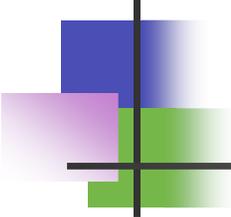


Town of Lunenburg

Proposed Budget Recommendation – FY2017

February 11, 2016

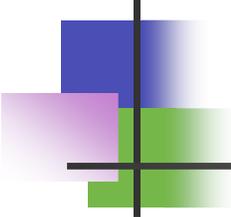
Kerry A. Lafleur, Town Manager



FY2017 Recommendation

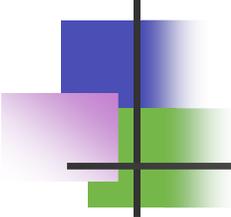
- Disclaimers

- Recommendation still contains a number of assumptions, but fewer than the Financial Forecast.
- Assumptions will firm up as we get closer to Town Meeting- assessments insurance renewals
- Uncertainty around State Aid



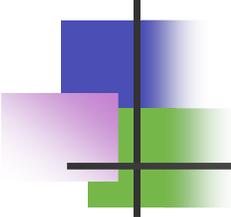
FY2017 Recommendation

- Focus of the presentation is to talk more about what we can afford versus what we need or want – Target Budgets
- The department manager's focus when presenting is to talk about what each department needs or wants to best fulfill its mission
- Define terms: Municipal and School



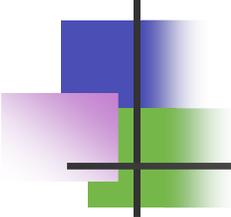
Preparing the FY2017 Recommendation

- Going forward, more discussion on budgetary goals would be helpful
 - Is the main goal solely to produce a balanced budget?
 - Are we attempting to get to some other service level?
- Matching dollars with service level needs, i.e. no “flat” increases
- Minimal Strategic Investment for Maximum Impact-
Administration (additional hours in Assessor’s Office & combined position in Conservation) &
Transportation
- Recommendation is roughly equivalent to FY17 Target Budgets with notable exceptions:
 - Debt Service
 - Unclassified & Retirement Assessment



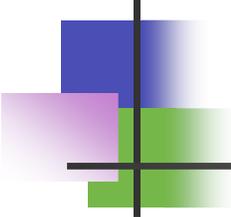
FY2017 Recommendation

- Funding to cover all contractual salary increases
- Budget Targets are roughly equivalent to level services
- Meets Town's financial policies
 - Deposit back to Stabilization Fund to get to 5%
- Balanced budget proposal is based upon use of recurring revenues for operating costs, meaning there is **NO** request for a draw on either Free Cash or the Stabilization Fund



FY2017 Recommendation - Challenges

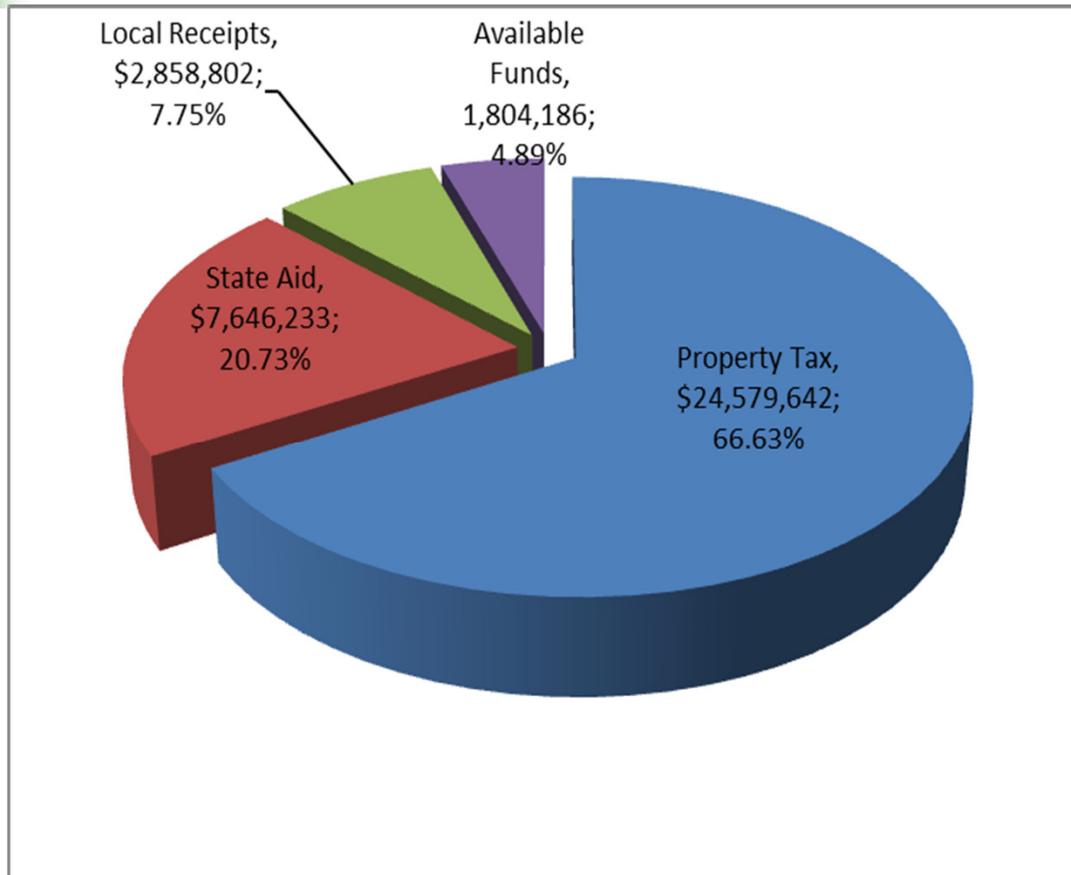
- Revenue:
 - State Aid
- Expenditure:
 - No Health Insurance Renewal
 - No Monty Tech Assessment
 - Retirement Assessment, received but big increase

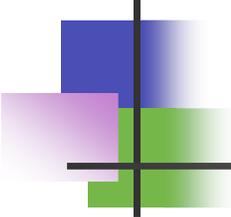


FY2017- Revenue Estimates

- Sources of Revenue
 - Property Tax
 - State Aid/ Cherry Sheet
 - Local Receipts
 - Available Funds

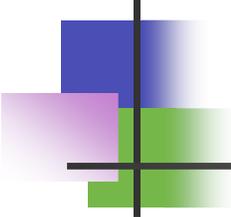
FY2017- Revenue Estimates





FY2017 Revenue Estimates

	FY2014	FY2015	FY2016	FY2017	FY2017	FY2017	
	Appropriated	After Recap	After Recap	Forecast	Target	TM	Dollar Increase
Revenue						Recommend.	over Prior Year
Property Tax	\$ 20,243,292	\$ 21,205,099	\$ 23,524,026	\$ 24,318,739	\$ 24,318,739	\$ 24,579,642	\$ 1,055,616
State Aid	\$ 6,855,401	\$ 7,194,650	\$ 7,518,492	\$ 7,523,054	\$ 7,673,054	\$ 7,646,233	\$ 127,741
Local Receipts	\$ 2,545,359	\$ 2,495,876	\$ 2,691,770	\$ 2,790,924	\$ 2,790,924	\$ 2,858,802	\$ 167,032
Available Funds	\$ 1,869,510	\$ 2,807,441	\$ 1,699,137	\$ 1,662,627	\$ 1,662,627	\$ 1,804,186	\$ 105,049
total:	\$ 31,513,561	\$ 33,703,066	\$ 35,433,425	\$ 36,295,345	\$ 36,445,345	\$ 36,888,863	\$ 1,455,438

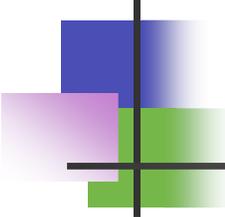


FY2017- Property Tax

- Property Tax –
 - Prior Year base plus 2 1/2% increase (\$525,979)
 - Estimate for New Growth (\$300,000)- next slide

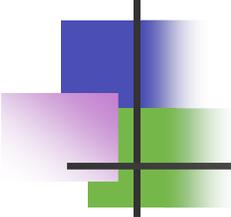
- Overrides & Exclusions- capital, debt
 - No Override proposed
 - Debt Exclusion – increase to cover MS/HS Construction Project Debt Service, total = \$2,714,483
 - MS/HS Project = \$1,893,018 (est. impact on Avg AV = \$405.51)
 - Other = \$821,465

Overall increase is 4.49%; 0.93% of which is to support new exempt debt.
State Law requires you to assume 100% collection rate
Estimate for FY2017 = \$24,579,642



FY2017- New Growth

Completed Construction w/ Previous Activity	Average Building Value	Previous % Complete	Potential Growth Value	Potential Tax
8 Certificates of Occupancy Issued	\$ 250,000	30	\$ 1,400,000	\$ 27,454
Active Construction	Average Building Value	% Complete	Potential Growth Value	Potential Tax
16 Open Permits	\$ 250,000	75	\$ 3,000,000	\$ 58,830
Anticipated Construction by 06.30.16	Average Building Value	% Complete	Potential Growth Value	Potential Tax
10 Permits	\$ 250,000	50	\$ 1,250,000	\$ 24,513
New Vacant Lots	Average Lot Value		Potential Growth Value	Potential Tax
22	\$ 93,500		\$ 2,057,000	\$ 40,338
Other Growth	Value	% Complete	Potential Growth Value	Potential Tax
7 TriTown	\$ 2,500,000	100	\$ 2,500,000	\$ 49,025
274 Prospect				\$ -
Highfield Village	\$ 6,171,000			\$ -
Emerald Place	\$ 2,186,800	100	\$ 2,186,800	\$ 42,883
Emerald Place	\$ 6,560,400	50	\$ 3,280,200	\$ 64,325
Emerald Place	\$ 2,186,800	25	\$ 546,700	\$ 10,721
305 Leominster- Shirley Road	\$ 100,000	100	\$ 100,000	\$ 1,961
1259 Massachusetts Avenue	\$ 100,000	100	\$ 100,000	\$ 1,961
Unitil Headquarters	\$ 2,500,000			\$ -
			total estimated New Growth:	\$ 322,010
			total estimated New Value:	\$ 16,420,700



FY2017- State Aid

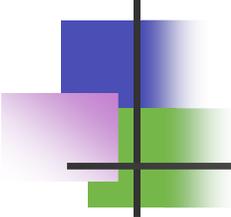
- Governor's Budget, House 2, was released on 01.27.16
- During his tenure, Gov. Baker has shown himself to be an advocate for cities & towns
- Budget Proposal provides targeted funding to meet key goals which directly impact cities & towns

Investing in Great Communities:

- Increases unrestricted local aid by 4.3%, equal to 100% of the consensus revenue growth rate for state tax revenue.
- Continues the Community Compact program to provide technical assistance to over 100 communities in financial planning, economic development, regionalization and a new program to create a domestic violence prevention training toolkit for communities.

Making Massachusetts Schools Great:

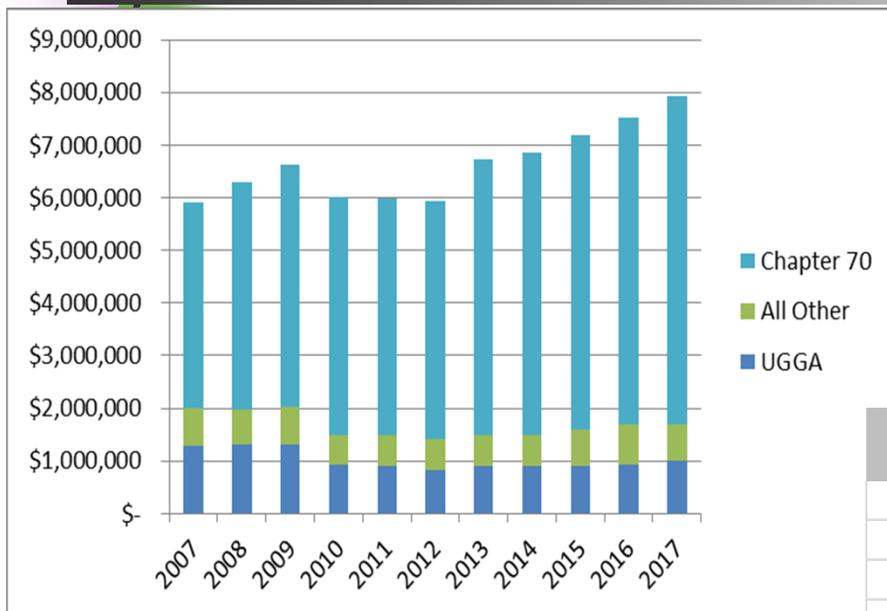
- Increases Chapter 70 education funding by \$72.1 million.
- Supports \$18.6 million for a redesigned quality kindergarten grant program to assist communities in achieving tuition-free, full-day kindergarten.
- Adds over \$20 million for a revised charter school reimbursement formula to reimburse towns.
- Supports the development of a next generation MCAS with \$5.6 million.
- Directs funds to support children and families who are most at risk in a number of ways, including:
- \$8.3 million for over 1,500 vouchers for the Department of Transitional Assistance's (DTA) Stabilizing the Working Poor initiative;
- \$4.3 million to fund 600 childcare vouchers for children in DCF care;
- \$1 million for quality improvements at Early Education and Care for better assessments, accreditation assistance, and professional development.



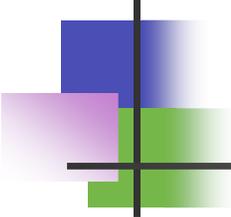
FY2017- State Aid

- Included Governor's Proposal for all lines except Chapter 70
- TM Recommendation: 2.1% increase in Chapter 70 = \$122,524
- Governor's Proposal includes 70% reduction in "Over Effort."
Current is 50%
 - Most communities will only see minimum aid of \$20/ student
 - MMA is lobbying for minimum aid of \$100/ student
 - If Governor's Proposal holds, that means an additional \$291,593
- 4.3% UGGA (\$41,919) ; 23% lower than FY2009, \$300k
- About \$560k lower if aid had been increased 2.5%/ year
- 40S Smart Growth appears to be 50% of FY2016 eligibility
- Total estimate for FY17 = \$7,646,233 an increase of 1.7%

FY2017 - State Aid

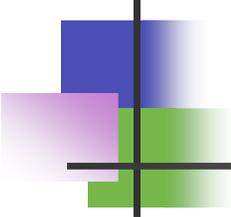


	FY	UGGA	All Other	Chapter 70	Dollar Increase	Foundation Enrollment
	2007	\$ 1,295,240	\$ 696,354	\$ 3,921,700		1647
	2008	\$ 1,316,140	\$ 665,773	\$ 4,314,259	\$ 392,559	1665
	2009	\$ 1,316,140	\$ 701,456	\$ 4,620,790	\$ 306,531	1641
	2010	\$ 931,718	\$ 555,416	\$ 4,528,374	\$ (92,416)	1622
	2011	\$ 894,449	\$ 589,474	\$ 4,498,396	\$ (29,978)	1605
	2012	\$ 829,777	\$ 584,068	\$ 4,522,545	\$ 24,149	1578
	2013	\$ 894,449	\$ 604,373	\$ 5,219,937	\$ 697,392	1630
	2014	\$ 894,449	\$ 606,256	\$ 5,354,696	\$ 134,759	1607
	2015	\$ 915,592	\$ 673,186	\$ 5,605,872	\$ 251,176	1627
	2016	\$ 940,983	\$ 743,026	\$ 5,834,483	\$ 228,611	1647
	2017	\$ 1,016,777	\$ 672,449	\$ 6,248,530	\$ 414,047	1632



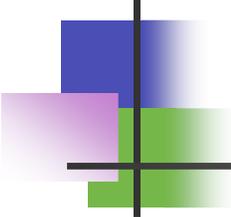
FY2017- Local Receipts

- Local Receipts – **increased \$167,032, or 6.21%**
 - Motor Vehicle Excise Tax, licenses, permits, fees, fines, investment income
 - Elastic Revenues- very dependent upon the economy
 - MVX is the largest component; first indication of what is happening is through Commitment #1, issued in February
 - Commitment was up \$165,040, or 14.5% (prior year was +5.6%)
 - Estimate for FY2017, **5.0%** increase (each 0.5% = \$7,350)



FY2017 Revenue Estimates

- Local Receipts
 - 2% increase, except where noted
 - \$47k increase in Dept Revenue (Ambulance)
 - Local Options Meals Tax, collections strong, 20%; \$19,680
 - Solar Net Metering Credits - \$120k
 - Department Revenue- Schools, decreased to eliminate FFLAC Rental Income. If lease is extended, fee will offset operational costs, currently not included in budget recommendation



FY2017- Revenue Estimates

■ Available Funds

- Catch All Category
- Some one-time revenues, causing a wide variance from year to year; difficult to make comparisons between years
- SBA Reimbursement - \$534,198
- Water & Sewer Betterments
 - Fully fund associated debt service & related costs
- Sewer Enterprise Fund to fund Indirect Costs
- Prior Year Unexpended Articles for Capital, \$0
- Free Cash Appropriation to partially offset Capital, \$250k
- School Transportation Fee Offset, \$31,623

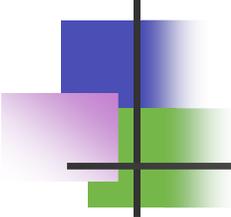
FY2016- Revenue Estimates Summary

	FY2015	FY2016	FY2017	FY2017	FY2017	
	After Recap	After Recap	Forecast	Target	TM	Dollar Increase
Revenue					Recommend.	over Prior Year
Property Tax	\$ 21,205,099	\$ 23,524,026	\$ 24,318,739	\$ 24,318,739	\$ 24,579,642	\$ 1,055,616
State Aid	\$ 7,194,650	\$ 7,518,492	\$ 7,523,054	\$ 7,673,054	\$ 7,646,233	\$ 127,741
Local Receipts	\$ 2,495,876	\$ 2,691,770	\$ 2,790,924	\$ 2,790,924	\$ 2,858,802	\$ 167,032
Available Funds	\$ 2,807,441	\$ 1,699,137	\$ 1,662,627	\$ 1,662,627	\$ 1,804,186	\$ 105,049
total:	\$ 33,703,066	\$ 35,433,425	\$ 36,295,345	\$ 36,445,345	\$ 36,888,863	\$ 1,455,438

Revenue Source	Dollar Amount
PY Unused Levy	\$ 10,000
Property Tax	\$ 525,979
New Growth	\$ 300,000
State Aid	\$ 127,741
Local Receipts	\$ 167,032
Available Funds	\$ 105,049
total for Operations:	\$ 1,235,802
Exempt Debt Service	\$ 219,636
Annual Total:	\$ 1,455,438

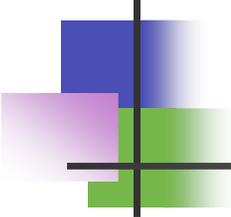
■ Opportunities:

- Uncertainty around State Aid
- Potential for slightly higher New Growth
- Potential to increase MVX estimate



Expenditures – what & who?

- Service Provider Organization
 - Demand for services doesn't decrease due to lack of funding
- Town provides services
 - Services to students
 - Services to seniors
 - Services to residents
- Focus on service levels, not employees
- Allocating resources to services



Expenditures – how?

- Expenditures are divided into:
 - Functional Categories (Departments)
 - Non-Appropriated Costs
 - Sewer Enterprise Fund
 - Water Enterprise Fund
 - Solid Waste Disposal Enterprise Fund
 - Other Warrant Articles with a Financial Impact

Forecast- Projected Deficits

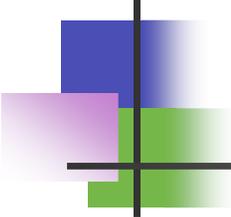
■ Forecast:

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2020
		After Recap	Forecast				
Revenue	\$ 33,703,066	\$ 35,433,425	\$ 36,295,345	\$ 37,154,865	\$ 38,102,354	\$ 39,071,691	\$ 39,999,470
Expenditures	\$ 33,501,856	\$ 35,433,425	\$ 36,705,478	\$ 37,566,952	\$ 38,661,282	\$ 39,916,004	\$ 41,149,519
Difference:	\$ 201,211	\$ -	\$ (410,132)	\$ (412,086)	\$ (558,927)	\$ (844,313)	\$ (1,150,049)

■ Target:

	FY2015	FY2016	FY2017	FY2017	FY2017
		After Recap	Forecast	Target	TM Reccom.
Revenue	\$ 33,703,066	\$ 35,433,425	\$ 36,295,345	\$ 36,445,345	\$ 36,888,863
Expenditures	\$ 33,501,856	\$ 35,433,425	\$ 36,705,478	\$ 36,445,345	\$ 36,888,863
Difference:	\$ 201,211	\$ -	\$ (410,133)	\$ -	\$ 0.00

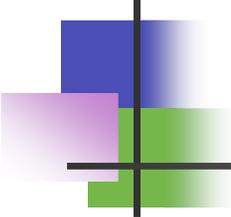
- Each department was given a Target based upon Forecast
- No additional deficit created between Target & Recommendation because I was able to make a couple of revenue adjustments + \$443,518 (net is \$107,472 if you back out exempt debt & sewer debt)
- Above Target Requests total \$766,359, none of which have been funded.



Forecast vs Target

Revenue	
Property Tax	\$ 260,903
State Aid	\$ (26,821)
Local Receipts	\$ 67,878
Available Funds	\$ 141,559
total:	\$ 443,518

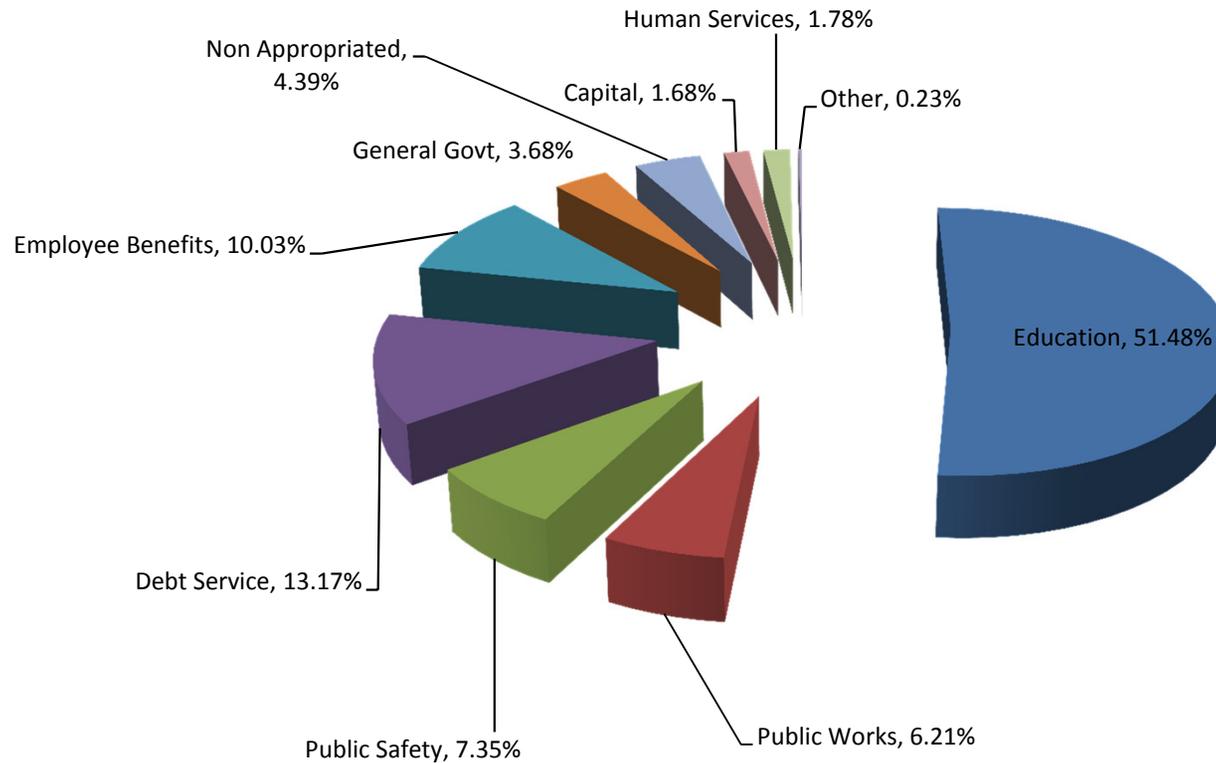
- Property Tax: \$235,902, exempt tax & \$25,000, additional New Growth
- State Aid: everything but Chapter 70
- Local Receipts: Adjustments in MVX, Ambulance Receipts, Meals Tax
- Available Funds: Sewer Betterments & Sewer Indirects



Expenditures

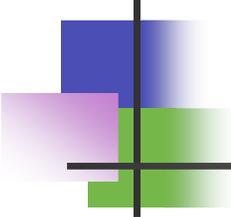
- Above Target Requests:
 - Police Department - **\$207k** for 3 Patrol Officers & additional funding
 - Fire Department – **\$210k** for 24/7 ambulance coverage in Target, but not included in Recommended Budget
 - Dispatch- **\$35k** for weekend coverage of Desk
 - Lunenburg Public Schools - **\$313k** to fund Superintendent/ School Committee Recommended Budget

FY2017 All Expenditures



FY2017 Expenditures-

Non-Discretionary				
Debt	\$	4,856,831		
Unclassified	\$	2,648,151		
Retirement Assessment	\$	1,051,795		
Cherry Sheet Charges	\$	1,620,392	\$ 10,177,169	28.13%
Less-Discretionary				
Education	\$	18,991,679		
Public Safety	\$	2,711,010		
DPW	\$	2,115,147	\$ 23,817,836	65.83%
Discretionary				
Solid Waste	\$	174,150		
Library & Senior Center	\$	482,685		
Administration & Land U	\$	1,531,684	\$ 2,188,518	6.05%
			\$ 36,183,523	100.00%



FY2017 Capital

CIP Tracker	Priority 1 Order	Item			Cumulative Cost
PD16-12	1	Police Vehicle, Units 207 & 210	\$	107,000	\$ 107,000
PD16-07	2	Bulletproof Vests, 29 Officers	\$	17,500	\$ 124,500
LPS16-21	3	THMS, Phone System Replacement	\$	22,000	\$ 146,500
LPS16-20	4	THMS, Intercom Replacement	\$	22,000	\$ 168,500
DPW17-01	5	Townsend Harbor Road Bridge	\$	15,000	\$ 183,500
DPW16-11	6	Catch Basin Cleaner Attachment	\$	87,125	\$ 270,625
DPW17-04	7	Mack Dump 6-Wheel, plow & sand	\$	194,750	\$ 465,375
DPW16-07	8	GMC Dump 350 (1-ton w/plow)	\$	53,300	\$ 518,675
TECH16-25	9	Town Departments (Technology)	\$	30,800	\$ 549,475
FD16-13	10	Pickup, 4 x 4 (M1) Replacement (2003)	\$	70,000	\$ 619,475
LPS16-19	11	THMS, Asbestos Abatement/ Ceiling Replacement	\$	145,000	\$ 764,475
PD16-16	12	4-Wheel Drive, All Terrain Off Road Enforcement Vehicle	\$	16,500	\$ 780,975
			Total: \$	780,975	

- Recommendation only includes funding of items 1 – 10.
- If additional funding becomes available, other than Chapter 70, I recommend that it go toward funding items 11 & 12

I recommend against borrowing for capital as was done in FY15 & 16.

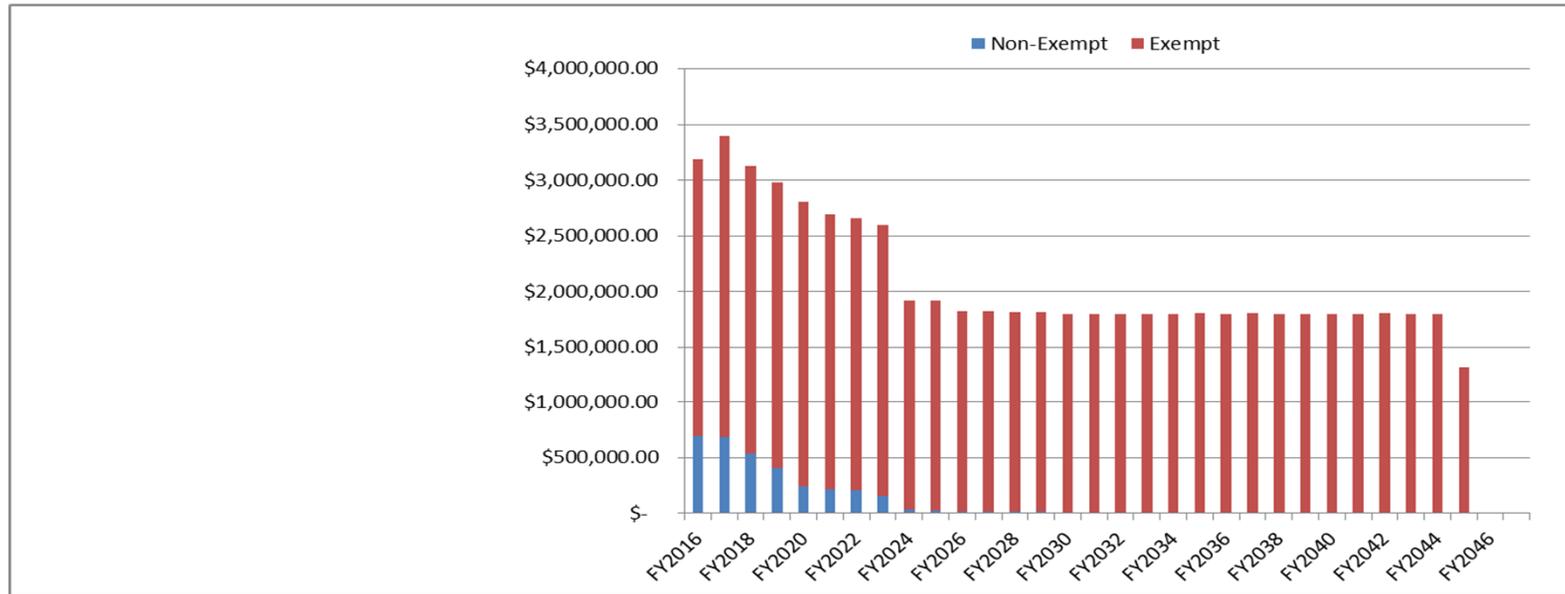
FY2017 Expenditures- Non-Discretionary- Debt Service

- Total appropriation = \$4,856,831
- Increase of \$219,636
- Includes annual payments for FY15 & 16 Capital - \$258,047
- Includes annual payments on \$33.625M for School Construction – \$1,893,018

	FY2015	FY2016	FY2017	FY2017	FY2017
		After Recap	Forecast	Target	TM Reccom.
Total: Debt Service	\$ 2,978,055	\$ 4,557,920	\$ 4,523,519	\$ 4,523,519	\$ 4,856,831
offsets:					
Tax, Outside Prop 2 1/2	\$1,031,125	\$ 2,494,847	\$ 2,478,581	\$ 2,478,581	\$ 2,714,483
Sewer Betterment	\$ 770,439	\$756,878	\$ 748,441	\$ 748,441	\$ 848,585
Water Betterment	\$ 62,781	\$ 62,781	\$ 62,781	\$ 62,781	\$ 62,781
Septic Receipts	\$ 10,868	\$ 10,868	\$ 10,868	\$ 10,868	\$ 10,868
Bond Premium	\$ 3,178	\$ -	\$ 2,424	\$ 2,424	\$ 2,424
MSBA	\$ 534,199	\$ 534,199	\$ 534,198	\$ 534,198	\$ 534,198
Net Impact: General Fund	\$ 565,465	\$ 698,347	\$ 686,227	\$ 686,227	\$ 683,491

Debt Service, All Outstanding Issues

Exempt vs. Non-Exempt Comparison (Net of Other Funding Sources)



Notes:

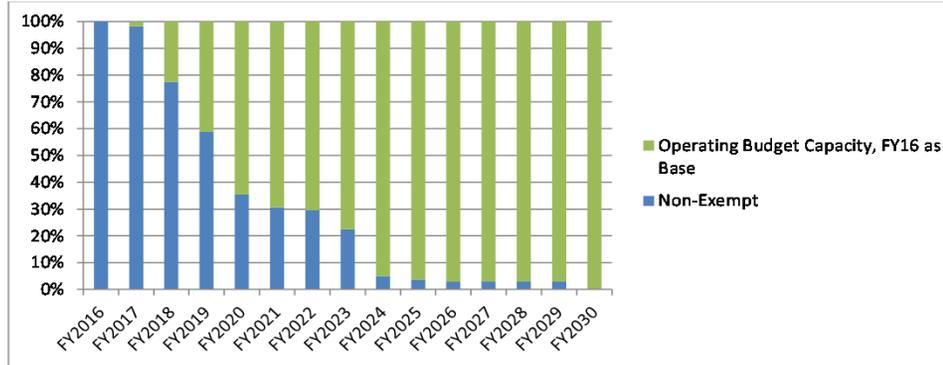
1. All existing Non-Exempt Debt with impact to the Operating Budget is paid off as of June 30, 2029.
2. Significant drop in Non-Exempt Debt with impact to the Operating Budget in FY2018 (\$144,644); FY2019 (\$129,801); FY2020 (\$163,079); and FY2024 (\$118,304)

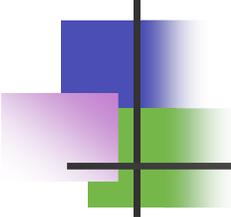
Non-Exempt Debt

NON-EXEMPT DEBT										
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Total Regular Debt - Principal	\$ 1,203,309.36	\$ 1,289,783.83	\$ 1,164,978.38	\$ 1,061,235.31	\$ 918,345.62	\$ 899,095.40	\$ 819,263.39	\$ 770,155.05	\$ 626,146.12	
Total Regular Debt - Interest	\$ 315,559.59	\$ 299,085.14	\$ 274,468.37	\$ 244,765.16	\$ 217,731.18	\$ 193,216.01	\$ 170,509.91	\$ 149,073.26	\$ 133,467.01	
Subtotal Regular Debt	\$ 1,518,868.95	\$ 1,588,868.97	\$ 1,439,446.75	\$ 1,306,000.47	\$ 1,136,076.80	\$ 1,092,311.41	\$ 989,773.30	\$ 919,228.31	\$ 759,613.13	
<u>Add: Administrative Fees</u>	<u>\$ 7,196.06</u>	<u>\$ 16,856.15</u>	<u>\$ 6,708.67</u>	<u>\$ 6,754.10</u>	<u>\$ 5,772.17</u>	<u>\$ 4,781.54</u>	<u>\$ 3,789.39</u>	<u>\$ 2,990.07</u>	<u>\$ 2,178.58</u>	
Total: Non-Exempt Debt	\$ 1,526,065.01	\$ 1,605,725.12	\$ 1,446,155.42	\$ 1,312,754.57	\$ 1,141,848.97	\$ 1,097,092.95	\$ 993,562.69	\$ 922,218.38	\$ 761,791.71	
Sewer Betterment	\$ 756,877.88	\$ 848,584.76	\$ 833,659.34	\$ 830,059.14	\$ 833,100.12	\$ 821,231.97	\$ 724,481.64	\$ 703,401.30	\$ 664,278.85	
Septic Receipts	\$ 10,868.00	\$ 10,868.00	\$ 10,868.00	\$ 10,868.00	\$ -	\$ -	\$ -	\$ -	\$ -	
Water Betterment	\$ 62,781.00	\$ 62,781.00	\$ 62,781.00	\$ 62,781.00	\$ 62,781.00	\$ 62,781.00	\$ 62,781.00	\$ 62,781.00	\$ 62,781.00	
Net Adjusted: Non-Exempt Debt, Impact to Operating Budget	\$ 695,538.13	\$ 683,491.36	\$ 538,847.08	\$ 409,046.43	\$ 245,967.85	\$ 213,079.98	\$ 206,300.05	\$ 156,036.08	\$ 34,731.86	
Adjusted Total: Non-Exempt Debt	\$ 695,538.13	\$ 683,491.36	\$ 538,847.08	\$ 409,046.43	\$ 245,967.85	\$ 213,079.98	\$ 206,300.05	\$ 156,036.08	\$ 34,731.86	

Non-Exempt Debt

Non-Exempt Debt, All Outstanding Issues, identifying Operating Budget Capacity using FY2016 as Base Year. As debt is retired, additional financing capacity becomes available within the existing budget.



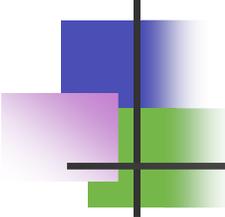


FY2017 Expenditures, Unclassified

- Insurances-
- 3.5% increase in General Liability & 3.5% Worker's Compensation
 - 2 years of 0%; in FY15, locked in no greater than 2.5% for FY2016
 - 5% increase Police/ Fire IOD
 - Health Insurance Renewal at the cap of 12.8%, due to poor 24-month loss ratio
 - Net Impact to Municipal is about \$178k which is about 10%. Retirees renewal is on a calendar year basis, and has generally been more favorable.
 - Net Impact to School is about \$158k (in recommendation, based on 8%) + \$96k for additional 4.8% (not in recommendation)
 - Public Employee Committee Agreement expires June 30, 2016.
 - New Agreement must contemplate plan design change to reduce the FY17 renewal and in preparation for implementation of Cadillac Tax

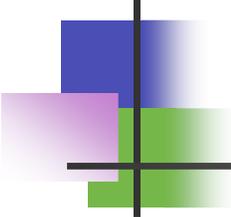
FY2017 Expenditures, Retirement Assessment

Summary of Member Data		Member Unit		Worcester Regional
Active Members		118.59		6411.00
Average Age		50.30		48.20
Average Service		12.10		10.50
Valuation Salary	\$	4,436,575.00	\$	252,829,591.00
Average Salary	\$	37,413.00	\$	39,437.00
Retired Members & Beneficiaries		78.00		2840.00
Average Age		73.50		74.10
Total Annual Pension	\$	1,293,366.00	\$	49,183,380.00
Average Annual Pension	\$	16,582.00	\$	17,318.00
Disabled Members - Accidental		7.00		212.00
Average Age		69.50		63.50
Total Annual Pension	\$	179,662.00	\$	6,540,337.00
Average Annual Pension	\$	25,666.00	\$	30,851.00
Disabled Members- Ordinary		1.00		35.00
Average Age				63.40
Total Annual Pension	\$	5,718.00	\$	593,903.00
Average Annual Pension	\$	5,718.00	\$	16,969.00
Inactive Members		43.00		1711.00
Annuity Savings Fund	\$	329,061.00	\$	12,940,975.00



Retirement Assessment

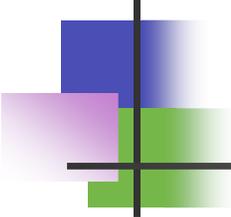
Unfunded Actuarial Accrued Liability as of January 1, 2014			
Actuarial Accrued Liability			
Active Members	\$	11,404,611	\$ 540,651,639
Retired Members & Beneficiaries	\$	12,670,335	\$ 454,076,903
Disabled Members, Accidental	\$	1,699,243	\$ 73,406,173
Disabled Members, Ordinary	\$	97,167	\$ 6,516,349
Inactive Members	\$	329,061	\$ 12,940,975
total AAL=	\$	26,200,417	\$ 1,087,592,039
Unfunded Actuarial Accrued Liability (UAAL)			
Actuarial Accrued Liability	\$	26,200,417	\$ 1,087,592,039
Actuarial Value of Assets	\$	11,491,900	\$ 488,346,471
Unfunded Actuarial Accrued Liability	\$	14,708,517	\$ 599,245,568
FY2017 Assessment			
Employer Normal Cost (Benefit - Employee Contrib + Admin Costs)	\$	165,797	\$ 9,258,061
Payment on UAL	\$	906,232	\$ 35,970,079
Payment on 2002 ERI	\$	-	\$ 1,321,551
Payment on 2003 ERI	\$	-	\$ 259,106
Payment on 2010 ERI	\$	-	\$ 5,810
Total Assessment:	\$	1,072,029	\$ 46,814,607
early payment discount	\$	1,051,795	\$ 45,930,992



Retirement Assessment

	Employer Normal Cost		Payment on UAL		Total Assessment
Member Community: Lunenburg					
Town	\$	103,322	\$	660,860	\$ 764,182
School	\$	60,526	\$	240,167	\$ 300,693
Sewer Enterprise	\$	1,949	\$	5,205	\$ 7,154
total:	\$	165,797	\$	906,232	\$ 1,072,029
			early payment discount:	\$	1,051,795

- FY2017 Assessment is \$87,761, or 8.7% higher than FY16



FY2017 Expenditures- Less Discretionary & Discretionary

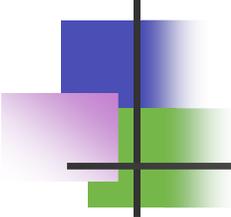
All municipal depts generally funded at Target, which generally means “status quo,” but losing ground each year due to increasing service demands

- No increases in Police or Fire personnel
- Fully analysis of current & future costs needs to be conducted before any proposal for increased staffing levels could be presented
- Pavement Management is underfunded; BOS will unveil a plan next month
- Stormwater Management will become an increasingly urgent

School at Target, but \$312k below S/ SC recommend. + additional health insurance expense +\$96k

- Above target requests are to meet the needs of the district
- Grade 3 teacher; Office Clerk at MS/HS; Technology Support; Custodian; Unanticipated Placements; Technology Teacher

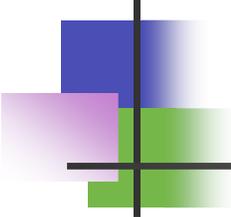
Departments will provide an in-depth review of service level needs versus Target Budget during individual presentations



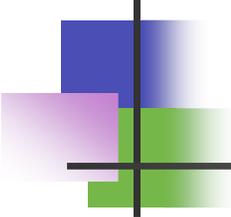
FY2017 Expenditures

- Transportation
- Conservation administrator
- Increased hours in Assessor's Office
- Maintenance of IT Tech Position
- On the horizon...
 - Pavement Management Plan
 - Funding proposal for existing turf field
 - Energy Efficiency Projects
 - Solution for Municipal Offices which may create new opportunity for consolidation
 - Long-term financing plan for Capital Projects

FY2017 Expenditures- Conclusions

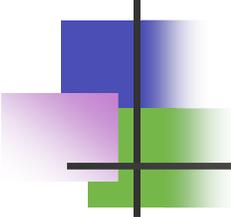


- Fully funds all contractual obligations
- Balanced based upon use of recurring revenues for operating costs; no draw on Stabilization Fund or Free Cash
- Maintaining Level Services (at FY16 Level) to the greatest extent possible
- Service levels are not what Department Heads recommend & they don't meet the service demands
 - Educational offerings; Class size; Public Safety; Road Maintenance
- Hopefully Governor's Budget will hold



Conclusion- Next Steps

- Finance Committee will begin a detailed review of the FY17 Budget- Feb 18
- House Ways & Means Budget, end of April
- Senate Budget, end of May
- Town Meeting: May 7
- Town Election: May 21



Proposed FinCom Schedule

Thursday, February 18, 2016 (Special Meeting)		
	7:00	Police
	8:00	Fire
Thursday, February 25, 2016		
	7:00	Public Works
	8:00	Land Use & Administration, Unclassified, Debt Service
Thursday, March 3, 2016 (Special Meeting)		
	7:00	Library
	7:30	Lunenburg Public Schools
Thursday, March 10, 2016		
	7:00	Council on Aging
	7:30	Monty Tech
Thursday, March 17, 2016 (Special Meeting)		
	7:00	Public Access Cable Committee
	7:30	Sewer Commission
	8:00	Other Monied Articles
Thursday, March 24, 2016		
	7:00	FY2017 Budget Public Hearing
Thursday, March 31, 2016 (Special Meeting)		
	7:00	Final Committee votes on FY2016 Budget
		Final Committee votes on other Warrant Articles