

Budget Highlights

This document includes General Fund operating budgets, the Capital budget, Enterprise Fund budgets and proposed Community Preservation Act funded projects.

A comparison of the FY2022 appropriated budget to the FY2023 recommended General Fund budget is shown below:

Table 1	FY2022 Appropriated	FY2023 Recommended Budget	\$ Change	% Change
Lexington Public Schools*	\$ 123,376,981	\$ 128,254,447	\$ 4,877,466	4.0 %
Minuteman High School	\$ 3,130,038	\$ 3,223,898	\$ 93,860	3.0 %
Shared Expenses	\$ 64,540,037	\$ 64,990,303	\$ 450,266	0.7 %
Municipal Departments	\$ 42,920,017	\$ 44,802,554	\$ 1,882,537	4.4 %
Cash Capital-Tax Levy and Available Funds	\$ 10,136,491	\$ 11,143,037	\$ 1,006,546	9.9 %
Other**	\$ 6,541,910	\$ 6,159,945	\$ (381,965)	(5.8) %
Total - General Fund Only	\$ 250,645,474	\$ 258,574,183	\$ 7,928,709	3.2 %

*LPS Appropriated budget for FY2022 reflects \$500,000 from Special Education Stabilization Fund. Without that funding, the incremental FY2023 change is \$5.38 million, or 4.38%.

**Other captures Unallocated revenue, contributions to the Capital Stabilization and OPEB Trust Funds, and various other expenses.

Preliminary Budget and Financing Plan

To facilitate review of this document, some of the salient aspects of this budget are highlighted below:

1. FY2023 Projected Revenues

- **Revenue Projections (Section II)** - General Fund operating revenues are projected to increase by \$7,928,710 or 3.2% over FY2022 estimated revenues. Lexington's projected and actual revenue growth for prior years is shown below:

	<u>Projected</u>	<u>Actual</u>		<u>Projected</u>	<u>Actual</u>
FY2023	3.2%		FY2017	2.8%	3.3%
FY2022	7.0%		FY2016	4.2%	6.8%
FY2021	3.6%	2.5%	FY2015	3.6%	2.6%
FY2020	3.5%	3.4%	FY2014	6.9%	9.4%
FY2019	3.6%	3.6%	FY2013	4.7%	4.7%
FY2018	4.6%	6.6%	FY2012	4.0%	4.6%

- **Revenue Allocation Model** - Each year, the Town Manager recommends the allocation of projected revenues that can be applied to fund the operating budget in the next fiscal year. This model was developed in 2006 by the Town Manager, Assistant Town Manager for Finance and Superintendent of Schools and is reviewed annually. The FY2023 model was reviewed by the Select Board, financial committees and School Committee at Financial Summit II and projected \$7.27 million in new revenue to be allocated, which represents a 4.4% increase in available budgeted amounts from the prior year.

The amounts shown in this Preliminary Budget and Financing Plan represent the Town Manager's and Superintendent of School's recommended FY2023 budgets, inclusive of