

**Select Board, School Committee, Appropriation Committee,  
Capital Expenditures Committee**

**January 7, 2026**

**7:00 PM**

**Estabrook Hall, Cary Memorial Building, 1605 Massachusetts Avenue, Lexington, MA 02420**

**AGENDA**

**ITEMS FOR INDIVIDUAL CONSIDERATION**

1. Progress Update on FY2027 Budget Development (School, Municipal and Capital Budgets) and Review Budget Calendar and Future Summit Dates
2. Review of Draft 2026 Annual Town Meeting Article List

**ADJOURN**

1. Anticipated Adjournment	8:30pm
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Meeting Packet: <https://lexington.novusagenda.com/agendapublic/>

\*Members of the public can attend the meeting from their computer or tablet by clicking on the following link at the time of the meeting:

<https://lexingtonma.zoom.us/j/82893107220?pwd=a0TtDHD3fBL0FbsCqzMUYA12oZa7F.1>

Meeting ID: 828 9310 7220

Passcode: 285691

An Act Relative to Extending Certain State of Emergency

Accommodations: <https://www.mass.gov/the-open-meeting-law>

A work session of the Select Board will be held on Monday, January 12, 2026 at 6:30pm via hybrid participation.

The next meeting of the Select Board will be held on Monday, January 26, 2026 at 6:30pm via hybrid participation.

*Hearing Assistance Devices Available on Request*

*All agenda time and the order of items are approximate and subject to change.*

  
Recorded by LexMedia

## AGENDA ITEM SUMMARY

### LEXINGTON BOARD OF SELECTMEN MEETING

#### AGENDA ITEM TITLE:

Progress Update on FY2027 Budget Development (School, Municipal and Capital Budgets) and Review Budget Calendar and Future Summit Dates

#### PRESENTER:

Carolyn Kosnoff, Assistant Town Manager for Finance; Julie Hackett, Superintendent of Schools

ITEM  
NUMBER:

I.1

#### SUMMARY:

##### **Category: Informing**

Carolyn Kosnoff will present FY2027 Budget Development Update as well as the Budget Calendar and Future Summit Dates and Dr. Hackett will present FY2027 Lexington Public Schools Presentation.

#### SUGGESTED MOTION:

#### FOLLOW-UP:

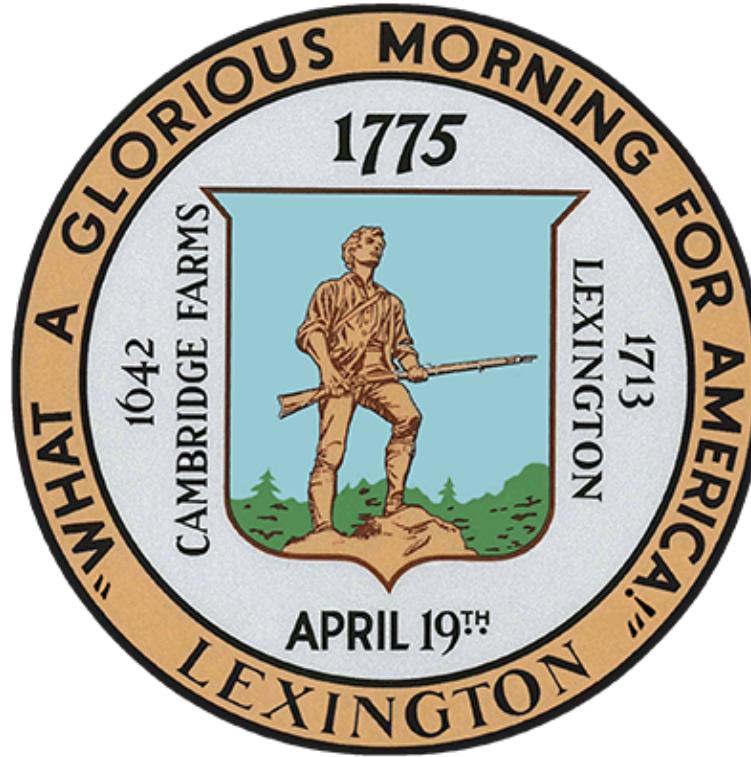
#### DATE AND APPROXIMATE TIME ON AGENDA:

1/7/2026

#### ATTACHMENTS:

Description	Type
<input type="checkbox"/> FY2027 Budget Development Update	Presentation
<input type="checkbox"/> FY2027 Lexington Public Schools Presentation - Budget Summit 01072026	Presentation

# *Town of Lexington*



## **Summit II Deck**

*January 7, 2026*



# Town of Lexington

## FY2027 Summit II Presentation

### FY2027 Revenue Allocation - Summit I (November)

(in thousands)

		<b>Summit I</b>
1	<b>Total Revenues</b>	<b>\$ 320,164</b>
2	Less: FY2026 School Budget	\$ 146,033
	Less: FY2026 Municipal Budget	
3	(inc. Community Center)	\$ 51,264
4	Less: Shared Expenses	\$ 88,489
5	Less: Set-Asides	\$ 29,693
6	Total Base Budget	<u>\$ 315,479</u>
7	<b>Total New Revenue to be Allocated</b>	<b>\$ 4,685</b>
8	School Alloc./ FY2027 Total	\$ 3,467 74.0%
9	Muni Alloc. / FY2027 Total	\$ 1,217 26.0%



	<b>Summit I</b>	<b>Initial Revenue Allocation</b>	<b>%Inc vs PY</b>	<b>Initial Budget Request</b>	<b>%Inc vs PY</b>	<b>Surplus/ (Shortfall)</b>
10	FY2027 School budget	\$ 149,501	2.4%	\$ 152,810	4.6%	\$ (3,309)
11	FY2027 Municipal budget	\$ 52,481	2.4%	\$ 53,871	5.1%	\$ (1,390)



# Town of Lexington

## FY2027 Summit II Presentation

### FY2027 Revenue Allocation - Updated

(in thousands)

		Summit I		Summit II		
1	<b>Total Revenues</b>	\$ 320,164		\$ 321,164		
2	Less: FY2026 School Budget	\$ 146,033		\$ 146,033		
	Less: FY2026 Municipal Budget					
3	(inc. Community Center)	\$ 51,264		\$ 51,264		
4	Less: Shared Expenses	\$ 88,489		\$ 88,043		
5	Less: Set-Asides	\$ 29,693		\$ 28,795		
6	Total Base Budget	\$ 315,479		\$ 314,135		
7	<b>Total New Revenue to be Allocated</b>	<b>\$ 4,685</b>		<b>\$ 7,029</b>		<b>\$ 2,344</b>
8	School Alloc./ FY2027 Total	\$ 3,467	74.0%	\$ 5,202	74.0%	\$ 1,735
9	Muni Alloc. / FY2027 Total	\$ 1,217	26.0%	\$ 1,826	26.0%	\$ 609

	Summit I	Revenue Allocation	%Inc vs PY	Initial Budget Request	%Inc vs PY	Surplus/ (Shortfall)
10	FY2027 School budget	\$ 149,501	2.4%	\$ 152,810	4.6%	\$ (3,309)
11	FY2027 Municipal budget	\$ 52,481	2.4%	\$ 53,871	5.1%	\$ (1,390)
	Summit II	Revenue Allocation	%Inc vs PY	Updated Budget Request	%Inc vs PY	Surplus/ (Shortfall)
12	FY2027 School budget	\$ 151,235	3.6%	\$ 151,235	3.6%	\$ —
13	FY2027 Municipal budget	\$ 53,090	3.6%	\$ 53,548	4.5%	\$ (458)



# *Town of Lexington*

## *FY2027 Summit II Presentation*

### **Summary of Revenue Allocation Changes from Summit I**

Original	Revised	Variance	Description
\$320,163,931	\$ 321,163,931	\$ 1,000,000	Updated Investment Income Projection (from \$1.5M to \$2.5M)
<b>\$ 1,000,000 Total Revenue Increase/ (Decrease)</b>			

\$ 3,926,430	\$ 4,149,188	\$ 222,758	Updated Minuteman assessment, per preliminary budget
\$ 46,420,190	\$ 45,886,216	\$ (533,974)	Updated Health Benefits assuming 13.5% premium increase (vs 15%)
\$ 15,715,142	\$ 15,580,142	\$ (135,000)	Revisions to Facilities shared service budget (inc PIR - \$35K)
<b>\$ (446,216) Shared Expenses Increase/ (Decrease)</b>			

\$ 1,000,000	\$ 1,016,000	\$ 16,000	Set-Aside for as yet to be identified FY2027 needs
\$ 16,743,229	\$ 15,054,503	\$ (1,688,726)	Cash Capital - Free Cash and Other Available Funds
\$ —	\$ 700,000	\$ 700,000	Set-aside for one-time School Curriculum Purchase (Free Cash)
\$ —	\$ 75,000	\$ 75,000	Set Aside for Vision Survey (Free Cash)
<b>\$ (897,726) Set-Aside One-Time Funds Increase/ (Decrease)*</b>			

**\$ 2,343,942 Net Positive/ (Negative) Impact on Revenue Allocation**

74%      **\$ 1,734,517 Additional School Allocation**

26%      **\$ 609,425 Additional Municipal Allocation**

\*This represents the amount of Free Cash used to balance the Operating Budget



# **Town of Lexington**

## **FY2027 Summit II Presentation**

### **Revenues Set-Aside for Designated Expenses - FY2027**

		<b>Tax Levy</b>	<b>Free Cash</b>	<b>Other</b>	<b>Total</b>
1	Set-Aside for Unanticipated Current Fiscal Year Needs	\$ —	\$ 250,000	\$ —	\$ 250,000
2	Unallocated	\$ —	\$ 1,016,000	\$ —	\$ 1,016,000
3	Special Education Reserve Fund	\$ —	\$ —	\$ —	\$ —
4	Other Post-Employment Benefits (OPEB)	\$ —	\$ 2,129,721	\$ —	\$ 2,129,721
5	Cash Capital	\$ —	\$ 15,031,553	\$ 22,950	\$ 15,054,503
6	Set-Aside for School Literacy Curriculum	\$ —	\$ 700,000	\$ —	\$ —
7	Appropriate into Capital Stabilization Fund	\$ 6,580,908	\$ —	\$ —	\$ 6,580,908
8	Street Improvement Program	\$ 2,746,777	\$ —	\$ —	\$ 2,746,777
9	Municipal Building Envelope and Systems	\$ 242,332	\$ —	\$ —	\$ 242,332
10	Warrant Articles	\$ —	\$ 75,000	\$ —	\$ 75,000
11	Subtotal	\$ 9,570,016	\$ 19,202,274	\$ 22,950	\$ 28,795,240
12	<b>Subtotal</b>	<b>\$ 9,570,016</b>	<b>\$ 19,202,274</b>	<b>\$ 22,950</b>	<b>\$ 28,795,240</b>
13	Free Cash to Support Operating Budget	\$ —	\$ 897,726	\$ —	\$ —
14	Contribution to Pension Fund	\$ —	\$ 400,000	\$ —	\$ 400,000
15	<b>Grand Total</b>	<b>\$ 9,570,016</b>	<b>\$ 20,500,000</b>	<b>\$ 22,950</b>	<b>\$ 30,092,966</b>



# *Town of Lexington*

## *FY2027 Summit II Presentation*

### **Outstanding Items**

- **State Aid** - Cherry Sheet Estimates will be available when the Governor's budget is released at the end of January. Current Ch70 Aid is estimated at \$100/student.
- **Health Insurance Premiums** - Final increases in Health Insurance premiums are expected in late February. Further guidance from the Group Insurance Commission may be factored into the final recommended budget.
- **Final Minuteman Assessment** - Final assessment for Minuteman HS is expected in early February when Minuteman's FY2027 Budget is finalized.
- **FY2027 Debt Service** - Current amount is a placeholder that may be impacted by the February 2026 debt issuance.
- **Citizen's Petitions** - Citizen's petitions have been submitted for the 2026 Annual Town Meeting, and are not included in the draft budget. These items may require staffing or investment in technology.
- **Free Cash** - Current FY2027 estimate of \$20,500,000 has not been certified by the Department of Revenue. Adjustments will be reflected in cash capital/debt service.
- **Collective Bargaining Agreements** - both Municipal and School departments are in contract negotiations that will impact salary projections. Salary reserves are set-aside for this purpose.



# ***Town of Lexington***

## ***FY2027 Summit II Presentation***

### **Municipal Budget Update**

<b>Municipal Allocation</b>	
<b>Deficit from Initial Requested Budget</b>	<b>\$ (1,390,226)</b>
Additional Revenue Allocation	\$ 609,425
Initial Round of Budget Reductions	\$ 364,970
Refinement of Salary Projections	\$ (42,011)
<b>Remaining Deficit</b>	<b>\$ (457,842)</b>

- Budget Reductions of \$364,970 represent a first round of voluntary cuts from Municipal Senior Managers.
- Voluntary reductions add risk to the budget, including deferral of purchasing to future cycles, deferral of hiring unfilled positions, shaving of contractual and professional services and other minor reductions.
- The Town Manager will conduct a second round of targeted budget reductions in the coming two weeks; further reductions may have impacts on municipal services.



# ***Town of Lexington***

## ***FY2027 Summit II Presentation***

### **Balancing the FY2026 Municipal Budget**

<b>Municipal Budgets</b>	<b>FY2026 Initial Request*</b>	<b>FY2026 Delete</b>	<b>FY2026 Add</b>	<b>FY2026 Recommended Budget</b>
<b>Public Facilities**</b>	<b>\$ 15,645,142</b>	<b>\$ (100,000)</b>	<b>\$ 35,000</b>	<b>\$ 15,580,142</b>
<b>Municipal Departments:</b>				
Public Works	\$ 14,868,709	\$ (106,070)		\$ 14,762,639
Police	\$ 9,821,573	\$ (82,000)		\$ 9,739,573
Fire	\$ 9,600,822	\$ (95,000)		\$ 9,505,822
Library	\$ 3,790,583	\$ (26,000)		\$ 3,764,583
Human Services	\$ 1,896,200	\$ (6,000)		\$ 1,890,200
Health	\$ 565,006	\$ (5,000)		\$ 560,006
Land Use Department	\$ 2,598,453	\$ (6,000)		\$ 2,592,453
Select Board	\$ 1,573,553	\$ —		\$ 1,573,553
Town Manager	\$ 1,704,736	\$ (15,000)		\$ 1,689,736
Salary Adjustment Account	\$ 840,000	\$ —		\$ 840,000
Town Committees	\$ 73,120	\$ —		\$ 73,120
Finance	\$ 2,339,660	\$ (23,900)		\$ 2,315,760
Town Clerk	\$ 682,998	\$ —		\$ 682,998
Innovation & Technology	\$ 3,289,426	\$ —		\$ 3,289,426
<b>Total Municipal Departments***</b>	<b>\$ 53,644,839</b>	<b>\$ (364,970)</b>	<b>\$ —</b>	<b>\$ 53,279,869</b>

\*Initial Requests may reflect refinement of salary projections by the Finance Department

\*\*Public Facilities is a Shared Service.

\*\*\*Total does not include \$109K Shared Exp. for Refuse & Recycling Collection for School & Muni. Buildings



# *Town of Lexington*

## *FY2027 Summit II Presentation*

### **Requested Capital Budget - FY2027**

<b>Capital Requests Summary</b>						
	<b>Free Cash/ Tax Levy</b>	<b>CPA*</b>	<b>Other Funding Sources</b>	<b>Debt</b>	<b>Total</b>	<b>Other**</b>
General Fund	\$18,020,662	\$ —	\$ —	\$ 2,500,000	\$20,520,662	\$ —
Excluded Debt Projects	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Other Funding & Chapter 90	\$ —	\$ —	\$ 22,950	\$ —	\$ 22,950	\$ 1,768,022
Water Enterprise	\$ —	\$ —	\$ 2,606,639	\$ —	\$ 2,606,639	\$ —
Sewer Enterprise	\$ —	\$ —	\$ 900,000	\$ 404,080	\$ 1,304,080	\$ —
Recreation Enterprise	\$ —	\$ —	\$ 190,000	\$ —	\$ 190,000	\$ —
Compost Rev. Fund	\$ —	\$ —	\$ —	\$ 150,000	\$ 150,000	\$ —
Community Preservation Act*	\$ —	\$ 8,345,355	\$ —	\$ —	\$ 8,345,355	\$ —
<b>Total (all Funds)</b>	<b>\$18,020,662</b>	<b>\$ 8,345,355</b>	<b>\$ 3,719,589</b>	<b>\$ 3,054,080</b>	<b>\$33,139,686</b>	<b>\$ 1,768,022</b>

\*Includes Town and non-town CPA funded projects.

\*\*Other represents Chapter 90 Aid for street improvements. This item does not require a Town Meeting appropriation.



## ***Town of Lexington*** ***FY2027 Summit II Presentation***

### **FY2027 Capital Highlights**

- **LHS Emergency Funds** - **\$400,000** to fund emergency equipment repairs at the current LHS building until the new high school is operational.
- **Ladder Truck** - **\$2,500,000 (Debt Financed)** to replace the fire department's 2017 ladder truck.
- **Infrastructure Design Funds** - **\$250,000** for North/Burlington sidewalk design and **\$100,000** for intersection design on Adams Street at East & Hancock. These may lead to construction projects of \$5.2M and \$5.5M respectively.
- **Totes for Automated Trash Collection** - **\$1,204,000** for purchase of refuse & recycling carts for transition to automated collection in future cycles.
- **Police Station EV Chargers** - **\$463,000** to install EV chargers at the police station to enable electric charging of the police department fleet.
- **146 Maple St. Athletic Fields Construction** - **\$2,630,000** from the Town's Community Preservation Act (CPA) funds to construct new athletic fields after the demolition of the Central Administration Building.
- **Affordable Housing Trust (AHT) Funding** - **\$3,200,000** from the Town's Community Preservation Act (CPA) funds to fund AHT initiatives.
- **Facilities Mechanical/Electric/Plumbing** - **\$4,565,000** for Energy Recovery Units and partial gas to electric HVAC conversion at Fiske Elementary School.



## ***Town of Lexington FY2027 Summit II Presentation***

### **Next Steps & Anticipated Dates**

- **January 23, 2026 (Fri)** - Publish FY2027 Preliminary Budget & Financing Plan (White Book)
- **January 28, 2026 (Wed)** - White Book Summit Meeting
- **January 29, 2026- February 9, 2026** - Municipal and School staff to respond to questions on operating and capital budgets; ongoing budget deliberations
- **February 9, 2026 (Mon)** - Select Board to vote FY2027 Recommended Budget & Financing Plan
- **February 27, 2026 (Fri)** - The final recommended budget will be distributed electronically to the Select Board, Appropriation Committee, Capital Expenditures Committee and Town Meeting Members
- **March 30, 2026** - Town Meeting Begins; financial articles may be considered

# Lexington Public Schools

FY 2027 Budget Overview  
Summit III

January 2026



LEXINGTON  
PUBLIC SCHOOLS

# Context: FY25 and FY26

# FY25 End-of-Year Position

	FY 23 Actual	FY 24 Actual	FY 25 Budget	FY 25 Actual	Variance from FY25 Budget	
Salary and Wages	\$106,160,982	\$112,791,505	\$120,852,942	\$123,343,214	\$2,490,272	2.06%
Expenses	\$19,077,403	\$21,938,740	\$19,655,425	\$17,080,952	\$2,574,473	13.10%
<b>Total</b>	<b>\$125,238,385</b>	<b>\$134,730,244</b>	<b>\$140,508,367</b>	<b>\$140,424,166</b>	<b>\$84,201</b>	<b>0.06%</b>

# FY25 End of Year Position Analysis

Here are takeaways from and context for the EOY FY25 financial information:

## Context:

- The FY25 operating budget closed with a small surplus of approximately \$84K.
- Pressures on the budget included adding over 100 students who were sheltered in temporary housing and unanticipated high-needs student move-ins.
- This surplus was achieved through a number of actions, including a close review of open purchase orders to reduce encumbered funds; the identification and use of expiring circuit breaker funds; and the maximizing of available grant funds.
- **Of note: LPS ended the year in the black, without utilizing the Special Education Reserve or the Special Education Stabilization Fund.**

## Takeaways:

- **The spending freeze that was implemented partway through the year was both necessary and effective**, as most expense lines came in under budget.
- One important exception was transportation, which experienced the pressures and unexpected costs described above.

# Cost-Saving Measures & Operational Efficiencies

## How We Balanced the FY26 Budget

1. Increased reliance on Circuit Breaker (approximately \$2.2M)
2. Significant reductions of FTE
  - a. Consolidated elementary and middle school classrooms to free up 12 FTE (\$1,049,500)
  - b. Consolidated administrative jobs to free up 2 FTE (\$220,000)
3. Reduced expense lines by approximately 10 - 25% (\$800,000)
4. Reduced professional development lines (\$200,000)
5. Further reduced the “high risk” list after a similar reduction in FY25 (\$1.2M)
6. Increased the use of the transportation revolving account (up to +\$150,000)

## Additional Reductions

7. Implemented modified mid-year Budget Freeze (\$2M+ savings)
8. Reduced an additional 14 FTE (for 26+ FTE reduction total)

# Summer 2025 Finance Team Actions & Initiatives

Upon our arrival in the summer, the Finance Team has taken a number of steps to stabilize our financial position, address outstanding issues, and institute stronger organizational and financial practices

**Outstanding Issues:** The Finance Team has undertaken a thorough review of the District's financial activity with a focus on strengthening controls, resolving outstanding items, and aligning practices with established best standards.

1. First, the Team **examined all open Purchase Orders dating back to FY22**. This process reduced unnecessary encumbrances and provided a more accurate picture of available budget capacity. In the same effort, the Team addressed several late or outstanding invoices to ensure timely payment and proper reconciliation.
2. Next, a **detailed review of all Special Revenue Accounts—including grants and revolving funds**—was completed. To eliminate long-standing deficits, the Team employed corrective measures such as reclassifying expenses to the appropriate funding sources, finalizing outstanding grant drawdowns, and properly crediting revenues. Collectively, these actions reduced deficits by more than \$2.5 million. While this represents significant progress, the review also identified several accounts with potential structural deficits that will require further analysis and long-term corrective planning.
3. Additionally, an analysis of prior years' practices revealed that salary accruals had been processed inconsistently. To address this, the Finance Team conducted a review of best practices and **implemented a consistent, standardized salary accrual process for FY26**. This step improves both the accuracy and comparability of financial reporting across fiscal years.

Through these efforts, the Finance Team has strengthened financial oversight, resolved significant outstanding issues, and established clearer processes to support long-term fiscal stability.

# Summer 2025 Finance Team Actions & Initiatives

Upon our arrival in the summer, the Finance Team has taken a number of steps to stabilize our financial position, address outstanding issues, and institute stronger organizational and financial practices

## Collaboration with Town Finance Department:

- The Finance Team also leveraged this period of transition to partner with the Town Finance Department, strengthen collaboration, and establish clear and effective lines of communication.
- The Director of Finance worked closely with Town counterparts to review existing Munis practices and identify opportunities for greater efficiency. As part of this effort, new user accounts were established for key departments, such as Transportation, enabling staff to directly manage and monitor their budgets with greater accuracy and accountability.
- This growing partnership was further demonstrated through a joint meeting of the Town and School Finance Departments, held in September, which provided an opportunity to align practices, share insights, and reinforce a shared commitment to transparent and coordinated financial management. We hope to continue these joint meetings as we move further into the fiscal year.

## Strategic Finance Initiatives:

- The Finance Team successfully completed the Circuit Breaker filing, which has been confirmed to yield more than **\$7.9 million in reimbursements** for the District, the highest reimbursements ever earned through that program. In parallel, we partnered with grant managers to review prior-year reimbursements and prepare applications for the upcoming year to maximize available funding.
- To strengthen compliance and reporting accuracy, the Team also engaged an outside consultant to support the preparation of the End-of-Year Report. This step was taken to ensure full adherence to state guidelines, protect the District's eligibility for Chapter 70 funding, and establish a foundation for consistent compliance in future years.
- In addition, the Finance Team initiated the process of implementing line-item budget monitoring across all budget centers. This practice will be introduced in collaboration with budget managers during the upcoming budget cycle and is intended to promote greater accountability, transparency, and proactive financial oversight throughout the District.

# Ongoing Cost-Saving Measures

Over the past several years, the district has taken a number of steps to reduce costs

- Special Education audit underway to evaluate the effectiveness and efficiency of LPS staffing and instructional practices.
- Grant funds are being drawn down more promptly to maximize available funding and minimize lapses/turnbacks.
- Using position control in MUNIS to closely monitor FTE and salary allocations, along with position management.
- Enhanced budget monitoring through newly implemented line-item budgeting, ensuring all accounts are appropriately allocated and expended.

# FY27 Projections

# FY27 Projections

The Finance and Operations Department created budget projections for the next five years with the help of an outside consultancy

- LPS Finance and Operations created Salary and wages projections using our Position Control file
- CLA Andover created five-year Salary projections using our file and incorporating information from similar districts throughout the Commonwealth
- Finance and Operations reviewed past spending patterns to right-size individual budget centers, holding meetings with managers to build budgets
- CLA also created Expense budget projections, using sector-specific cost factors
- Our final projections rely heavily on the model created by CLA, with minor adjustments based on our own internal analysis

# FY27 – FY31: 5-Year Budget Projections (November)

	Approved FY26	Projected				
		<i>FY27</i>	<i>FY28</i>	<i>FY29</i>	<i>FY30</i>	<i>FY31</i>
<b>Salary</b>	\$127,183,816	\$132,430,294	\$136,074,051	\$139,813,282	\$144,007,681	\$148,615,927
<b>Expenses</b>	\$18,849,517	\$20,379,495	\$22,222,056	\$24,807,921	\$26,239,668	\$27,720,038
<b>School Operating</b>	\$146,033,333	\$152,809,789	\$158,296,107	\$164,621,203	\$170,247,349	\$176,335,965
<b>Muni Benefits &amp; Other Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total School Allocation</b>	\$146,033,333	\$152,809,789	\$158,296,107	\$164,621,203	\$170,247,349	\$176,335,965
<b>Total % Increase</b>	3.93%	4.64%	3.59%	3.99%	3.42%	3.58%



# Potential Funding Gap (November)

**\$3.2M**

## Keeping in Mind:

- Uses a sector-specific CPI model
- Projection is built on 2.5% COLAs for expiring contracts (all except Tech unit)
- Salary projection is built directly from our position control
- \$1M accounts for approximately 12.5 FTE teaching positions
- A gap this size would necessitate reductions in the range of 35 - 40 FTEs

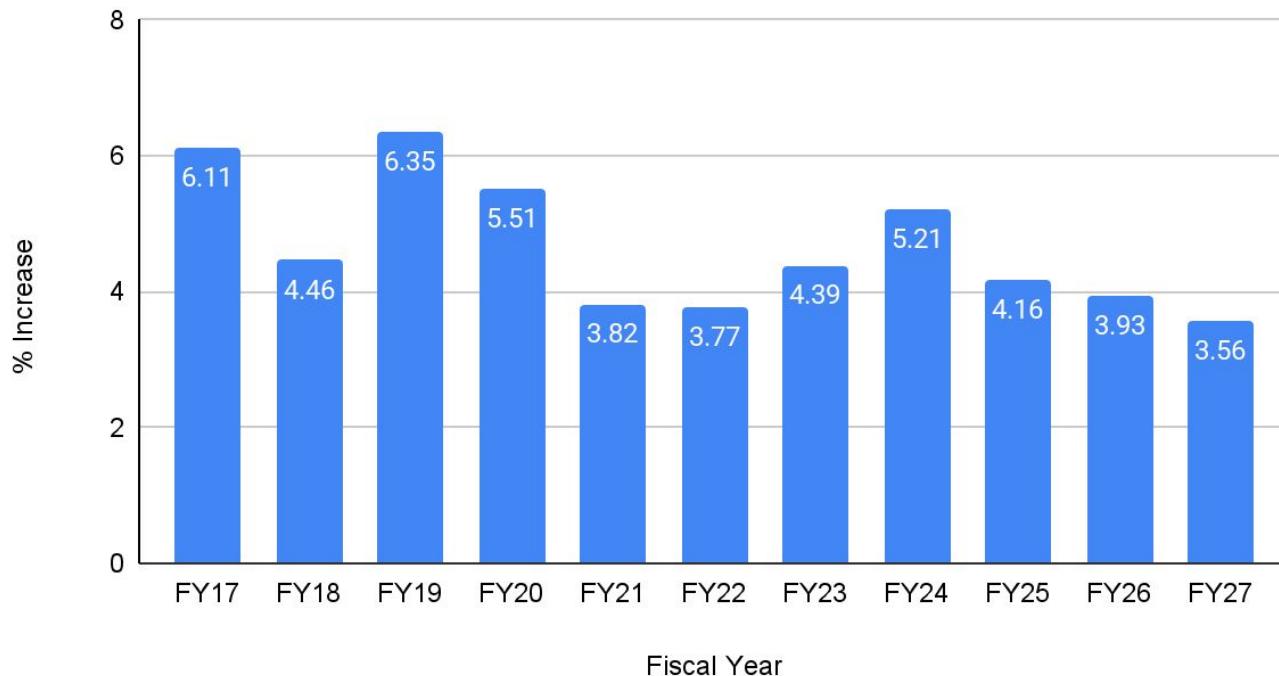
- **Revenue Allocation Analysis:** November's draft revenue allocation model projected a 2.5% increase (for a total of \$149,580,981) for LPS in FY27.
- **Level Service Budget Requirements:** A FY27 level service budget would require a revenue allocation increase of 4.6% (for a total of \$152,809,789).
- **Budget Gap:** The 2.5% projected revenue allocation increase would have potentially resulted in a shortfall of \$3.2M. This gap would have likely increased depending on the outcome of contract negotiations.
- **Circuit Breaker Considerations:** While better-than-projected Circuit Breaker reimbursements for FY25 could help offset this increase, the FY26 budget already incorporated the use of in-year Circuit Breaker funds.

# FY27 Recommended Budget

Funding Sources	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Adj. Budget	FY 2027 Request	\$ Increase	% Increase
Tax Levy	\$128,009,947	\$134,644,617	\$139,974,921	\$145,679,333	\$150,876,164	\$5,196,831	3.6%
Fees & Charges	\$244,500	\$297,500	\$533,446	\$354,000	\$359,500	\$5,500	1.6%
Total Allocation LPS	\$128,254,447	\$134,942,117	\$140,508,367	\$146,033,333	\$151,235,664	\$5,202,331	3.6%
Appropriation Summary	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Adj. Budget	FY 2027 Request	\$ Increase	% Increase
Salary and Wages	\$106,160,982	\$114,299,404	\$123,343,214	\$127,183,816	\$131,524,406	\$4,340,590	3.4%
Expenses	\$19,007,077	\$19,902,943	\$17,080,952	\$18,849,517	\$19,711,258	\$861,741	4.6%
Total 1100 LPS	\$125,168,059	\$134,202,347	\$140,424,166	\$146,033,333	\$151,235,664	\$5,202,331	3.6%
* Amounts shown are general fund/operating budget only							
		Total Recommended			\$151,235,664	\$5,202,331	3.6%



## LPS Operating Budget Annual % Increase



# FY27 Recommended Staffing Summary

Group/BU Description	FY26 FTE Budget	FY26 Budget	FY27 FTE	FY27 Request	FTE Request Diff	\$ Change	% Change
<b>Unit A - LEA</b>	830.55	\$93,962,811	816.88	\$96,793,046	(13.67)	\$2,830,235	3.01%
<b>Unit A - Stipends</b>	-	\$1,037,651	-	\$1,038,186	-	\$536	0.05%
<b>Unit A - Coaches</b>	-	\$914,484	-	\$991,008	-	\$76,524	8.37%
<b>Unit D - LEA</b>	97.34	\$6,335,048	90.37	\$6,130,572	(6.97)	(\$204,476)	-3.23%
<b>Non-Union Dis. Supp./Mgrs.</b>	19.55	\$1,996,405	17.75	\$1,864,470	(1.80)	(\$131,935)	-6.61%
<b>Unit C - Inst Asst/SSI/SIA</b>	220.84	\$10,852,399	208.88	\$11,586,988	(11.96)	\$734,589	6.77%
<b>Non-Union Hourly &amp; ESY</b>	2.00	\$692,982	2.00	\$929,348	-	\$236,366	34.11%
<b>ABA/BCBA Instructors</b>	7.00	\$0	-	\$0	(7.00)	\$0	0.00%
<b>Technology Unit</b>	12.60	\$1,075,669	12.00	\$1,051,485	(0.60)	(\$24,184)	-2.25%
<b>Central Administrators</b>	9.00	\$1,738,164	8.00	\$1,632,653	(1.00)	(\$105,511)	-6.07%
<b>Principals</b>	9.50	\$1,730,961	9.50	\$1,787,067	-	\$56,106	3.24%
<b>ALA- Asst Prin/Supervisors</b>	47.50	\$6,956,248	48.50	\$7,431,129	1.00	\$474,881	6.83%
<b>Substitutes (Per-Diem)</b>	-	\$825,044	-	\$972,503		\$147,459	17.87%
<b>Substitutes (Nurses)</b>	-	\$15,644	-	\$15,644		\$0	0.00%
<b>Substitutes (Para)</b>	-	\$73,620	-	\$73,620		\$0	0.00%
<b>Substitutes (Sec)</b>	-	\$76,688	-	\$76,688		\$0	0.00%
<b>Salary Differential</b>		(\$1,100,000)		(\$850,000)		\$250,000	-22.73%
<b>Grand Total</b>	<b>1,255.88</b>	<b>\$127,183,816</b>	<b>1,213.88</b>	<b>\$131,524,406</b>	<b>(42.00)</b>	<b>\$4,340,589</b>	<b>3.41%</b>

# FY27 Recommended Budgets for Key Expense Lines

Program	FY25 Budgeted	FY26 Budgeted	FY27 Request	FY27 vs FY26	% Change
<b>K-12 Athletics</b>	\$222,496	\$198,911	\$246,454	47,543	23.90%
<b>Transportation: Special Education</b>	\$2,492,882	\$2,830,499	\$3,113,548	283,049	10.00%
<b>Transportation: Homeless</b>	\$75,000	\$140,000	\$150,000	10,000	7.14%
<b>Transportation: Regular Education</b>	\$2,703,056	\$2,596,548	\$2,674,444	77,896	3.00%
<b>Tuition</b>	\$7,507,088	\$7,216,610	\$7,557,596	340,986	4.73%
<b>Central Office Administration</b>	\$226,142	\$164,436	\$154,200	(10,236)	-6.22%
<b>K-12 Curriculum</b>	\$477,053	\$377,053	\$231,732	(145,321)	-38.54%
<b>Human Resources</b>	\$362,874	\$308,443	\$513,845	205,402	66.59%
<b>Emergency Planning &amp; Training</b>	\$77,000	\$89,500	\$50,000	(39,500)	-44.13%
<b>Facility Improvements</b>	\$125,000	\$78,744	\$110,000	31,256	39.69%

# Budget-balancing steps taken

## Keeping in Mind:

- Initial level-services budget envisioned a 4.6% increase
- Projection is built on 2.5% COLAs for expiring contracts, which is modest relative to recent area contracts
- Six out of the past seven years' budgets have had increases under 4.5%; four of the seven have had increases under 4.0%

- **Ongoing reductions in staffing:**
  - a. Recommended FTE count for FY27 (1,213.88) is 42.0 positions fewer than the approved FY26 FTE count (1,255.88)
  - b. The District will pursue 20-30 additional cuts to obviate measures included in the budget and described below
- **Ongoing reliance on Circuit Breaker:** FY27 budget currently relies on using up to \$4.4M of current-year CB funds, barring further cost avoidance measures
- **Ongoing reduction to High Risk list:** For a third year, the projected total spend for tuitions has been reduced, introducing a higher level of risk
- **Proposed Increases in Fees:** User fees in Athletics and Transportation have been static for several years, and increases in costs threaten Revolving Funds

# Thank you!



## AGENDA ITEM SUMMARY

### LEXINGTON BOARD OF SELECTMEN MEETING

#### AGENDA ITEM TITLE:

Review of Draft 2026 Annual Town Meeting Article List

#### PRESENTER:

Kelly Axtell, Deputy Town Manager

ITEM  
NUMBER:

I.2

#### SUMMARY:

##### **Category: Informing**

Kelly Axtell, Deputy Town Manager will go over the Draft Article list for 2026 Annual Town Meeting

#### SUGGESTED MOTION:

#### FOLLOW-UP:

#### DATE AND APPROXIMATE TIME ON AGENDA:

1/7/2026

#### ATTACHMENTS:

Description	Type
<input checked="" type="checkbox"/> Draft 2026 Annual Town Meeting Article List	Backup Material

## Annual Town Meeting March 30, 2026

- Election
- Election Deputy Moderator/Town Reports
- Cary lecture
- **Financial Articles**
- FY 27 Operating Budget
- FY 27 Enterprise Budgets
- FY 26 Operating, Enterprise and CPC Budgets
- Sustainable Projects
- Vision for Lexington -Town-wide survey \$75,000
- Establish/Continue Revolving funds
- CPC projects:
  - a. Document Conservation – \$20,000
  - b. Munroe Center for the Arts Cash Refinancing – \$2,000,000
  - c. Affordable Housing Trust Funding – \$3,200,000
  - d. LexHAB Affordable Housing Support, Restoration, and Preservation – \$395,355
  - e. Park Improvements – Athletic Fields - Harrington: Phase 2 – \$2,630,000
  - f. Playground Infrastructure Upgrades – \$100,000
  - g. Administrative Budget – \$150,000
- Recreation Capital Projects
  - Pine Meadows Improvements
  - Pine Meadows Equipment
- Municipal Capital Projects and Equipment
- Water system improvements
- Wastewater system improvements
- School Capital Projects and Equipment
- Public Facilities capital
- Post-Employment Insurance liability
- Rescind prior borrowing
- Establish/Dissolve/Appropriate To/From Stabilization
- Appropriate for Prior year unpaid bills
  - Fire department

- Authorized Capital improvements
- Street acceptance: Willard Circle, Cart Path Lane and Stage Coach Road (no funding request)
- Trash/Recycling bin appropriation
- Elderly & Disabled Taxation Aid Fund & Committee (MGL Ch, 60, s. 3D)
- Surcharge on Specific Residential Development (Citizen petition)
- Oversee Financial Expenditure LHS project (Citizen petition)
- Procurement for Online Capital Project Platform (Citizen petition)
- Speed Humps on Walnut St (Citizen petition)

### **General Articles**

- Accept Easements
- Amendment to Chapter 90, Section 9, "Regulation of refuse disposal" by removing the word free.
- Council on Aging Charge bylaw changes
- Commission on Disabilities- Universal Design Resolution
- Reduce Plastic Waste (Citizen petition)

### **Zoning Articles**

- Amend Zoning Bylaw– Technical Corrections