



BUDGET PRESENTATION

March 27, 2025

THE TOWN OF LUNENBURG

Presented by
Jennifer Warren-Dyment
Town Manager



FY 2026 REVENUES



FY 2026 Revenues

Property Tax: \$35,005,838

Net State Aid, 20%

Net State Aid: \$9,803,871

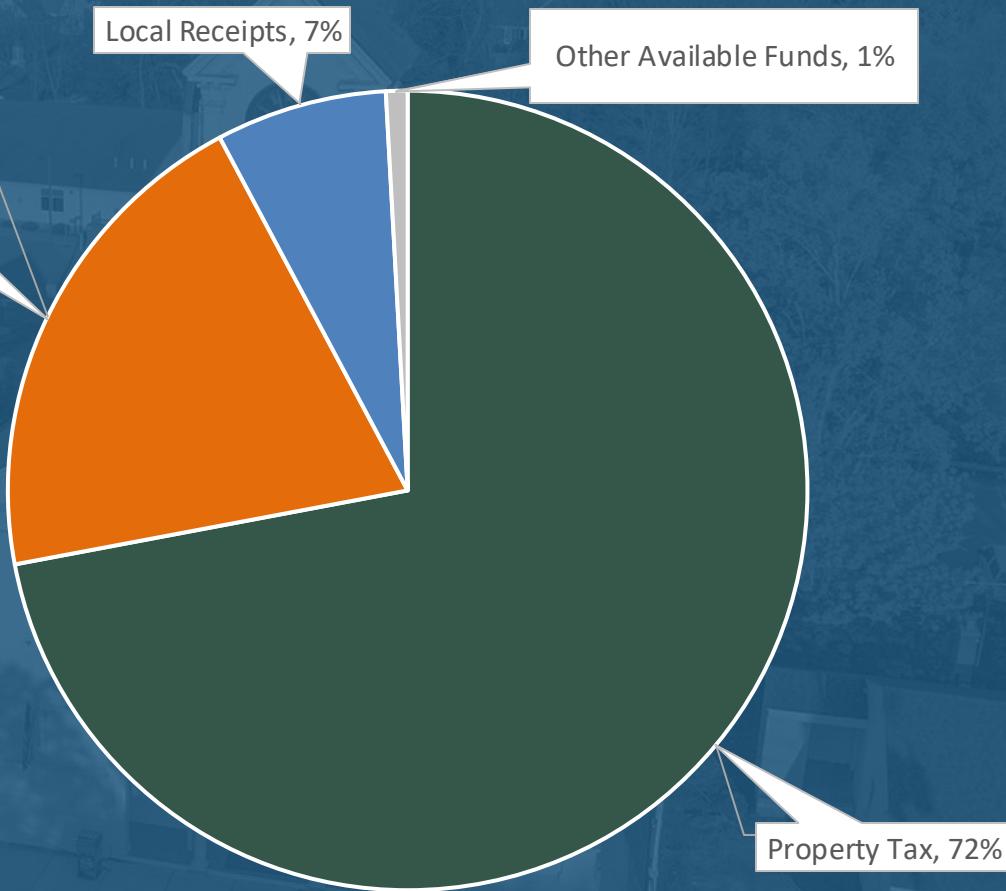
Local Receipts: \$3,360,524

Other Available Funds: \$423,912

- Transfer from Sewer Enterprise: \$301,174
- Transfer from PEG: \$29,197
- Water Betterment: \$55,087
- Artificial Turf Revolving: \$38,453

Total: \$48,594,145

Assessors Overlay: \$175,000
(originally estimated at \$250,000)





FY 2026 Property Tax

FY 2025 Levy Limit (less debt exclusions):
\$31,602,108

2 ½ % Increase: \$790,052.70

Estimated New Growth: \$400,000

Excluded Debt: \$2,213,677

MAXIMUM ALLOWABLE LEVY: \$35,005,838



FY 2026 Prelim. State Aid

State Aid Receipts- \$11,034,268

- Chapter 70: \$9,109,185
- Charter Tuition Reimbursements: \$63,585*
- Smart Growth School Reimbursement: \$199,015
- School Choice Receiving Tuition: \$104,835*
- UGGA: \$1,330,763
- Veterans Benefits: \$51,599
- Exemptions: \$92,232
- State Owned Land: \$48,606
- Library: \$34,448**

* Sweeps to School budget

** Sweeps to Library budget

Cherry Sheet Assessments- \$1,027,529

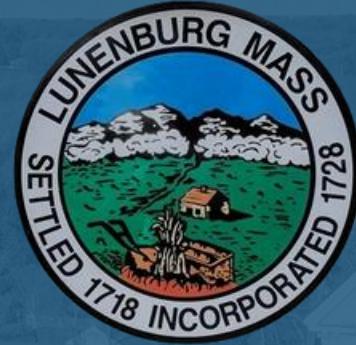
- Mosquito Control: \$89,897
- Air Pollution Districts: \$3,968
- RMV Non-Renewal Surcharge: \$13,920
- MBTA: \$12,394
- Regional Transit: \$77,917
- School Choice Sending Tuition: \$361,043
- Charter School Sending Tuition: \$468,390

Net State Aid: \$9,803,871



FY 2026 Local Receipts Estimate

Receipt Type	FY 25 Projected	FY 24 Actual	FY 26 Projected
Motor Vehicle Excise	\$1,871,640	\$2,069,581	\$1,875,000
Meal & Cannabis Excise	\$100,980	\$140,933	\$125,000*
Penalties/Interest on Taxes and Excises	\$140,000	\$141,252	\$140,000
PILOT	\$1,648	\$1,609	\$1,600
Fees	\$176,052	\$285,988	\$180,000
Dept. Revenue- Schools (Pre-School Tuition, Parking, Special Education Reimbursement)	\$60,207	\$150,100	\$61,411
Dept. Revenue Cemetery Burials	\$3,500	\$4,050	\$3,500
Other Departmental Revenue (Ambulance)	\$257,370	\$388,281	\$275,000*
Licenses/Permits	\$331,188	\$427,164	\$350,000*
Special Assessments (Trailer Parks)	\$11,844	\$6,060	\$12,000
Fines and Forfeits	\$12,013	\$26,808	\$12,013
Investment Income	\$85,600	\$414,577	\$100,000*
Misc. Non-Recurring (Sale of Property, Net Metering Credits, Meadow Woods P&I)	\$214,449	\$407,825	\$225,000*



FY 2026 FREE CASH EXPENDITURE PLAN



Free Cash

Free cash is the remaining, unrestricted funds of operations of the Town's previous fiscal year net after certain revenue deficits (e.g. unpaid property taxes)
Free cash is a nonrecurring source of revenue.

It includes:

- Unexpended Free Cash from the previous year
- Actual receipts in excess of revenue estimates
- Unspent amounts in budget line-items.

Because Free Cash is non-recurring revenue, it should not be used to fund any personnel, program, or initiative that would require expenditures in subsequent fiscal years.



Free Cash

The Financial Management Resource Bureau (FMRB) recommends that communities understand the role free cash plays in sustaining a strong credit rating and encourages them to adopt policies on its use.

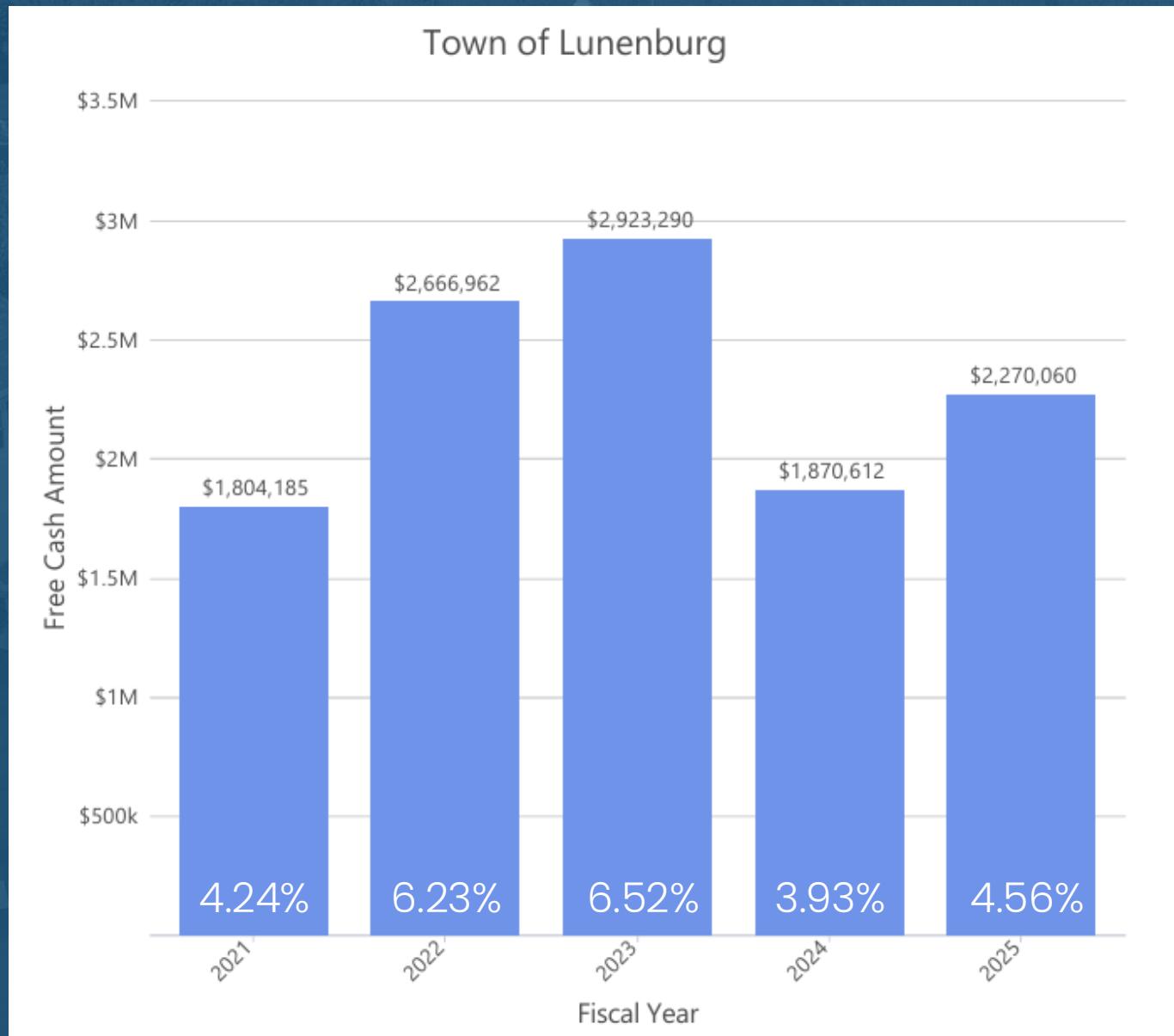
Under sound financial policies, a community strives to generate free cash in an amount equal to 5% to 7% of its annual budget.

This goal helps deter free cash from being depleted in any particular year, which enables the following year's calculation to begin with a positive balance. To do this, the community would orchestrate conservative revenue projections and departmental appropriations to produce excess income and departmental turn backs.



Lunenburg Free Cash History

Under sound financial policies, a community strives to generate free cash in an amount equal to 5% to 7% of its annual budget.



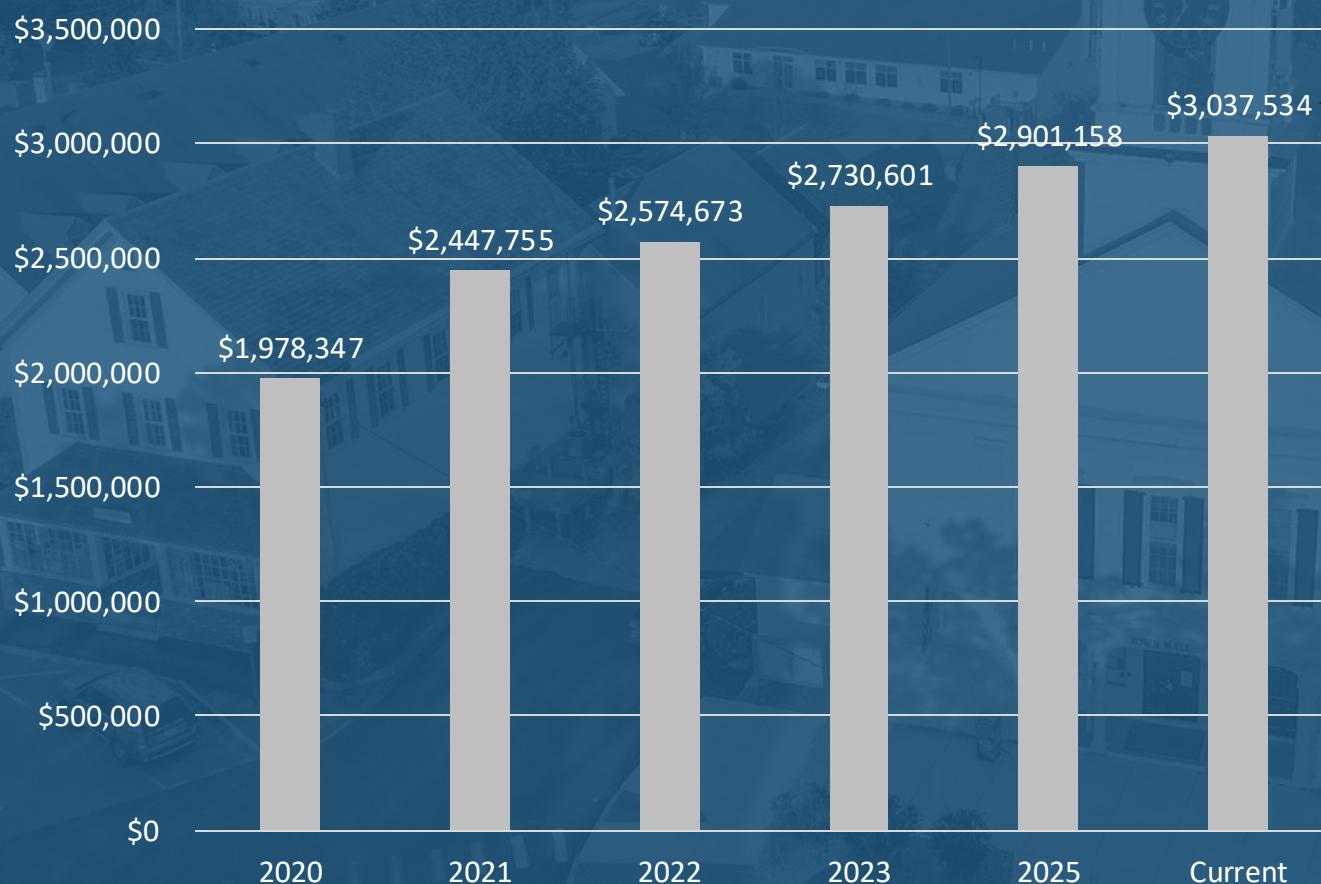


Free Cash Policy- Select Board Policy 3.03

Priority	Goal	FY26 Applied to Goals	Planned Transfer
1	Increase the balance of the Stabilization Account (if necessary) to a level of at least 5% percent of the current FY omnibus budget.	Current FY omnibus budget: \$45,129,367 5%: \$2,256,468 Stabilization Balance: \$3,037,534	\$0.00
2	Transfer 10% of previous FY Free Cash to the OPEB Trust Fund	Free Cash: \$2,225,000 10%: \$222,500	\$222,500
3	Transfer into Special Purpose Stabilization Fund	No specific criteria	\$0.00



General Stabilization Funds



6.3% of proposed
FY 26 budget

GFOA recommends
between 5 and 15%

*Plan to transfer
\$100,000 in Free
Cash into the
General Purpose
Stabilization
Fund*



Other Planned Uses of Free Cash

Transfer to Lunenburg Public Schools for FY26 Operating Budget: \$500,000

Special Projects Warrant Article: \$152,500

- Decommissioning Portion of TC Passios: \$75,000
- Board of Assessors Department of Revenue Directive: \$27,500
- Cemetery Road Network Repair and Crack Seal: \$50,000

Fiscal Year 2025 Transfers: \$465,000

- Snow and Ice Deficit: \$415,000 (May be reduced at TM)
- School- SPED Move In: \$50,000 (May be reduced at TM)
- The \$36,250 CAREs Grant item has been removed from this article to allow for further research



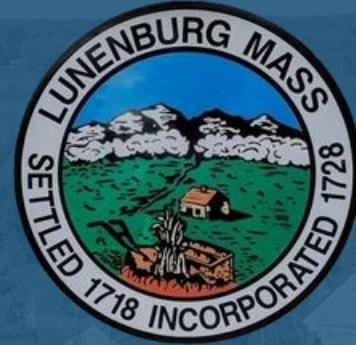
Other Planned Uses of Free Cash

FY 2026 Capital Program: \$655,424

- The \$1,225,000 Capital Program is also supported by \$244,576 from taxation and a transfer of \$325,000 from FY23 Capital

Compensated Absences Fund: \$10,000

FY 2027 "Starting Free Cash": \$219,576



FY 2026 EXPENDITURES



Movement within Budget Lines

Budget Taskforce Recommendation: Standardize and Improve Workflow for Town Finances: Implement standardized department reporting and *consolidate Chart of Accounts*

Changes made in conformance with the Uniform Massachusetts Accounting System (UMAS) *A Manual for Cities, Towns, Regional School Districts, and Special Purpose Districts*

There will never be a “perfect” time to implement these changes



General Government

Includes:

- Select Board
- Town Manager
- Finance Committee
- Reserve Fund (Moved from Unclassified)
- Salary Reserve (Moved from Unclassified)
- Town Accountant
- Assessor's Administration
- Treasurer's Administration
- Tax Collector's Administration
- Information Technology
- Town Clerk's Administration
- Elections
- Registration & Census
- Land Use (New Category)
- Architectural Preservation
- Town Reports (Moved from Unclassified)
- Central Purchasing (Moved from Central Purchasing)
- Physicals (Moved from Unclassified)



General Government

Lines that have been Moved:

- Audit has been moved under Accountant within General Government
- Banking Charges have been moved under Treasurer within General Government
- Legal Expenses have been moved under Town Manager within General Government
- Land Use is a New Category under General Government and includes Planning, Building, ConCom, ZBA



General Government

FY 2026 Town Manager Proposed Budget:
\$2,962,263.14

- Items of Note:
 - \$10,000 increase to Legal
 - \$50,000 Grant Manager position has been eliminated to restore some of the pavement management program.
 - \$15,000 Decrease to Reserve Fund
 - Salary Reserve fund at \$210,000 (Will be negotiating Police and DPW CBAs and includes SAP COLA)
 - IT Department \$104,089.17 Increase
 - Increase staff support to 32 hours
 - Shift to contracted services
 - Some expenses moved from Central Purchasing



General Government

- Items of Note Continued:
 - \$7,425 decrease to Elections (not a Presidential Election Year)
 - APDC reduced by \$4,500 (more in line with actual expenses)
 - Central Purchasing:
 - Only a \$11,200 increase as some items moved to IT
 - All Departmental postage has been moved to Central Purchasing



Police

FY 2026 Town Manager Proposed Budget:
\$2,434,772.47

- Items of Note:
 - Contract negotiations for FY26-FY28 are beginning
 - Recruitment ongoing for Police Chief
 - K9 Care increased by \$20,049.84 (105%)
 - Small decreases to training lines due to new MILO program
 - Motorcycle lease eliminated to restore some of pavement management
 - Small reduction in overtime



Fire

FY 2026 Town Manager Proposed Budget:
\$1,744,587.91

- Items of Note:
 - Does not incorporate 4th shift/42 hour week proposal
 - EMS Equipment and EMS Supply lines merged



Other Public Safety

Formerly "Other Protection"

FY 2026 Town Manager Proposed Budget:
\$368,488.90

Includes:

- Radio Watch (was a stand-alone category)
- Inspector of Weights and Measures
- Emergency Management
- Animal Control

Lines that have been Moved:

- Building Inspector (Moved to Land Use under General Government)



Education

Total Education Budget: \$27,121,995

FY 26 Lunenburg Public Schools: \$25,787,474

- Does not include \$500,000 Free Cash Transfer
- FY 25 Town Manager Recommended Budget: \$23,910,908
- FY25 Budget after \$948,136 override: \$24,850,044
- FY25 Budget after override and \$31,882 increase at STM: \$24,881,926
- This is a \$904,098 increase over the adjusted FY25 Budget (3.64%)

Monty Tech: \$1,334,521

- \$108,875 increase (8.88%)



Department of Public Works

Includes:

- Highway Administration (formerly Highway Labor)
- Highway Construction and Maintenance (formerly General Highway Maintenance)
- Snow Removal
- Traffic Signs & Devices
- Vehicle Maintenance
- Recycling Program (formerly stand-alone category)
- Cemetery
- Tree Removal



Department of Public Works

FY 2026 Town Manager Proposed Budget: \$2,476,953.29

- Items of Note:
 - New Union representation for employees
 - Contract has not been negotiated for FY25 or FY26
 - \$550,000.00 pavement management line was initially reduced to zero in the Manager's budget. FY26 anticipated Chapter 90: \$690,660.70 (FY25 amount: \$418,227.26). Pavement Management line restored to \$279,000
 - Drainage increased by \$15,000 (25%)
 - Snow contracted services originally increased by \$110,500 in preliminary budget, now level funded
 - \$5,000 increase to fire vehicle line



Facilities and Buildings

FY 2026 Town Manager Proposed Budget:
\$1,067,396.30

- Items of Note:
 - \$14,903 increase in utility and maintenance lines for public buildings
 - Purchase of service line increased by \$27,000 to cover reduction in revenue from School Department moving from TC Passios
 - \$10,000 increase in landscaping contract



Human Services

New Category for FY26- Total Budget \$478,242.76

Includes:

- Sub-category of Health Services:
 - General Health
 - Nashoba Health
 - Nashoba Nursing
- Sub-category of Special Programs:
 - Counsel on Aging
 - Veteran's Services



Human Services

Items of Note:

- Council on Aging- Increase of \$31,059.46
 - Increase one position to 36 hours per week
 - Kitchen assistants brought into operating budget
 - Part-time Outreach Worker position eliminated
 - Small increase to programs: \$3,000
- Veteran's Services
 - Benefit line reduced by \$22,275 (more in line with actual expenditures)



Culture and Recreation

New Category for FY26- Total Budget \$639,036.70

Includes:

- Band Concerts
- Library
 - Includes 100 "floating hours"
 - Does not include \$18k/year position
- Historical Commission
 - Reduced by \$2,000 (more in line with actual expenditures)



Maturing Debt

FY 2026 Town Manager Proposed Budget:

\$2,547,440.36

- \$393,881.14 Decrease

Debt service is decreasing as borrowing is paid down.

\$244,576.00 of the savings is being utilized to fund the FY26 capital program.

The remainder of the savings (\$149,305) is being utilized to offset other areas of the operating budget. This figure has been increased from the preliminary presentation to restore some of the pavement management program.



Intergovernmental Assessments

New Category for FY26- Total Budget \$3,425,578.98

Includes:

- Worcester Regional Retirement- \$264,771 (this used to live outside of the omnibus)
- State Assessments (Cherry Sheet Assessments)
- MRPC (formerly under General Govt Unclassified)



General Government

Unclassified

Includes:

- Workers Compensation
- Unemployment Compensation
- Employee/Retiree Insurance
- Liability Insurance

Lines that have been Moved to Other Budgets:

- Physicals (Gen. Govt.)
- Print Town Reports (Gen. Govt.)
- Mont Reg Planning Assess (Intergovernmental)
- Historical Commission (Culture & Rec)
- Band Concerts (Culture & Rec)
- Reserve Fund (Gen. Govt.)
- Salary Reserve Fund (Gen. Govt.)



General Government

Unclassified

FY 2026 Town Manager Proposed Budget: \$4,107,709.13

- Items of Note:
 - Health Insurance rate increase of 14.84%, but line has not increased proportionally as buffer has been reduced
 - Medicare estimated increase of \$24,823 (6.62%)
 - Workers Compensation decreased \$24,976.39 (-14.69%)
 - No change of significance in Liability Insurance as Town Manager Lemieux negotiated a rate guarantee



Tax Title

FY 2026 Town Manager Proposed Budget: \$30,500

- Not included in omnibus budget



THANK YOU