

Town of Lunenburg

FY 2024 Preliminary Budget, Town Manager Recommendation

February 16, 2023

Heather R. Lemieux, Town Manager

FY2024 Budget Timeline to Date

- Capital Planning Committee began in August 2022, met with departments in October through November 2022.
- Town Manager sent target budgets to departments in December 2022 due back on January 10, 2023
- The Capital Planning Committee finalized the prioritization of projects for the FY24 Capital Plan on December 28, 2022
- Town Manager presented the FY24 Capital Plan in January
- As required by the Town Charter, the Town Manager presents a Preliminary FY24 Budget by mid-February

Preparing the FY2024 Recommendation

- Goal each year is to create a balanced budget that funds operating budgets using recurring revenues
- Original target budget used in December and preliminary budget use conservative revenue projections and FY23 State Aid amount
- Preliminary budget reflects level services for most departments
- Incremental changes in personnel=Smart Growth to ensure Long Term Fiscal Sustainability
- Preliminary budget reserves the use of Certified Free Cash. Review once conservative figure determined to appropriate to the Overlay Account at the Annual Town Meeting

FY2024 Target Budget

FY2024 Target Budget

- On the Revenue side:
 - **Property Taxes:** Included adding 2 ½ % to previous year's levy, \$200,000 for New Growth, and debt exclusion amounts.
 - **State Aid:** Level funded State Aid based on the FY23 State Aid figures that were approved in July 2022.
 - **Local Receipts:** Included a \$50,000 increase over previous FY's estimate for Motor Vehicle Excise Taxes but level funded all other local receipts.
 - **Other available funds:** Similar to previous years, target budget did not address use of Free Cash and sources of available funds are comparable to previous fiscal year sources.

FY2024 Target Budget

- On the Expenditure side:
 - Level funded Cherry Sheet Offsets, State & County Charges and Choice/Charter Assessments using FY23 amounts
 - Departments were sent target budgets in December that included all known contractual increases and level funded other expense categories except:
 - Additional \$50K for Pavement Management
 - Known Principal and Interest debt payments for FY24
 - Included an 8.5% rate increase for Health Insurance for active employees and a 5% rate increase for retirees
 - 5% Increase for General Insurances and Police/Fire IOD Insurance
 - Included a 13.55% increase for Worc. County Retirement
 - Included 2.5% increase for LPS and Monty Tech

FY2024 Preliminary Budget Vs. Target Budget: Assumptions and “Unknowns”

- **Revenues:**

- State Aid: Kept State Aid at FY 2023 amounts as Governor Healey has until March 1st to release House 1
- New Growth: Maintains the **\$200,000** estimate; continue to monitor and adjust if needed
- Other Available Funds: Recommends using \$271,000 from the Health Insurance Stabilization Account until actual renewal rates and State Aid foundation figure known.

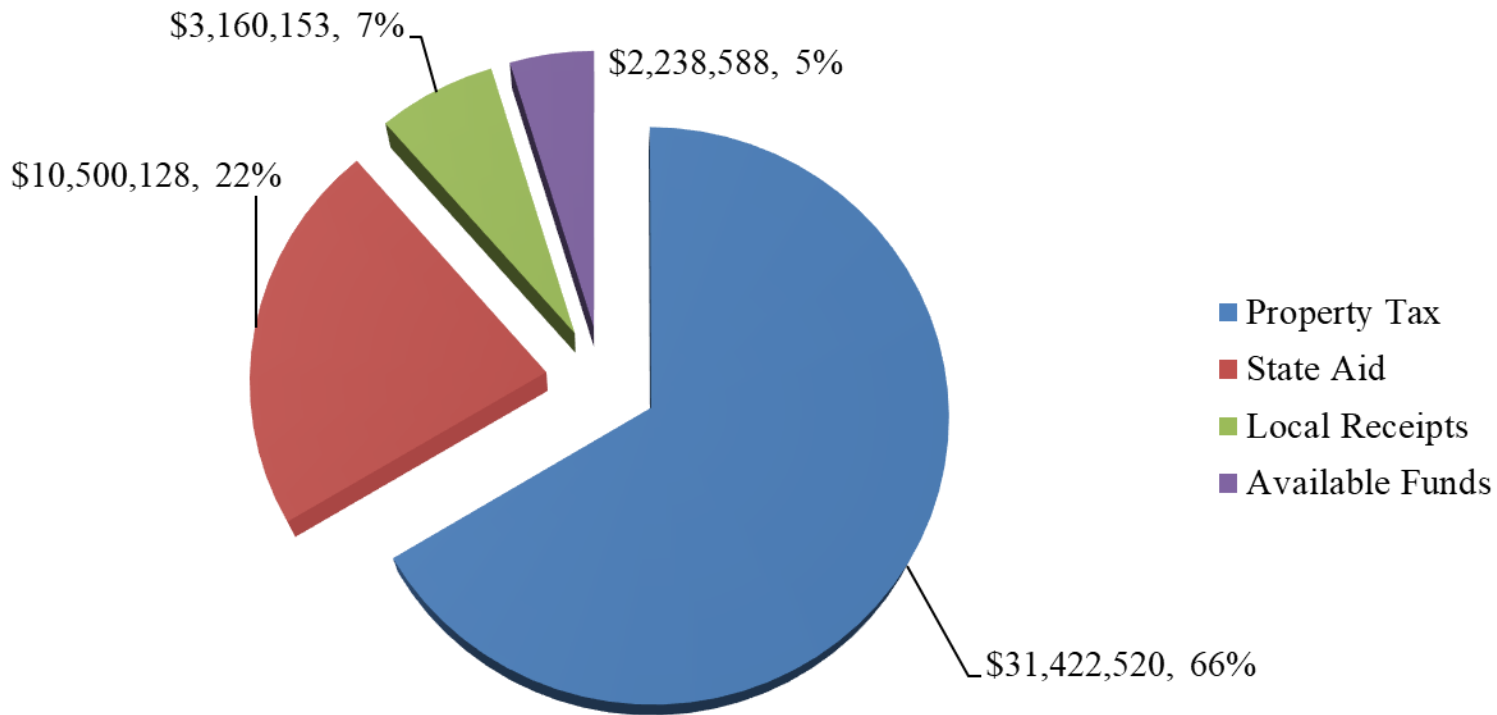
- **Expenditures:**

- Cherry Sheet Offsets and State Assessments: Kept Cherry Sheet Offsets and State Assessments at FY 2023 amounts until House 1 released
- Health Insurance: Maintains the **8.5%** estimate for active employees and **5%** rate increase for retirees. Actual Health insurance renewal received in February
- Liability, WC and IOD Insurance: Maintains a **5%** increase. Renewals are received in March.
- LPS: Includes a 3.1% increase that will be reduced if active health insurance is less than 8.5% by the differential
- Monty Tech: Maintains a 2.5%; any increase will be adjusted and should be offset by an increase in State Aid estimate
- Overlay Account: Currently reviewing FY23 amount that will be needed from this year’s certified Free Cash

FY 2024 Revenues

FY2024- Projected Revenues

FY2024- Revenue Estimates



FY2024 Revenue Estimates

	FY21	FY22	FY23	FY24 TM	Dollar Increase	% Increase
	Final	Final	Final	Prelim. Budget	Over PY	over Prior Year
Revenue						
Property Tax*	\$28,896,249	\$29,959,876	\$30,874,124	\$31,422,520	\$548,396	1.78%
State Aid	\$ 9,427,619	\$ 9,440,371	\$ 10,500,128	\$ 10,500,128	\$0	0.00%
Local Receipts	\$ 3,600,669	\$ 3,060,153	\$ 3,110,153	\$ 3,160,153	\$50,000	1.61%
Available Funds**	\$ 2,427,555	\$ 3,089,126	\$ 3,849,570	\$ 2,238,588	-\$1,610,982	-41.85%
total:	\$44,352,093	\$45,549,526	\$48,333,975	\$47,321,388	-\$1,012,587	-2.09%
*Property Tax includes starting tax levy, 2 1/2%, New Growth, Excludable Debt						
**Available funds will fluctuate mainly due to use of free cash.						

Noteworthy highlights:

- State Aid is level funded based on FY23 amounts
- Estimate for local receipts remains conservative as these are elastic revenues
- Available funds does not include use of Free Cash, uses stabilization funds but is otherwise similar to the previous fiscal year.

FY 2024- Property Tax

- Property Tax:
 - Prior Year base (\$28,043,722) plus 2 ½% increase (\$701,093)
 - Estimate for New Growth (\$200,000)
 - No New Overrides or Exclusions
 - Excluded Debt from previous projects for FY24 = \$2,477,704
 - Maximum allowable tax levy for FY2024=\$31,422,520

History of New Growth

New Growth Dollars by Property Class

	FY2019 Budget	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2023 Budget
Residential New Growth	285,164	173,768	160,452	325,257	169,631
Open Space (OS)	0	0	0	0	0
Commercial (C)	55,209	3,187	9,272	12,096	8,330
Industrial (I)	34,901	31,840	0	0	909
Personal Property (PP)	97,262	157,436	139,732	92,901	55,513
CIP New Growth	187,372	192,463	149,004	104,997	64,752
TOTAL New Growth ①	472,536	366,231	309,456	430,254	234,383

① DLS, Gateway, Taxrate, LA-13 Tax Levy Base Growth, column K

3-year average

Residential	338,051	258,208	206,461	219,826	218,447
Open Space	0	0	0	0	0
CI	45,913	42,020	22,556	8,185	9,899
PP	83,811	116,834	131,477	130,023	96,049
Total	467,775	417,062	360,494	358,034	324,395

5-year average

Residential	300,521	299,895	269,675	252,067	222,854
Open Space	0	0	0	0	0
CI	0	0	0	0	0
PP	30,974	29,924	30,040	29,486	17,619
Total	331,495	329,820	299,714	281,552	240,473

10-year average

Residential	261,078	270,504	275,212	266,930	258,542
Open Space	0	0	0	0	0
CI	0	0	0	0	0
PP	18,609	16,905	17,779	18,988	19,307
Total	279,687	287,409	292,991	285,918	277,849

FY2024- State Aid

- “Unknown” Revenue Estimate:
 - Preliminary budget level funds State Aid at FY23 level
 - Governor’s Budget, House 1, will be released by March 1st
 - In FY 2023 we received approximately \$1M over the PFY

History of State Aid

STATE AID CHERRY SHEET

	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2024 Projected
Chapter 70 Education Aid	5,605,872	5,834,483	6,351,257	7,272,505	7,538,072	7,771,740	7,773,938	7,823,618	8,722,228	8,722,228
Charter Tuition Reimbursement	50,717	133,545	33,934	78,091	17,860	36,345	64,708	28,140	144,037	144,037
Charter Facility Reimbursement							-	-	-	-
Smart Growth	183,618	166,960	119,257	119,257	29,195	35,372	138,069	79,717	119,575	119,575
School Lunch (offset)	7,451	-	-	-	-		-	-	-	-
School Choice Receiving Tuition (offset)	241,290	227,741	268,906	281,212	241,647	182,658	176,265	175,332	113,539	113,539
Unrestricted General Government Aid	940,983	974,858	1,016,777	1,056,431	1,093,406	1,122,928	1,122,928	1,162,230	1,224,990	1,224,990
Veterans Benefits	40,539	55,238	81,303	45,280	35,873	55,161	42,316	58,371	51,450	51,450
Exemptions VBS and Elderly	61,689	63,425	66,101	58,172	55,517	61,979	62,042	58,214	56,114	56,114
State Owned land	47,844	47,844	47,275	47,230	47,230	26,222	26,905	32,522	41,747	41,747
Police Career Incentive				-			-	-	-	-
Public Libraries (offset)	14,647	14,398	14,137	14,615	15,534	16,524	20,448	22,227	26,448	26,448
TOTAL Cherry Sheet ③	7,194,650	7,518,492	7,998,947	8,972,793	9,074,334	9,308,929	9,427,619	9,440,371	10,500,128	10,500,128

FY2024- Local Receipts

- Estimated Local Receipts – increased \$50,000, or 1.6% over the previous year's estimates
 - Motor Vehicle Excise Tax, licenses, permits, fees, fines, investment income
 - Elastic Revenues- very dependent upon the economy

FY2024 –Local Receipts

- Local Receipts: Estimate is an overall increase of 1.58% over the previous fiscal year estimates.

	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Estimate	Estimate
1. Motor Vehicle Excise	1,978,799	1,839,920	1,771,640	1,821,640
2a. Meals Excise	125,662	133,028	100,980	100,980
2b. Room Excise			-	-
2c. Other Excise-Boat			-	-
3. Penalties/Interest on Taxes and Excises	259,184	506,518	200,000	200,000
4. Payment In Lieu of Taxes	3,921	7,985	1,648	1,648
5. Charges for Services-Water				
6. Charges for Services-Sewer				
7. Charges for Services-Hospital				
8. Charges for Services-Solid Waste Fees				
9. Other Charges for Services			-	-
10. Fees	200,429	234,113	176,052	176,052
11. Rentals			-	-
12. Dept. Revenue-Schools	72,688	198,650	60,207	60,207
13. Dept. Revenue-Libraries				
14. Dept. Revenue-Cemeteries	5,100	5,900	4,100	4,100
15. Dept. Revenue-Recreation			-	-
16. Other Departmental Revenue	254,362	281,838	257,370	257,370
17. Licenses/Permits	334,109	457,295	331,188	331,188
18. Special Assessments	15,468	15,900	11,844	11,844
19. Fines and Forfeits	13,263	13,897	13,263	13,263
20. Investment Income	35,585	24,440	25,000	25,000
21. Medicaid Reimbursement			-	-
22. Misc. Recurring			-	-
23. Misc. Non-Recurring	357,936	444,644	215,699	214,449
TOTAL Local Receipts-Budget ①	3,656,506	4,164,128	3,168,991	3,217,741
Difference: Actual over Budget	590,516	1,049,138		

FY2024- Available Funds

- **Available Funds**

- Reserves use of Free Cash at this time to address potential approved abatement requests covered by Overlay Account
- Uses \$17,710 from unexpended capital and \$986,000 from the Special Purpose Stabilization towards the FY24 Capital Plan
- Uses \$271,000 from Health Insurance Stabilization Fund to offset health insurance costs
- Water & Sewer Betterments
 - Fully funds associated debt service for water and sewer debt
- Sewer Enterprise Fund covers their Indirect Costs
- Public Access Enterprise Fund covers their Indirect Costs
- Transfers \$39,321 from the Artificial Turf Revolving Fund to pay the associated costs for the Artificial Turf Field Debt for FY24

FY2024-Available Funds

	FY2021	FY2022 TM	FY2023	FY2024 TM
	After Recap	After Recap	After Recap	Prelim. Budget
Available Funds				
Free Cash	\$ 858,356.21	\$ 1,485,604.00	\$ 2,150,230.39	\$ -
Bond Premium				
Unexpended Articles	\$ 6,825.61	\$ 111,281.58	\$ 212,089.61	\$ 17,710.91
Borrowing				
Health Insurance Stabilization Fund				\$ 271,000.00
Special Purpose Stabilization Fund				\$ 986,000.00
MSBA Reimbursement (Both debt and F	\$ 535,051.19	\$ 534,779.55	\$ 534,501.26	\$ 59,968.64
MSBA Reserve Reimbursement Applied				
Sewer Enterprise Retained Earnings	\$ 72,682.00	\$ 90,587.20	\$ 105,976.15	\$ 109,529.43
Sewer Debt	\$ 804,329.90	\$ 705,876.16	\$ 687,992.32	\$ 646,816.28
Water Debt (Meadowwoods)	\$ 55,837.50	\$ 54,837.50	\$ 58,837.50	\$ 57,587.50
Septic Loan Revenue				
PEG Retained Earnings	\$ 48,000.00	\$ 46,842.00	\$ 47,808.00	\$ 50,653.00
Sale of Cemetery Lots	\$ -	\$ 15,000.00	\$ 10,000.00	
Artificial Turf Revolving Fund	\$ 46,473.00	\$ 44,318.19	\$ 42,134.74	\$ 39,321.78
School Transportation Fee Offset	\$ -	\$ -	\$ -	\$ -
total:	\$ 2,427,555.41	\$ 3,089,126.18	\$ 3,849,569.97	\$ 2,238,587.54
Dollar Increase Over Prior Year	\$ (607,670)	\$ 661,571	\$ 760,444	\$ (1,610,982)
Percentage Increase Over Prior Year	-20.02%	27.25%	24.62%	-41.85%

FY2024 Expenditures

Expenditures

- Expenditures are a reflection of the cost of providing a level of services to residents of all ages in our community, to visitors traveling or doing business in Lunenburg, and maintaining or improving our assets.
- As a town, we provide services to students, we provide health and human services to seniors and veterans, recreational services, public safety to all
- The balance is to provide the best services possible given the available resources, maintain our assets, and plan for the future by putting funding into reserves.

Expenditures

- Expenditures are divided into the following categories:
 - Departments
 - Non-Appropriated Costs: Cherry Sheet Offset Charges, Allowance for Abatements, Tax Title, Retirement Assessment
 - Sewer Enterprise Fund
 - Water Enterprise Fund
 - Solid Waste Disposal Enterprise Fund
 - Cable Access Enterprise Fund
 - Other Warrant Articles with a Financial Impact including transfers into Stabilization accounts, OPEB Trust Fund, and Capital Plan

FY2024 TM Preliminary Budget:

- General Govt: Funds increase in hours for Asst Town Manager and Treasurer/Collector and increases IT internet costs for fiber, an increase in line item for replacement of workstations, security upgrades, and increased costs for email hosting. Overall increase of **\$101K**.
- Police- Does not fund request for additional officer (second Detective); increases in FY24 wage related per new Police CBA and In Service/Specialized Training. Decrease in Lock-Up Expenses. Overall increase of **\$197K**.
- Fire – Funds an increase in costs for equipment maintenance and EMS supplies line items, Fire specific IT software, and hydrant expense line item. Overall increase of **\$32K**
- Radio Watch- Overall **decrease of \$3K**.
- Animal Control- Increase of **\$4K** for kennel behind PSB for vicious dogs.
- Facilities- Funds a \$15K in the Facilities Contracted Services, \$5K Parks and Recreation programming salary line, and an increase of \$8K Parks and Recreation Contracted Services. Overall increase of **\$84K**
- DPW- Includes additional \$50K for Pavement Management A \$10K increase in Cemetery expenses, an overall increase in the General Highway account for drainage related costs, purchase of services, and ADA Public Rights of Way expenses totaling \$20K. An increase of \$5,000 for Snow & Ice. Tree Removal increase of \$4K. Overall increase of **\$60K**.
- COA- Funds increase in hours for the Outreach Coordinator and a new 10 hour/week Outreach Assistant. Moves Asst Meal Site Manager Salary entirely to operating budget. Overall increase of **\$35K**

FY2024 TM Preliminary Budget:

- Library- Change of one position from Staff Librarian to Asst Lib. Director, increase in programming line, operational costs and exceeds the min. 16% towards Library Materials. Funds request for replacement copy machine in Central Purchasing account and security upgrades in the IT budget. Overall increase of **\$35K** in library budget.
- Worcester Reg. Retirement: 13.55% increase or **\$228K** more than the previous FY.
- Unclassified-Currently includes an 8.5% rate increase for active employees and 5% rate increase for retirees. The impact is \$448K. The other insurances are estimated at 5% and the Salary Reserve is increased by \$36K. The overall increase is **\$536K**.
- Debt Service- Due to expiring debt, our overall debt is **decreasing by \$979,711**
- Lunenburg Public Schools – Recommendation fully funds the Superintendent’s Proposed Budget of 3.1% increase for an additional **\$691K**
- Monty Tech- Recommendation includes a 2.5% increase or **\$26K**
- Solid Waste/Recycling Program- Increases this account by **\$40K** based on this year’s recycling expenses.

FY2024 Expenditures

	FY2023	FY2024 TM	FY2024 Prelim. Budget	FY2024 Prelim. Budget
	After Recap	Prelim. Budget	Dollar Inc. over PFY	% increase over PFY
Expenditures:				
General Fund Expenditures:				
General Government	\$ 1,872,758	\$ 1,974,322	\$ 101,564	5.42%
Central Purchasing	\$ 77,800	\$ 80,300	\$ 2,500	3.21%
Police	\$ 2,149,392	\$ 2,347,172	\$ 197,780	9.20%
Fire	\$ 1,575,468	\$ 1,607,993	\$ 32,524	2.06%
Radio Watch	\$ 312,145	\$ 308,720	\$ (3,425)	-1.10%
Other Protection	\$ 218,242	\$ 222,242	\$ 4,000	1.83%
Department of Public Works	\$ 2,108,142	\$ 2,168,288	\$ 60,145	2.85%
Public Buildings & Facilities	\$ 897,566	\$ 981,645	\$ 84,079	9.37%
Solid Waste	\$ 312,634	\$ 352,775	\$ 40,141	12.84%
Health & Sanitation	\$ 100,941	\$ 104,961	\$ 4,021	3.98%
Council on Aging	\$ 189,169	\$ 224,307	\$ 35,138	18.57%
Veterans	\$ 110,775	\$ 110,775	\$ -	0.00%
Lunenburg Public Schools	\$ 22,342,995	\$ 23,034,474	\$ 691,479	3.09%
Monty Tech Assessment	\$ 1,054,376	\$ 1,080,735	\$ 26,359	2.50%
Library	\$ 503,956	\$ 539,126	\$ 35,171	6.98%
Debt Service	\$ 4,497,723	\$ 3,518,013	\$ (979,711)	-21.78%
Unclassified	\$ 3,378,711	\$ 3,915,169	\$ 536,458	15.88%
Retirement Assessment	\$ 1,689,147	\$ 1,917,969	\$ 228,822	13.55%
			\$ -	
sub-total:	\$ 43,391,940	\$ 44,488,987	\$ 1,097,046	2.53%

FY2024 Expenditures-

Non-Discretionary- Debt Service

	FY2021	FY2022	FY2023	FY2024	Dollar Increase
	After Recap	After Recap	After Recap	TM Prelimin.	Over PFY
Total: Debt Service	\$ 4,699,521	\$ 4,562,594	\$ 4,495,104	\$ 3,516,182	\$ (978,922)
					\$ -
offsets:					\$ -
Tax, Outside Prop 2 1/2	\$ 2,852,779	\$ 2,828,812	\$ 2,831,932	\$ 2,477,704	\$ (354,228)
Sewer Betterment	\$ 804,329	\$ 705,876	\$ 687,992	\$ 646,816	\$ (41,176)
Water Betterment	\$ 55,838	\$ 54,838	\$ 58,838	\$ 57,588	\$ (1,250)
MSBA	\$ 535,051	\$ 534,780	\$ 534,501	\$ 59,969	\$ (474,533)
Net Impact: General Fund	\$ 451,524	\$ 438,288	\$ 381,841	\$ 274,106	\$ (107,735)

Total appropriation for FY2024 Debt Service = \$3,518,013

FY2024 Expenditures

Non-Discretionary – Debt Service

Town of Lunenburg

Debt

	FY2023 Budget	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected
Total General Fund Regular Debt	\$443,112.38	\$333,365.86	\$315,352.39	\$148,739.74	\$155,539.25	\$152,239.06
Total General Fund Excludable Debt	\$3,366,433.55	\$2,537,672.52	\$2,313,902.52	\$2,213,677.52	\$2,199,352.52	\$2,169,602.52
Total General Fun Short-term Interest	\$-	\$-	\$-	\$-	\$-	\$-
Total Sewer Debt	\$685,558.29	\$645,143.85	\$310,433.44	\$183,792.63	\$181,593.46	\$184,797.21
Grand Total Debt Service	\$4,495,104.22	\$3,516,182.23	\$2,939,688.35	\$2,546,209.89	\$2,536,485.23	\$2,506,638.79
Premiums/MSBA Reimb Excludable Debt	\$534,501.26	\$59,968.64	\$4.19	\$-	\$-	\$-
Net Excludable Debt - Tax Levy - DE1	\$2,831,932.29	\$2,477,703.88	\$2,313,898.33	\$2,213,677.52	\$2,199,352.52	\$2,169,602.52
Regular Debt Administrative Fees	\$185.10	\$158.15	\$130.66	\$102.62	\$74.01	\$44.82
Sewer Debt Administrative Fees	\$2,434.03	\$1,672.43	\$1,234.72	\$1,127.85	\$1,019.12	\$908.49
Transfer from Sewer Enterprise - Sewer Debt Service	\$687,992.32	\$646,816.28	\$311,668.16	\$184,920.48	\$182,612.58	\$185,705.70
Transfer from Septic Receipts Reserved						
Meadow Woods Water Betterment Revenue	\$58,837.50	\$57,587.50	\$56,337.50	\$55,087.50	\$58,837.50	\$57,637.50
Transfer from Artificial Turf Revolving	\$42,134.74	\$39,321.78	\$41,478.43	\$38,453.78	\$35,396.90	\$37,306.80
Net Regular Debt Service	\$342,325.24	\$236,614.73	\$217,667.12	\$55,301.08	\$61,378.86	\$57,339.58
% of Net Regular Debt to Levy (cap of 4% per Policy)	1.22%	0.82%	0.73%	0.18%	0.19%	0.18%
Net Excludable Debt	\$2,831,932.29	\$2,477,703.88	\$2,313,898.33	\$2,213,677.52	\$2,199,352.52	\$2,169,602.52
% of Excludable Debt to Total Levy (cap of 11% per Policy)	9.17%	7.89%	7.18%	6.72%	6.48%	6.22%
% of Aggregate Debt Service Costs to Total Levy (cap of 14% per Policy)	10.28%	8.64%	7.85%	6.88%	6.67%	6.38%

FY2024 Expenditures, Non-Discretionary- General Government Unclassified

- Insurance Estimates
 - Liability, Worker's Compensation, and Police/Fire Injured On Duty insurance include a 5% estimated increase. Actual renewals are received in March.
 - Health Insurance Renewal estimate is still 8.5% rate increase for active employees and 5% rate increase for retirees:
 - 39% of Health Insurance budget is for active town employees; 15% is retiree health insurance for town employees and 46% is retiree health insurance for school employees. The active portion is approx. \$1.1M out of the \$2.89M. School retirees account for \$1.3M and Town retirees account for \$444K.
 - Retirees renewal is on a calendar year basis and is based on a 5% increase for MedEx2, Managed Blue and Medicare.

FY2024 Expenditures, Non-Discretionary- Worcester County Retirement Assessment

Summary of Member Data	FY23 Annual App.	FY24 Annual App.
Active Members	168.57	179.32
Average Age	45.60	45.20
Average Service	8.70	8.00
Valuation Salary	6,631,003.00	7,238,609.00
Average Salary	\$38,778.00	\$39,773.00
Retired Members & Beneficiaries	95.00	101.00
Average Age	73.50	73.00
Total Annual Pension	1,942,829.00	2,323,366.00
Average Annual Pension	\$20,451.00	\$23,004.00
Disabled Members - Accidental	3.00	3.00
Average Age	75.60	77.60
Total Annual Pension	77,886.00	80,766.00
Average Annual Pension	\$25,962.00	\$26,922.00
Disabled Members- Ordinary	1.00	1.00
Average Age	54.70	56.70
Total Annual Pension	6,828.00	7,244.00
Average Annual Pension	\$6,828.00	\$7,244.00
Inactive Members	51.00	56.00
Annuity Savings Fund	\$715,773.00	\$727,352.00

FY2024 Expenditures, Non-Discretionary- Worcester County Retirement Assessment

Summary of Member Data	FY2023	FY2024
Actuarial Accrued Liability		
Active Members	15,524,599.00	16,376,021.00
Retired Members & Beneficiaries	19,347,046.00	23,337,252.00
Disabled Members, Accidental	653,538.00	649,136.00
Disabled Members, Ordinary	114,209.00	124,186.00
Inactive Members	715,773.00	727,352.00
total AAL=	36,355,165.00	41,213,947
Unfunded Actuarial Accrued Liability (UAAL)		
Actuarial Accrued Liability	36,355,165.00	41,213,947.00
Actuarial Value of Assets	16,660,420.00	20,787,944.00
Unfunded Actuarial Accrued Liability	19,694,745.00	20,426,003.00
FY2023 Assessment		
Employer Normal Cost (Benefit - Employee Contrib + Admin Costs)	479,962.00	628,713.00
Payment on UAL	1,240,310.00	1,322,813.00
Payment on 2002 ERI		
Payment on 2003 ERI		
Payment on 2010 ERI		
Total Assessment:	1,720,272.00	1,951,526.00
early payment discount	(31,125.00)	(33,557.00)
Total if paid on July 1st	1,689,147.00	1,917,969.00

FY2024 Expenditures-Non-Appropriated Expenditures

Noteworthy Highlights:

- Cherry Sheet Charges and Cherry Sheet Offsets level funded at FY23 amounts until Governor's budget released
- The Overlay Account is currently level funded at \$120K and Tax Title level funded at \$29K

FY2024 Capital

TM Priority #	CPC Priority #	Collins Score	CIP #	Dept.	Project Title	FY2024 Projected Costs
1	1	34	FD17-03	Fire	Replacement Rescue 1	\$506,000.00
2	2	31	LPS23-08	School	THES Exterior Door Upgrades/Replacements	\$160,000.00
3	3	34	LPS23-09	School	THES Security Upgrades	\$131,000.00
4	4	33	LPS23-10	School	Primary Security Upgrades	\$83,500.00
5	6	32	DPW 17-14	DPW	6 Wheel Dump/Spreader/Plow Truck	\$240,000.00
6	5	29	DPW23-18	DPW	6 Wheel Dump/Spreader/Plow Truck 2	\$240,000.00
						\$1,360,500.00
				Funding:	Raise & Appropriate	\$356,789.09
					Free Cash	\$0.00
					Unexpended Capital	\$17,710.91
					Special Purpose Stablization	\$986,000.00
						\$1,360,500.00

Education

- **Lunenburg Public Schools:**

- Preliminary Budget Recommendation is a 3.1% increase that meets the funding required in the Superintendent's budget recommendation to the SC in January;
- Recommendation will be amended to reflect health insurance rate renewal cost decrease;
- The Superintendent's January FY24 proposed budget includes 2 new positions through local appropriation and 4 new positions through ESSER III and SPED grant funds.

- **Montachusett Regional High School:**

- Preliminary Budget Recommendation is a 2.5% increase. We receive our assessment around the beginning of March.

FY2024 Expenditures-

Conclusions

- State Aid figure level funded at FY23 amount- This unknown will become known by March 1st
- Fully funds all contractual obligations and increased costs for non-personnel related expenditures.
- Current recommendation draws \$271K Health Insurance Stabilization Account-Revise Active Health Insurance figure with rate renewal amount and Governor's State Aid figure will allow to revisit this recommendation.
- Maintains existing staff with additional 1PTE town employee and seasonal recreational staff.
- Preliminary budget same as Superintendent's proposed FY24 budget.
- Current recommendation leaves a balance of \$2.8M of Free Cash that once amount determined for the Overlay Account, TM will present recommendation on use of any available free cash. Typically used for the Capital Plan, OPEB Trust Fund, stabilization accounts, and monetary ATM articles. Typically recommend leaving a portion to fall to next year's free cash.

Looking Ahead

FY24-28 Projected Debt & Capacity

	FY2024	FY2025	FY2026	FY2027	FY2028
	Projected	Projected	Projected	Projected	Projected
Net Regular Debt Service	\$236,614.73	\$217,667.12	\$55,301.08	\$61,378.86	\$57,339.58
% of Net Regular Debt Service to Levy (cap of 4% per Policy)	0.82%	0.73%	0.18%	0.19%	0.18%
Net Excludable Debt	\$2,477,703.88	\$2,313,898.33	\$2,213,677.52	\$2,199,352.52	\$2,169,602.52
% of Excludable Debt to Total Levy (Cap of 11% per Policy)	7.89%	7.18%	6.72%	6.48%	6.22%
% of Aggregate Debt Service Costs to Total Levy (cap of 14% per Policy)	8.64%	7.85%	6.88%	6.67%	6.38%
Levy Limit w/o Debt Exclusions	28,944,816	29,924,155	30,747,978	31,716,677	32,709,594
Levy Limit w/ Debt Exclusions	31,422,519	32,238,053	32,961,655	33,916,029	34,879,196
Max Net Regular Debt (4%)	1,157,793	1,196,966	1,229,919	1,268,667	1,308,384
Max Net Excludable Debt (11%)	3,456,477	3,546,186	3,625,782	3,730,763	3,836,712
Max Aggregate Debt (14%)	4,399,153	4,513,327	4,614,632	4,748,244	4,883,087
Annual Debt Capacity Regular	921,178	979,299	1,174,618	1,207,288	1,251,044
Annual Debt Capacity Excludable	978,773	1,232,287	1,412,105	1,531,411	1,667,109
Annual Debt Capacity Aggregate	1,684,834	1,981,762	2,345,653	2,487,513	2,656,145

FY2024 Budget Calendar

- Departments will present a more in-depth review of their programs, services, and needs during individual presentations beginning on February 23rd
- House Ways & Means Budget, end of April
- Senate Budget, end of May
- Town Meeting: May 6th
- State Budget: Conference Committee by June 30th with State Aid typically finalized by July

FinCom Budget Meeting Schedule

Thursday, February 16, 2023		
	7:00	Town Manager's Preliminary Budget Presentation
Thursday, February 23, 2023		
	7:00	Land Use
	7:30	Council on Aging
	8:00	Library
Thursday, March 2, 2023		
	7:00	Information Technology
	8:00	Police
Thursday, March 9, 2023		
	7:00	DPW
	8:00	Facilities
Thursday, March 16, 2023		
	7:00	Fire
	7:30	Lunenburg Public Schools
Wednesday, March 22, 2023		
	7:00	Administration, Unclassified, Debt Service
	7:30	Monty Tech
Thursday, March 23, 2023		
	7:00	Public Access Committee
	7:30	Sewer
	8:00	Other Monied Articles
Thursday, March 30, 2023		
	7:00	FY2024 Budget Public Hearing and Vote on Recommendations