identified deficit - FY06

September 8, 2005

Attachment #3

	FY05 ACTUAL	FY06 MUNIS BUDGET	FY06 PROJECTION	(OVER)/ UNDER BUDGET
PAYROLL				
CENTRAL ADMIN	\$ 861,712	\$ 837,202	\$ 853,902	\$ (16,700)
TECHNOLOGY	\$ 390,391	\$ 435,608	\$ 404,810	\$ 30,798
CUSTODIANS & MAINTENANCE	\$ 2,088,695	\$ 2,144,515	\$ 2,180,469	\$ (35,954)
TUTORS	\$ 1,896,028	\$ 1,560,478	\$ 2,005,627	\$ (445,149)
AIDES	\$ 954,889	\$ 1,051,931	\$ 993,466	\$ 58,465
LEA	\$ 35,082,375	\$ 36,096,560	\$ 36,229,551	\$ (132,991)
LEA STIPENDS (not allocated)	\$ 143,565	\$ 155,000	\$ 146,436	\$ 8,564
CUST OT	\$ 176,800	\$ 85,000	\$ 85,000	\$ -
PRINC/ASST PRINCIPALS	\$ 2,199,756	\$ 2,189,811	\$ 2,234,041	\$ (44,230)
SECRETARIAL/CLERICAL	\$ 1,678,455	\$ 1,744,086	\$ 1,744,265	\$ (179)
COACHES	\$ 473,948	\$ 471,582	\$ 483,427	\$ (11,845)
NURSE SUBS	\$ 14,462	\$ 10,000	\$ 10,000	\$ -
SECRETARIAL/CLERICAL SUBS	\$ 34,170	\$ 20,000	\$ 20,000	\$ -
POLICE DETAILS	\$ 3,643	\$ 4,000	\$ 4,000	\$ -
CROSSING GUARDS	\$ 109,334	\$ 112,500	\$ 112,500	\$ -
VACATION PAYOUT			\$ 35,000	\$ (35,000)
MEDICARE	\$ 546,890	\$ 560,000	\$ 560,000	\$ -
INSURANCES	\$ 9,043,626	\$ 9,797,000	\$ 9,797,000	\$ -
	<u>\$ 55,698,739</u>	<u>\$ 57,275,273</u>	<u>\$ 57,899,494</u>	<u>\$ (624,221)</u>
EXPENSE				
SCHOOLS - PP\$		\$ 1,191,493	\$ 1,191,493	\$ -
SYSTEMWIDE INSTRUCTIONAL		\$ 319,902	\$ 319,902	\$ -
SYSTEMWIDE ADMIN		\$ 407,600	\$ 407,600	\$ -
SYSTEMWIDE CURRICULUM/ PROF DEV		\$ 310,300	\$ 310,300	\$ -
SYSTEMWIDE TECH SVCS		\$ 118,500	\$ 118,500	\$ -
SYSTEMWIDE FACILITIES		\$ 1,105,000	\$ 1,105,000	\$ -
SUBSTITUTES-CONTRACTED		\$ 500,000	\$ 500,000	\$ -
CONSULTING SVCS STUDENTS	\$ 773,401	\$ 677,000	\$ 773,401	\$ (96,401)
SPECIAL EDUCATION O/D TUITION		\$ 3,048,000	\$ 3,527,371	\$ (479,371)
REGULAR&OTHER TRANSPORTATI		\$ 1,329,500	\$ 1,394,342	\$ (64,842)
SPECIAL EDUCATION TRANSPORTATION		\$ 710,000	\$ 710,000	\$ -
ELECTRICITY		\$ 1,400,000	\$ 1,300,000	\$ 100,000
HEATING OIL	\$ 326,122	\$ 395,000	\$ 422,400	\$ (27,400)
TELEPHONE		\$ 165,000	\$ 165,000	\$ -
WATER & SEWER		\$ 45,000	\$ 45,000	\$ -
NATURAL GAS	\$ 579,702	\$ 550,000	\$ 650,000	\$ (100,000)
		<u>\$ 12,272,295</u>	<u>\$ 12,940,309</u>	<u>\$ (668,014)</u>
		\$ 69,547,568	\$ 70,839,803	\$ (1,292,235)



Free Cash Projection

PRELIMINARY - For discussion purposes only

The following is a preliminary reconciliation to determine the overall level of free cash Lexington should expect to have certified later this fall. This amount has not been certified, nor have all of the outstanding liabilities been fully determined which affect the free cash amount. Plans are for the Department of Revenue to review and certify Lexington's available Free Cash sometime in the month of October.

Free Cash Projection

Beginning Balance as of 7/1/04	\$	2,321,202
Less Free Cash use	\$	(150,000)
Sub-total as of 6/30/05	\$	2,171,202
Receipts in Excess of Estimates	\$	1,756,751
Interest Earned (from Prior Year's Bond Issuances)	\$	1,852,214
Expense Reversions	\$	333,862
Less Outstanding Liabilities	\$	(1,144,029)
Estimated Free Cash	\$	4,970,000



FY 2005 Closeout

PRELIMINARY - For discussion purposes only

The tables below show two of the primary components of the Free Cash calculation - FY 2005 Local Receipts and FY 2005 Expense Reversions. Expense Reversions occur at the end of the year when a department has paid for all of its expenses. The balance of the appropriation drops to free cash.

Local Receipts

	<u>Recap</u>	<u>Actual</u>	<u>Difference</u>
Local Receipts Total	\$ 8,481,015	\$ 10,237,766	\$ 1,756,751
Motor Vehicle Excise Tax	\$ 3,400,000	\$ 4,179,205	\$ 779,205
Other Excise	\$ 300,000	\$ 384,343	\$ 84,343
Penalties & Interest	\$ 221,370	\$ 249,544	\$ 28,174
PILOT's	\$ 1,041,184	\$ 993,372	\$ (47,812)
Rentals	\$ 41,258	\$ 49,212	\$ 7,954
Departmental-Schools	\$ 800,000	\$ 871,522	\$ 71,522
Departmental-Municipal	\$ 952,873	\$ 1,159,468	\$ 206,595
Licenses & Permits	\$ 1,000,000	\$ 1,565,913	\$ 565,913
Special Assessments	\$ 51,901	\$ 29,408	\$ (22,493)
Fines & Forfeits	\$ 276,318	\$ 306,109	\$ 29,791
Investment Income	\$ 396,111	\$ 449,669	\$ 53,558

Expense Reversions

	<u>Actual</u>
Expense Reversions	\$ 333,862
Major reversions (over \$20,000) include:	
Minuteman Assessment	\$ 95,207
Temporary Borrowing	\$ 62,024
Library Personal Services	\$ 27,530
Comptroller Expenses	\$ 23,056
Health Personal Services	\$ 21,047