



PRELIMINARY BUDGET PRESENTATION

THE TOWN OF LUNENBURG

Presented by

Jennifer Warren-Dyment

Town Manager



Fiscal Year 2026 Budget Timeline

July	Sept.	Oct. & Nov.	Dec.	January	Feb.	March	April	May
Capital Planning kickoff Meeting	Depts. compile capital requests	Capital requests vetted by CPC	CPC ranks capital projects Depts. develop operating budgets	Operating budget requests due to Town Manager Governor's budget released on 1.22.25	Town Manager presents Preliminary Budget Finance Committee begins to review budget requests with Depts.	Finance Committee continues to review budget requests with Depts. Town Manager continues to revise budget ATM Warrant closes 3.17.25 Finance Committee Public Hearing 3.13.25	Warrant booklets mailed to residents	Annual Town Meeting 5.3.25 at 9:00 a.m. Annual Town Election 5.17.25



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

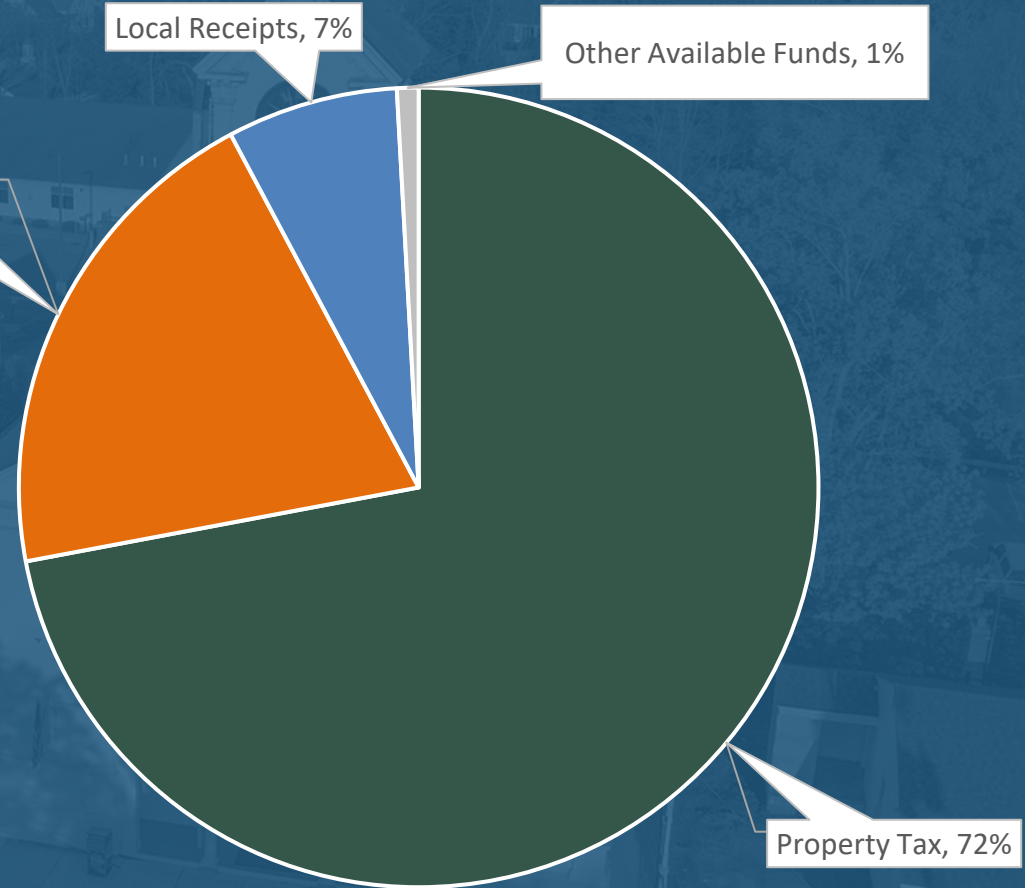
Total: \$48,594,145

Net State Aid, 20%

Local Receipts, 7%

Other Available Funds, 1%

Property Tax, 72%





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



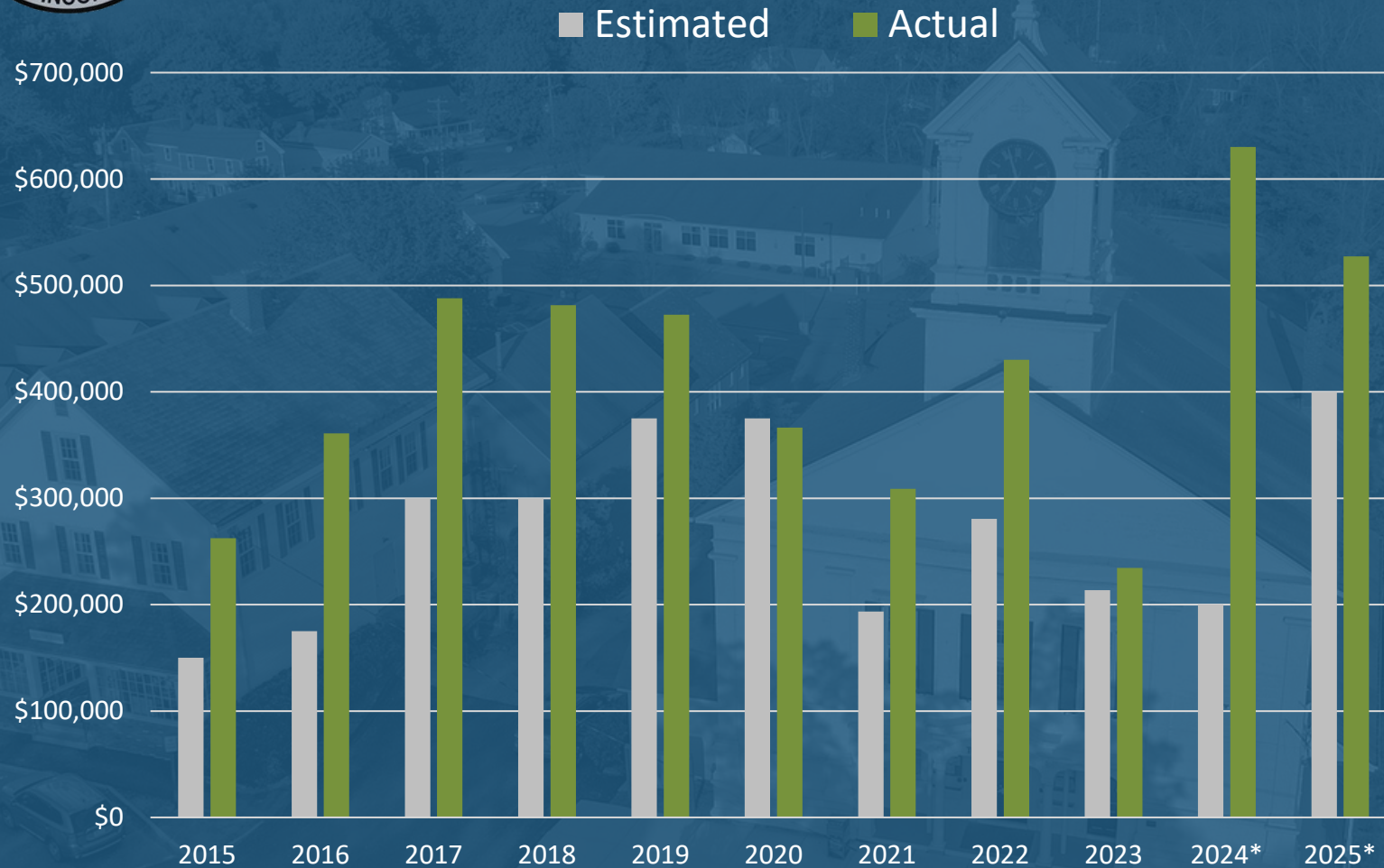
New Growth

What is New Growth?

The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations.



New Growth



- FY 24 and FY25 higher actual new growth due to new construction and parcels missed in '22 and '23

FY 26 New Growth Estimate: \$400,000



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

Definition: Local estimated receipts include motor vehicle, meals and room excises, fines and forfeits, fees, licenses and permits, other departmental receipts, penalties and interest on taxes and excises and investment income. They are separate from real and personal property tax levy receipts and vary greatly in amount among communities.

“Local receipts should be budgeted conservatively and not at historically high levels”- MA Division of Local Services



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 Local Receipts Changes of Note

- Meal and Cannabis Excise Tax: Increased by \$24,020
- Other Departmental Revenue (Ambulance): Increased by \$17,630
- Licenses/Permits: Increased by \$18,812
- Investment Income: Increased by \$14,400
- Misc. Non-Recurring: Increased by \$10,551



FY 2026 Additional Available Revenue

DRAFT ESTIMATE FY '26			
	FY '25	FY '26	Variance +/-
Total Cherry Sheet/State Aide	\$ 10,761,543.00	\$ 11,034,268.00	\$ 272,725.00
Minus Library Offsets	\$ (34,386.00)	\$ (34,448.00)	\$ (62.00)
Minus Sweep of Charter Tuition	\$ (182,801.00)	\$ (63,585.00)	\$ 119,216.00
Minus Sweep of School Choice	\$ (94,912.00)	\$ (104,835.00)	\$ (9,923.00)
Minus Chargebacks	\$ (1,141,559.00)	\$ (1,027,529.00)	\$ 114,030.00
Net Receipts - Cherry Sheet/State Aide	\$ 9,307,885.00	\$ 9,803,871.00	\$ 495,986.00
Minus Overlay	\$ (208,000.00)	\$ (250,000.00)	\$ (42,000.00)
Net Receipts - Local	\$ 3,364,762.50	\$ 3,360,524.00	\$ (4,238.50)
Total Net Receipts	\$ 12,464,647.50	\$ 12,914,395.00	\$ 449,747.50
FY26 Projected Total Tax Levy			Net Increase
Prior Year Levy Limit LESS Debt Exclusions	\$31,602,108		\$ 449,747.50
2 1/2% Increase	\$ 790,052.70		\$ 790,052.70
Estimated New Growth	\$ 400,000.00		\$ 400,000.00
Debt Exclusions	\$ 2,213,677.52		
Estimated Tax Levy	\$35,005,838		
		ALL NEW FY '26 REVENUES	\$1,639,800
	FY25 total \$	FY25 % Breakdown	FY26 Revenue Distribution
Town Dept %	\$ 19,021,795.19	42.15%	\$691,167
School Dept %	\$ 24,881,926.00	55.13%	\$904,098
Tech School %	\$ 1,225,646.00	2.72%	\$44,535
Total	\$ 45,129,367.19	100%	\$1,639,800
(1) Awaiting final discussion and sign off by BoA			



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.

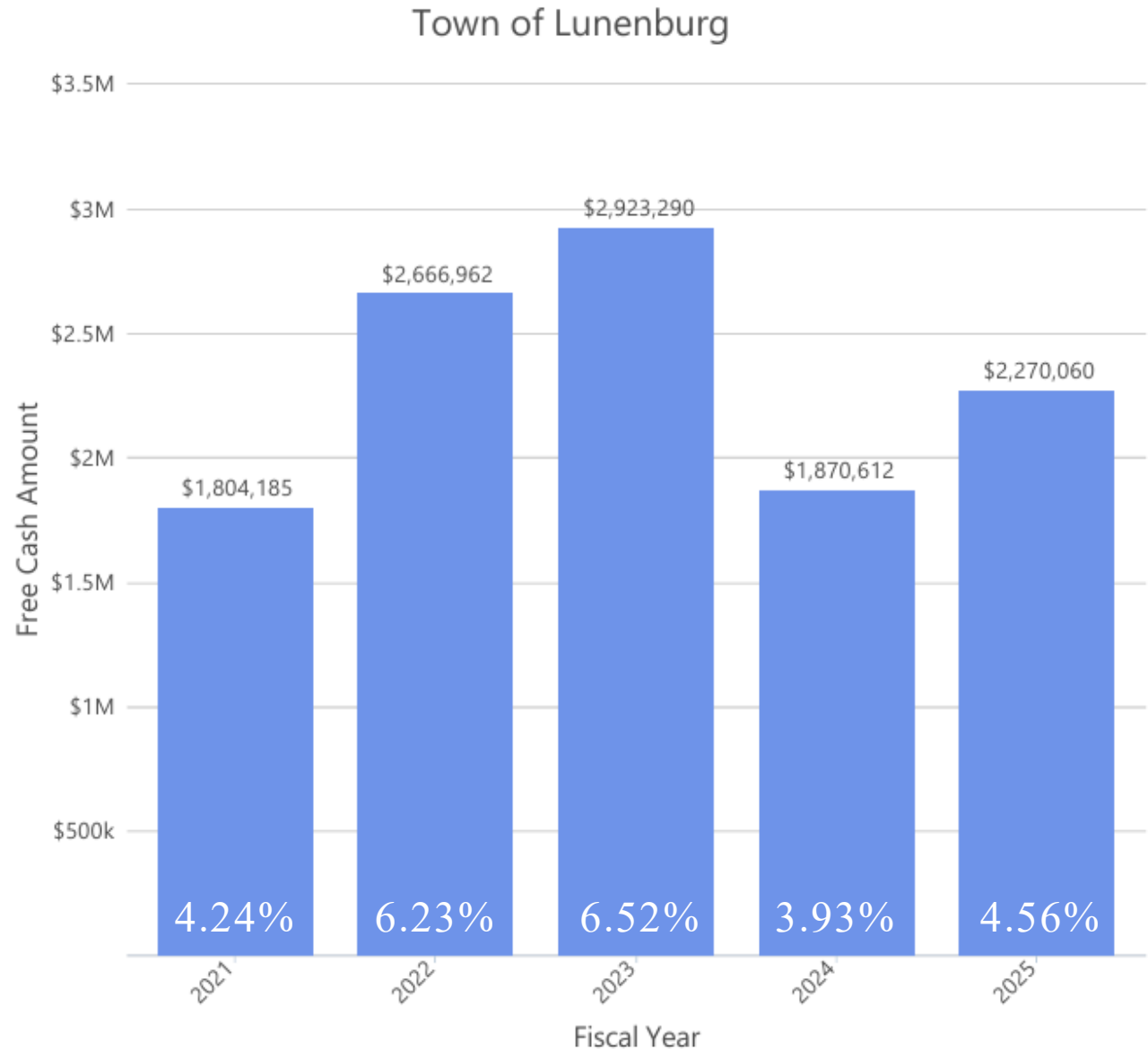
Under sound financial policies, a community strives to generate free cash in an amount equal to 5% to 7% of its annual budget.

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	\$100,000
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	\$250,000



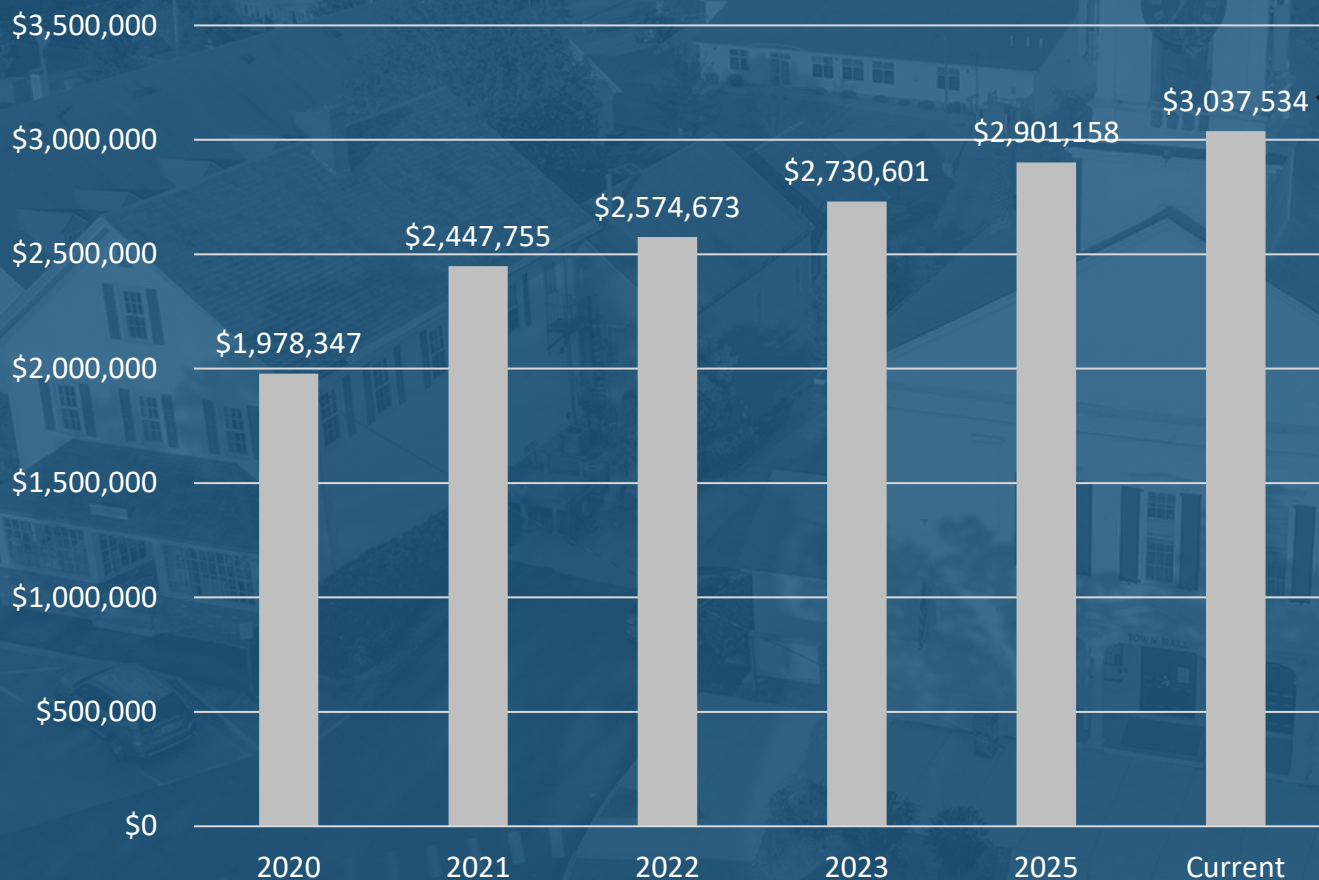
Stabilization Funds

Stabilization Funds are one or more special reserve accounts allowed by MGL c. 40 §§ 5A, 5B, 5C to provide for extraordinary or unforeseen expenditures (a/k/a “Rainy Day Funds”)

The Government Finance Officers Association (GFOA) that a community maintains an overall reserve balance of between 5 and 15% of the overall budget



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*



Special Purpose Stabilization Funds

Vehicle/Equipment: \$2,553,972

Health Insurance: \$10,642

Zoning Incentive: \$246,627

Reserve Capacity: \$9,263

Sewer Inflow & Infiltration: \$5,486

*Plan to transfer \$250,000 in Free Cash into
Special Purpose Stabilization Fund(s)*



Other Post Employment Benefits OPEB

Other Post-Employment Benefits that an employee will receive at the start of retirement.

This does not include pension benefits paid to the retired employee but does include medical, dental, vision, life insurance, disability insurance and any other OPEB benefits, whether optional or mandatory, in effect now or to be in effect in the future, at the time of retirement.

Total OPEB liability as of June 30, 2024: \$52,294,353
(2.69% funded)

*Free Cash policy calls for a transfer of
\$222,500 to the OPEB Trust Fund*



Other Planned Uses of Free Cash

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: \$501,250

- Snow and Ice Deficit: \$415,000
- School- SPEC Move In: \$50,000
- CAREs Grant: \$36,250

FY 2026 Capital Program: \$615,588

FY 2027 "Starting Free Cash": \$383,162



FY 2026 PRELIMINARY EXPENDITURES



FY 2026 Expenditure Summary

Category	FY24 Budget	FY24 Actual	FY25 Budget Revised (Includes STM & Transfers)	FY 26 Town Manager Prelim. Recommendation
Maturing Debt	\$3,518,012.81	\$3,518,012.81	\$2,941,321.50	\$2,547,440.36
General Government Unclassified	\$4,144,368.33	\$3,283,351.14	\$4,293,122.97	\$4,646,870.10
General Government	\$2,029,547.88	\$1,929,643.82	\$2,550,827.14	\$2,529,486.74
Central Purchasing	\$80,300.00	\$86,814.07	\$86,463.82	\$84,500.00
Police	\$2,347,144.21	\$2,230,663.51	\$2,443,733.09	\$2,456,249.51
Fire	\$1,642,259.90	\$1,533,457.69	\$1,685,438.76	\$1,724,599.37
Radio Watch	\$312,993.24	\$309,405.57	\$305,313.71	\$310,763.90
Other Protection	\$288,829.03	\$192,182.40	\$56,425.00	\$56,425.00
Health & Sanitation	\$108,705.15	\$107,162.27	\$117,818.75	\$126,996.30
DPW	\$2,175,540.24	\$2,184,057.84	\$2,235,172.85	\$1,777,638.01



FY 2026 Expenditure Summary

Category	FY24 Budget	FY24 Actual	FY25 Budget Revised (Includes STM & Transfers)	FY 26 Town Manager Prelim. Recommendation
Facilities and Buildings	\$983,851.71	\$988,878.27	\$1,006,695.00	\$1,040,396.30
Solid Waste/Recycling	\$352,775.00	\$340,406.00	\$469,775.00	\$470,000.00
COA	\$229,647.85	\$220,550.47	\$241,081.74	\$252,267.42
Veterans	\$110,775.00	\$63,783.03	\$110,775.00	\$90,699.00
Schools (Lunenburg & Monty Tech)	\$25,082,518	\$23,893,379.79	\$26,312,832.00	\$27,121,995.00
Library	\$555,780.60	\$536,761.53	\$591,860.36	\$650,518.04
Tax Title	\$29,000.00	\$13,537.67	\$29,000.00	\$30,500.00
Worcester Regional Retirement	\$1,917,969.00	\$1,917,969.00	\$2,127,801.00	\$2,392,572.00



Maturing Debt

FY 2026 Town Manager Proposed Budget: \$2,547,440.36

- \$393,881.14 Decrease
- 13.39% Decrease

Debt service is decreasing as borrowing is paid down.

\$284,412.00 of the savings is being utilized to fund the FY26 capital program.

The remainder of the savings (\$109,469) is being utilized to offset other areas of the operating budget. This is not a budgeting “best practice”.



General Government Unclassified

FY 2026 Town Manager Proposed Budget: \$4,646,870.10

- \$353,564.13 Increase
- 8.24% Increase
- Items of Note:
 - Health Insurance increase of 14.84%
 - Medicare estimated increase of \$24,823 (6.62%)
 - Salary reserve increased by \$120,000
 - No change of significance in Liability Insurance as Town Manager Lemieux negotiated a rate guarantee
 - Unemployment level funded. May need to be increased if positions are eliminated.



General Government

FY 2026 Town Manager Proposed Budget: \$2,529,486.74

- \$21,340.40 Decrease
- .84% Decrease
- Items of Note:
 - \$50,000 Grant Manager position has not been utilized in FY25. Discussion to be had on changing the role to Grant and Contract Manager
 - Succession Planning required in Town Accountant's Office
 - IT- Increased hours for staff support, Network Administrator position remains unfunded, Telephone charges moved from Central Purchasing
 - Elections decreased (Presidential election)
 - Building, Planning, ConCom, ZBA consolidated under Land Use Department



Central Purchasing

FY 2026 Town Manager Proposed Budget: \$84,500

- \$1,963.82 Decrease
- 2.27% Decrease
- Items of Note:
 - All Town postage moved from individual budgets to Central Purchasing
 - Hardware maintenance moved from Central Purchasing to IT budget



Police

FY 2026 Town Manager Proposed Budget: \$2,456,249.51

- \$12,516.42 Increase
- .51% Increase
- Items of Note:
 - Contract negotiations for FY26-FY28 are beginning
 - Recruitment ongoing for Police Chief
 - K9 Care increased by \$20,049.84 (105%)



Fire

FY 2026 Town Manager Proposed Budget: \$1,724,599.37

- \$39,160.61 Increase
- 2.32% Increase
- Items of Note:
 - Does not incorporate 4th shift/42 hour week proposal



Radio Watch

FY 2026 Town Manager Proposed Budget: \$310,763.90

- \$5,450.19 Increase
- 1.79% Increase
- Item of Note:
 - Regional Dispatch decreases if Hudson joins



Other Protection

FY 2026 Town Manager Proposed Budget: \$56,425.00

- \$95,388.80 Decrease
- 62.83% Decrease
- Items of Note:
 - Building Commissioner moved from Other Protection to Land Use under General Government (no actual savings)



Health and Sanitation

FY 2026 Town Manager Proposed Budget: \$126,996.30

- \$9,177.56 Increase
- 7.79% Increase



DPW

FY 2026 Town Manager Proposed Budget: \$1,777,638.01

- \$457,534.84 Decrease
- 20.47% Decrease
- Items of Note:
 - New Union representation for employees
 - Contract has not been negotiated for FY25 or FY26
 - \$550,000.00 pavement management line reduced to zero to balance budget. Will rely on Chapter 90 funding (FY25 amount: \$418,227.26)
 - Drainage increased by \$15,000 (25%)
 - Snow contracted services increased by \$110,500
 - Park purchase of services increased by \$10,000



Facilities and Buildings

FY 2026 Town Manager Proposed Budget: \$1,040,396.30

- \$33,701.30 Increase
- 3.35% Increase
- 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



Solid Waste & Recycling

FY 2026 Town Manager Proposed Budget: \$470,000.00

- \$225.00 Increase
- .05% Increase



Council on Aging

FY 2026 Town Manager Proposed Budget: \$252,267.42

- \$11,185.68 Increase
- 4.64% Increase
- Items of Note:
 - Increased staff to 36 hour per week position



Veterans

FY 2026 Town Manager Proposed Budget: \$90,699

- \$20,076.00 Decrease
- 18.12% Decrease
- Items of Note:
 - Reduction does not affect benefits received by Lunenburg veterans.



Schools

FY 2026 Town Manager Proposed Budget: \$27,121,995.00

- \$809,163 Increase
- 3.08% Increase
- \$25,787,474 to Lunenburg Public Schools
- \$1,334,521 to Monty Tech



Library

FY 2026 Town Manager Proposed Budget: \$650,518.04

- \$58,657.68 Increase
- 9.91% Increase
- Items of Note:
 - Additional staff hours



Tax Title

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

- \$1,500.00 Increase
- 5.17% Increase



Worcester Regional Retirement

FY 2026 Town Manager Proposed Budget: \$2,392,572

- \$264,771 Increase
- 12.44% Increase
- Non-Discretionary



What's Next?

We will continue to revise budgets over the next several weeks.

Finance Committee Public Hearing 3.13.25

Annual Town Meeting 5.3.25 at 9:00 a.m.

State Budget finalized by early summer



THANK YOU