



# **BUDGET PRESENTATION**

**March 27, 2025**

**THE TOWN OF LUNENBURG**

Presented by  
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Town Manager



# FY 2026 REVENUES





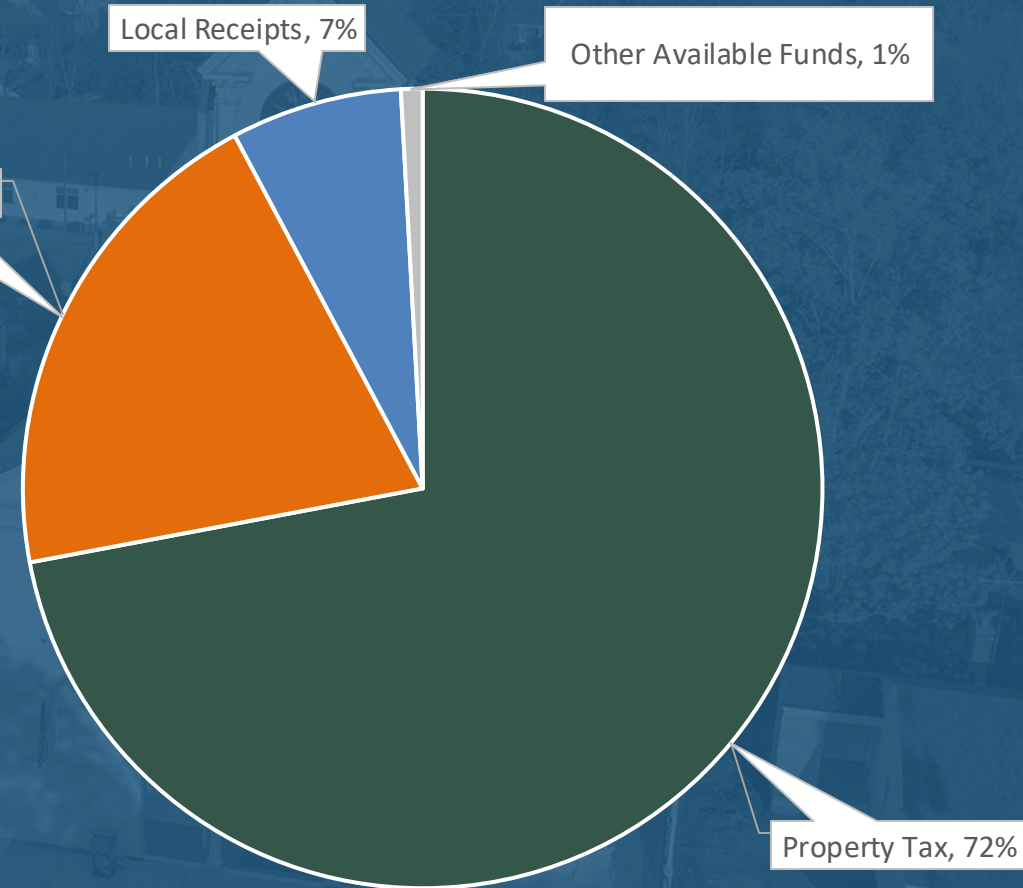
# FY 2026 Revenues

Property Tax: \$35,005,838  
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

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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

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## 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

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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

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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.

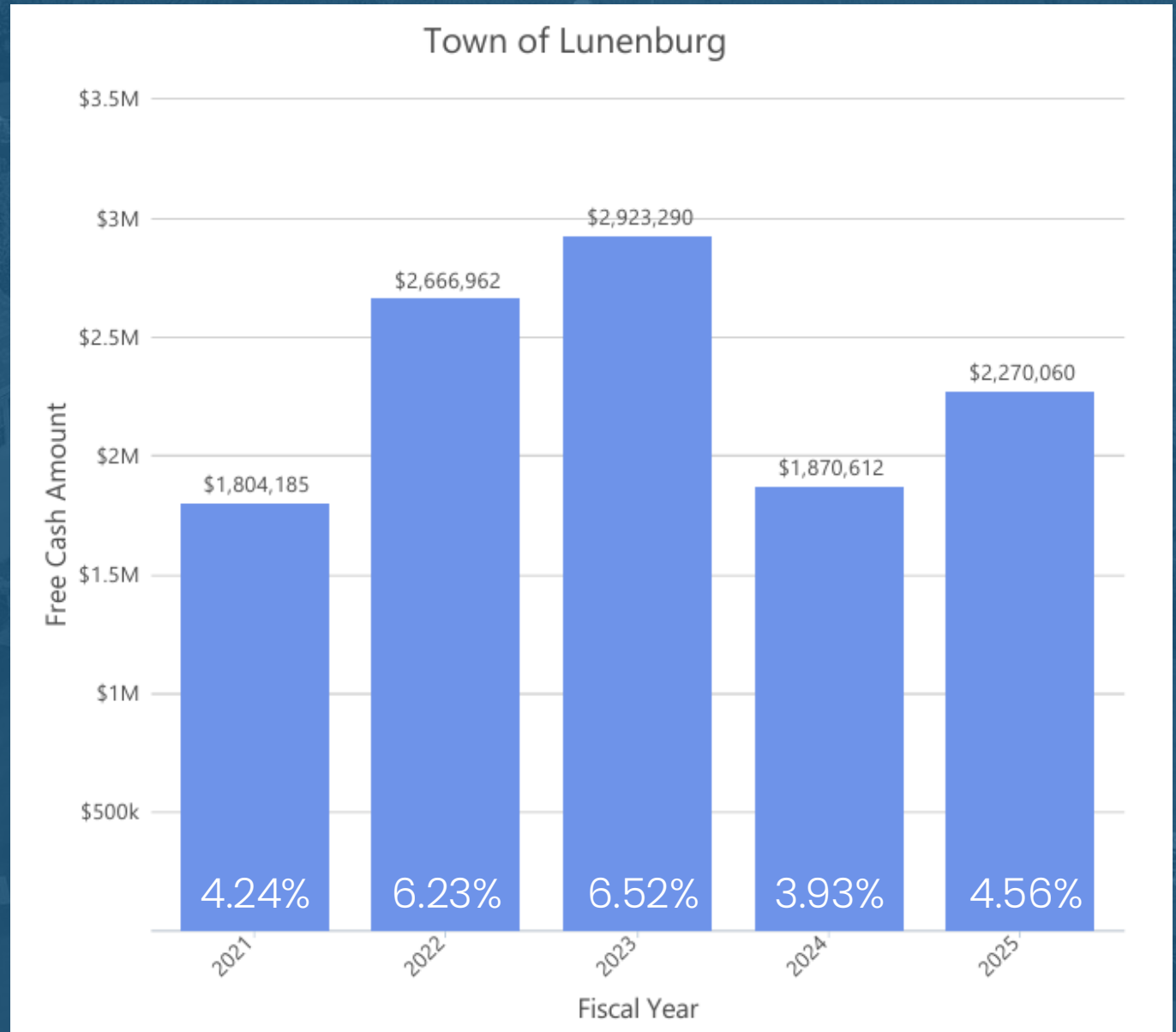
*Under sound financial policies, a community strives to generate free cash in an amount equal to 5% to 7% of its annual budget.*

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.*







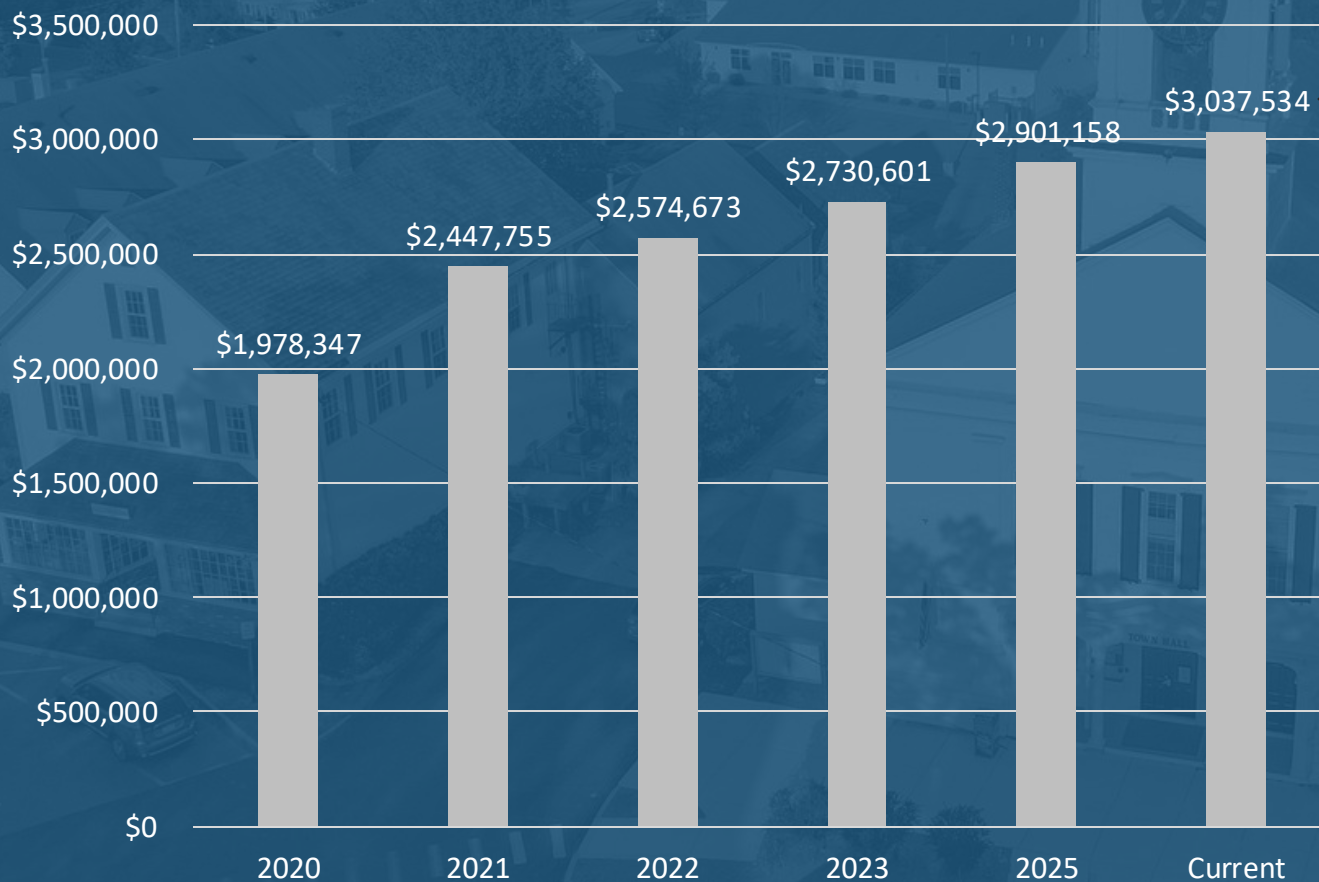
# Free Cash Policy- Select Board Policy 3.03

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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

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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

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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

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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

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## 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

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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

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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

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- 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

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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

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

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





# Other Public Safety

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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

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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

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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

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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

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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

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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

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## 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

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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

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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

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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

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

- Not included in omnibus budget



**THANK YOU**