

FY24 BUDGET TOWN OF LANCASTER

Select Board Meeting
Monday, March 20, 2023

THE PATH TO THIS POINT

- July 2022 – Department Heads Received New Budget Instructions & Training
- August 15, 2022 - Capital Inventory & Request Sheets due to TA/Finance
- September 10, 2022 – FY24 Budget Request Sheet Templates distributed to Department Heads
- October 21, 2022 – Initial GF Budget Proposals from Staff due to TA/Finance

\$4.1M Capital Requests; \$1.9 M Deficit
School Projections: Nashoba 6.5%; Minuteman 5%
- Early November 2022– TA/Finance Undertake Initial Staff-Level Cuts to Create First Pass at FY24 Budget

1st Cuts: \$2.5M Capital Requests; \$1.81 M Deficit
School Projections: Nashoba 6.5%, Minuteman 5%

- November 12, 2022 – Saturday Joint Meeting with Select Board, Finance Committee & Department Heads

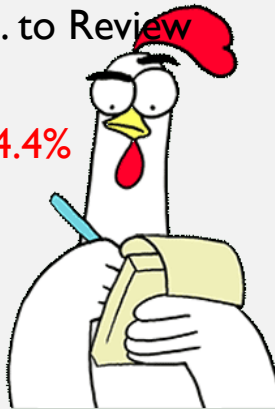
2nd Cuts: \$2.1M Capital Requests; \$1.76 M Deficit.
School Projections: Nashoba 6.2%; Minuteman 4.75%
- December 19, 2022 – Joint Meeting of SB & Fincom (Capital Budget)

3rd Cuts: \$1.4M Capital Projects (ARPA ONLY);

Jan & Feb 2023 – Additional Staff-Level Meetings with Departments and School.

4th Cuts: Reduce Deficit to \$1.5 M
School Projections: Nashoba 5.72%; Minuteman 4.75%
- February 27, 2023 – Joint Meeting of SB & Finance Comm. to Review FY24 DRAFT Budget Proposal

Last Cuts: \$1.3M Deficit, Nashoba 5.35%; MM 4.4%

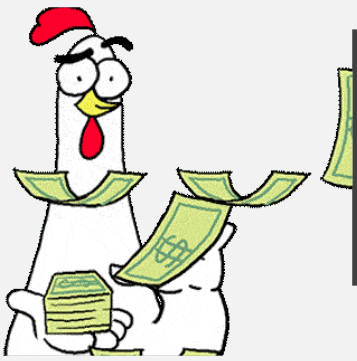


BOTTOM LINE – BOTTOM DOLLARS

Current Positions

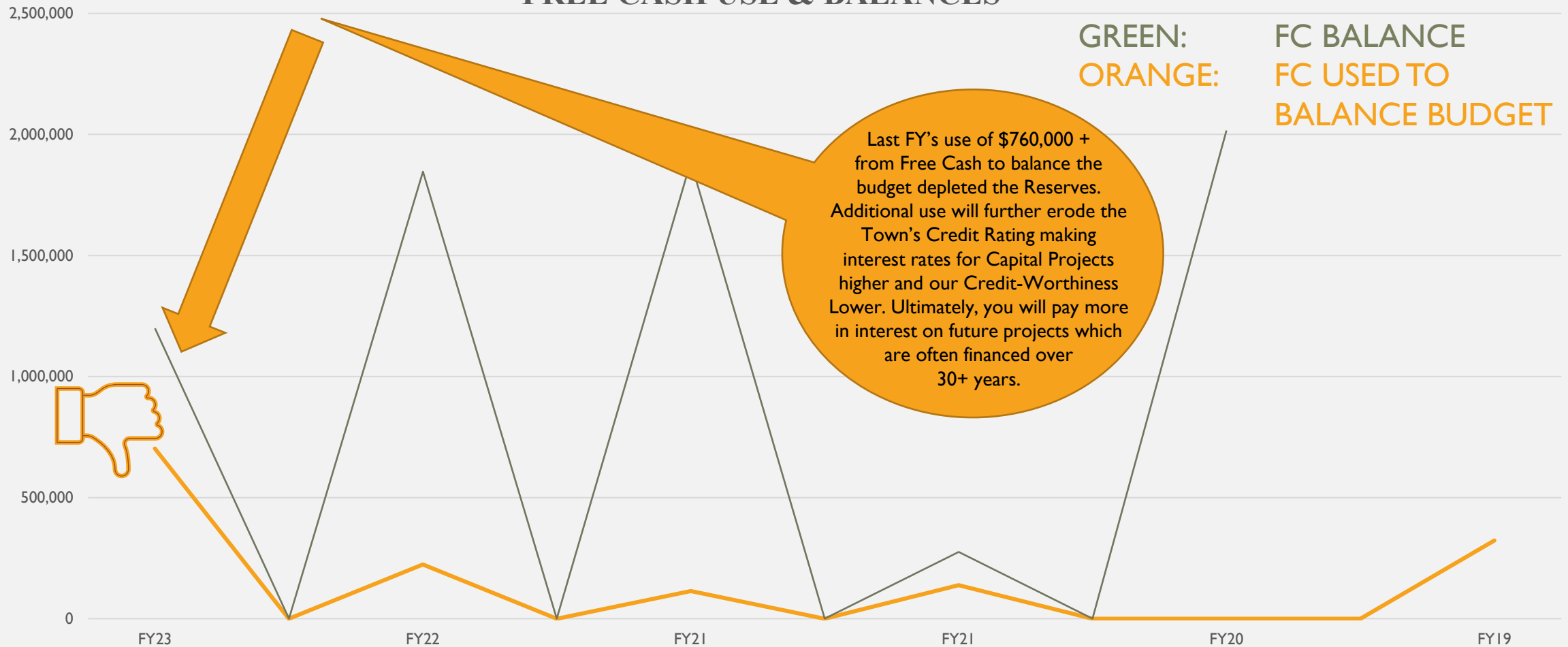
- **Deficit \$1.15 M - Override \$1.2 M** (was \$1.3)
- **Nashoba 4.8% - Minuteman 4.4%**





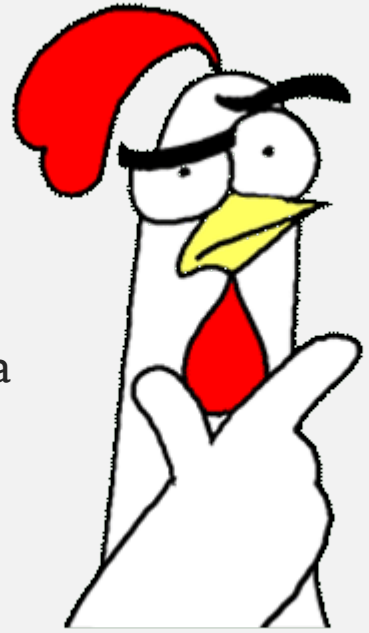
FREE CASH HISTORY

FREE CASH USE & BALANCES



MAJOR BUDGET DRIVERS

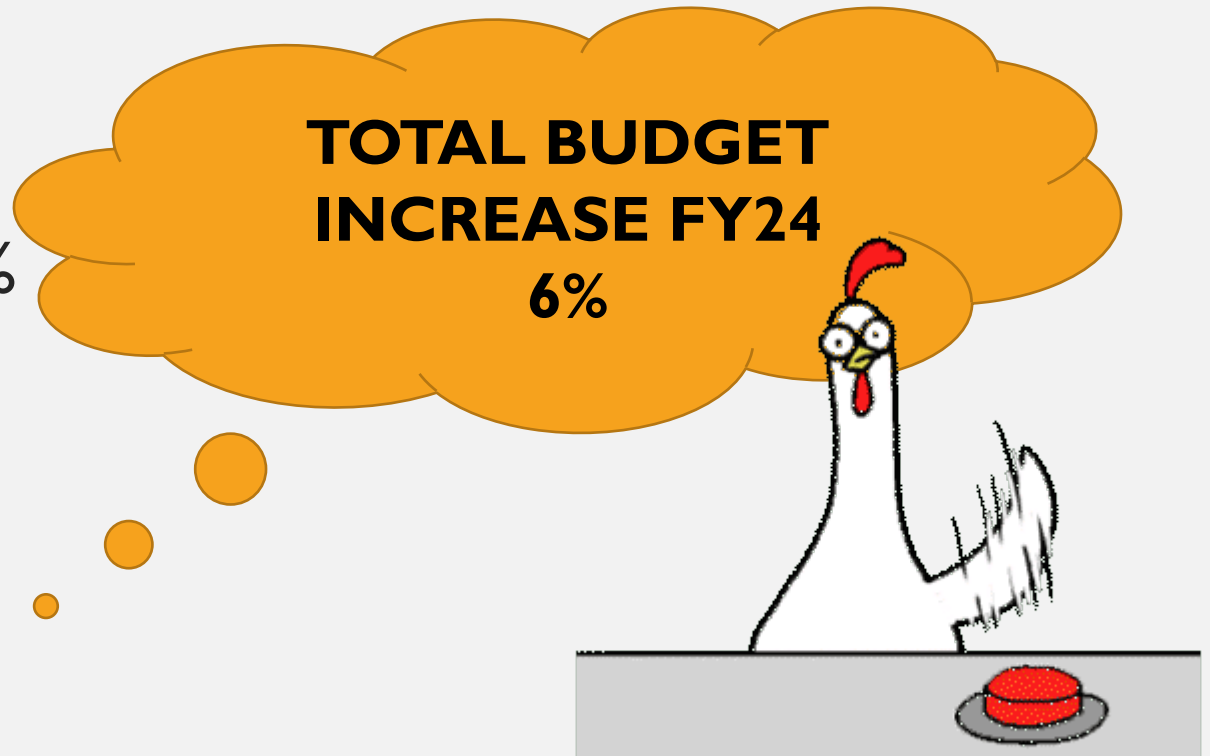
- 19 ½ % *increase* in Municipal Costs related to: Utilities, Building Supplies, Salt/Sand, Legal Fees and Certain Insurances.
- All Town Labor Unions are currently negotiating successor agreements; Town has an obligation to *hold more than 2%* until contracts are settled.
- Lancaster is *paying the debt services* on the renovations done to the Prescott Building & Nashoba High School.
- Nashoba's Teachers Unions are also negotiating their successor agreement so the School must carry more than the minimum to ensure we meet our obligations.
- Nashoba's 5-year rolling average for enrollment has increased while the other Towns have decreased.
- Minuteman's enrollment relative to Lancaster Students has risen; Minuteman's per pupil cost is higher than Nashoba due to materials and machinery for the technical portion of their programming.
- Bussing services for all schools have increased; Minuteman is over an hour from Lancaster and costs a great deal more than bussing to Nashoba High.

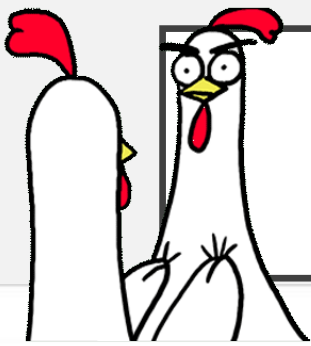


FY24 AGGREGATES

REVENUE	+ 3 ³ / ₄ %
PERSONNEL	+ 3 ³ / ₄ %
EXPENSES	+ 19 ¹ / ₂ %
DEBT	(- 3 %)
INSURANCES	+ 2.6 %
MINUTEMAN	+ 4.2 %
NASHOBA	+ 4 ³ / ₄

**TOTAL BUDGET
INCREASE FY24
6%**



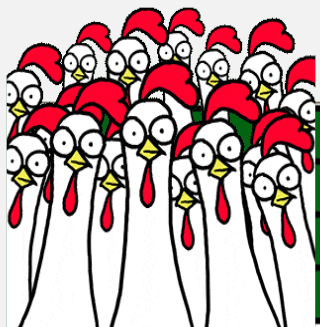


NASHOBA ENROLLMENT 5-YEAR AVERAGES

Five Year Rolling Foundation Enrollments						
Updated 3/1/23		Preliminary FY24	FY23	FY22	FY21	FY20
Town:	FIVE YEAR TOTAL	1-Oct-22	1-Oct-21	1-Oct-20	1-Oct-19	1-Oct-18
Bolton:	5,119	1,011	1,030	1,054	1,004	1,020
Lancaster:	4,852	1,014	983	969	940	946
Stow:	5,614	1,083	1,124	1,115	1,138	1,154
Total:	15,584	3,107	3,137	3,138	3,082	3,120

FOR OPERATING ASSESSMENT

Updated 3/1/23					
Town:	FY 21	FY 22	FY 23	FY 24	Change
Bolton:	32.2388430%	33.0927901%	32.9001913%	32.8453542%	-0.0548371%
Lancaster:	30.1843461%	30.5511208%	30.8753189%	31.1318018%	0.2564830%
Stow:	37.5768109%	36.3560892%	36.2244898%	36.0228439%	-0.2016459%
Total:	100.0000000%	100.0000000%	100.0000000%	100.0000000%	0.0000000%



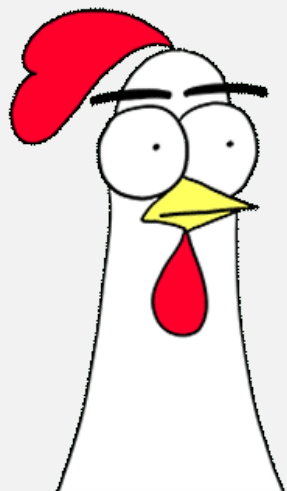
Voted FY 23 Budget	\$ 62,225,818
Proposed FY 24 Budget	\$ 64,902,630
Increase (\$)	\$ 2,676,812
Increase (%)	4.30%

NASHOBA BUDGET DRIVERS

Budget Drivers	FY22 Actual	FY23 Voted	FY24 Proposed	One Year Change %	One Year Change \$\$	% of \$ Increase
Salaries for Existing Personnel <i>(incl. subs.)</i>	\$38,111,366	\$40,696,626	\$41,534,123	2.06%	\$837,497	31.29%
Insurance and Benefits	\$8,844,345	\$10,068,813	\$10,505,102	4.33%	\$436,289	16.30%
Special Education <i>(non-salary, w/o transp.)</i>	\$1,385,674	\$1,360,566	\$2,155,885	58.46%	\$795,319	29.71%
Transportation: Regular Day/Late/MV	\$2,118,031	\$2,297,740	\$2,260,820	-1.61%	(\$36,920)	-1.38%
Transportation: SPED	\$62,627	\$131,250	\$259,498	97.71%	\$128,248	4.79%
Utilities <i>(gas, electric, propane, telephone)</i>	\$1,315,950	\$1,110,500	\$1,392,400	25.38%	\$281,900	10.53%
Facilities Department <i>(non-salary)</i>	\$1,505,289	\$1,679,965	\$1,798,047	7.03%	\$118,082	4.41%
High School Debt Service	\$562,543	\$544,713	\$597,141	9.62%	\$52,428	1.96%
Deficit Bond Payment	\$0	\$0	\$0	0.00%	\$0	0.00%
SPED Assessment	\$0	\$20,877	\$0	-100.00%	(\$20,877)	-0.78%
School Choice Assessment	\$514,325	\$500,000	\$497,910	-0.42%	(\$2,090)	-0.08%
Charter School Assessment	\$517,516	\$515,746	\$506,461	-1.80%	(\$9,285)	-0.35%
Reserve Fund (statutory)	\$0	\$0	\$0	0.00%	\$0	0.00%
Salary Reserve	\$0	\$0	\$0	0.00%	\$0	0.00%
Other System-Wide Operating Expenses	\$612,631	\$645,123	\$620,873	-3.76%	(\$24,250)	-0.91%
Site-Based and Department Funds	\$2,427,141	\$2,653,900	\$2,774,370	4.54%	\$120,470	4.50%
TOTAL	\$57,977,437	\$62,225,818	\$64,902,630	4.30%	\$2,676,812	100.00%

FY24 NASHOBA ASSESSMENT ADJUSTMENTS

NRSC Date	Proposed Operating Budget	% Change in Member Town Assessments		
		Bolton	Lancaster	Stow
1/18/23	\$65,532,703	6.04%	7.65%	5.78%
2/1/23	\$65,426,842	5.84%	7.42%	5.58%
2/15/23	\$64,997,516	5.01%	6.51%	4.74%
3/1/23	\$64,902,630	3.32%	4.76%	2.82%
3/8/23	\$64,902,630	3.32%	4.76%	2.82%





MINUTEMEN ASSESSMENT COMPARISONS

	FY24	FY23	Difference	% Change
Enrollment	58	49	9	18.4%
Enrollment- 4 Year Rolling Average	54.50	51.75	2.75	5.3%
% Share Operating	9.5%	9.7%	(0.2%)	(2.3%)
% Share Capital	9.0%	10.0%	(1.0%)	(9.6%)
Minimum Required Contribution	\$806,460	\$694,962	\$111,498	16.0%
Transportation	\$62,435	\$64,502	(\$2,067)	(3.2%)
Operating	\$927,493	\$796,197	\$131,296	16.5%
Debt & Capital – Operating	\$107,058	\$111,949	(\$4,891)	(4.4%)
Debt – Building Project	\$476,175	\$517,900	(\$41,725)	(8.1%)
Total Assessment	\$2,379,621	\$2,185,510	\$194,111	8.9%



MINUTEMAN PER PUPIL ASSESSMENTS

Lancaster	Operating Assessment	October 1 Enrollment Count	Per Pupil Assessment
Est. FY24*	\$1,796,388	58	\$30,972
FY23	\$1,555,661	49	\$31,748
FY22	\$1,619,145	56	\$28,913
FY21	\$1,688,523	55	\$30,700
FY20	\$1,515,549	47	\$32,246

	Enrollment (Rolling 4 yr. Average)	Estimated Minimum Required Contribution	School Choice	Transportation Assessment	Remaining Operation Assessment	Capital/Debt Service	Total FY24 Assessment	Total FY23 Assessment	Difference
ACTON	65.00	\$ 1,348,307	\$ 22,225	\$ 74,464	\$ 1,106,184	\$ 733,618	\$ 3,284,798	\$ 2,841,323	\$ 443,475
ARLINGTON	181.00	\$ 3,419,797	\$ -	\$ 207,354	\$ 3,080,296	\$ 2,225,468	\$ 8,932,916	\$ 7,947,938	\$ 984,978
BOLTON	20.75	\$ 540,671	\$ -	\$ 23,771	\$ 353,128	\$ 281,889	\$ 1,199,459	\$ 893,714	\$ 305,745
CONCORD	29.75	\$ 612,477	\$ -	\$ 34,082	\$ 506,292	\$ 488,844	\$ 1,641,695	\$ 1,508,544	\$ 133,151
DOVER	3.50	\$ 68,053	\$ -	\$ 4,010	\$ 59,564	\$ 117,000	\$ 248,626	\$ 197,427	\$ 51,199
LANCASTER	54.50	\$ 806,460	\$ -	\$ 62,435	\$ 927,492	\$ 583,233	\$ 2,379,621	\$ 2,185,510	\$ 194,111
LEXINGTON	69.50	\$ 1,310,022	\$ -	\$ 79,620	\$ 1,182,766	\$ 929,570	\$ 3,501,977	\$ 3,223,898	\$ 278,079
NEEDHAM	29.75	\$ 655,050	\$ -	\$ 34,082	\$ 506,292	\$ 445,038	\$ 1,640,461	\$ 1,367,739	\$ 272,722
STOW	50.25	\$ 1,059,989	\$ -	\$ 57,567	\$ 855,165	\$ 601,803	\$ 2,574,523	\$ 2,145,103	\$ 429,420





OVERRIDE ALTERNATIVES

MUNICIPAL SERVICES

\$500,000 - \$550,000 from Town Departments

- Less Officers per Shift; No Midnights; One Person Patrols
- Loss of Mutual Aid Assistance; Increase in Charges from State Police for Services, Delayed Response Times
- Vacant Buildings; Part Time Staff, loss of services and in-person transactions.
- No Licensed Social Work Services; Community Center Closure on Nights/Weekends.
- No Fire/EMT Services; Private Ambulance Contracts.
- Degradation of Roads, No Pre-Treatment Before Storms

SCHOOL CUTS

\$400,000 - \$450,000 off School Assessments.

- Equates to \$1.3 M in Cuts District-Wide (Nashoba).
- Not Sustainable, Does Not Meet State Requirements (Nashoba & Minuteman).
- Elimination of Extra-Curricular Activities or Specials.
- Deeply Impacts Education for Our Students.
- Impacts to Transportation (Minuteman)

Minuteman and Nashoba Assessments are fixed and set by Regional Agreements. Non-Payment is Considered a DEFAULT.

TAX IMPLICATIONS

\$1.2 Million Override



Proposed Tax Rate Impact Per \$1,000:	0.94
Proposed New Tax Rate Per \$1,000 (Estimated New):	18.13
FY 2023 Average Single Family Assessed Value (Current):	456,209
FY 2023 Average Single Family Tax Bill (Current):	7,842
FY 2023 Average Single Family Tax Bill Impact (Estimated New):	428.84

Assessed Value	Current Estimated Tax Bill	Proposed Estimated Tax Bill	Estimated Tax Bill Impact
250,000	4,297.50	4,532.50	235.00
350,000	6,016.50	6,345.50	329.00
450,000	7,735.50	8,158.50	423.00
550,000	9,454.50	9,971.50	517.00
650,000	11,173.50	11,784.50	611.00
750,000	12,892.50	13,597.50	705.00
850,000	14,611.50	15,410.50	799.00
950,000	16,330.50	17,223.50	893.00
1,050,000	18,049.50	19,036.50	987.00
1,150,000	19,768.50	20,849.50	1,081.00
1,250,000	21,487.50	22,662.50	1,175.00
1,350,000	23,206.50	24,475.50	1,269.00
1,450,000	24,925.50	26,288.50	1,363.00
1,550,000	26,644.50	28,101.50	1,457.00

\$1.3 Million Override

Proposed Tax Rate Impact Per \$1,000:	1.01
Proposed New Tax Rate Per \$1,000 (Estimated New):	18.20
FY 2023 Average Single Family Assessed Value (Current):	456,209
FY 2023 Average Single Family Tax Bill (Current):	7,842
FY 2023 Average Single Family Tax Bill Impact (Estimated New):	460.77

Assessed Value	Current Estimated Tax Bill	Proposed Estimated Tax Bill	Estimated Tax Bill Impact
250,000	4,297.50	4,550.00	252.50
350,000	6,016.50	6,370.00	353.50
450,000	7,735.50	8,190.00	454.50
550,000	9,454.50	10,010.00	555.50
650,000	11,173.50	11,830.00	656.50
750,000	12,892.50	13,650.00	757.50
850,000	14,611.50	15,470.00	858.50
950,000	16,330.50	17,290.00	959.50
1,050,000	18,049.50	19,110.00	1,060.50
1,150,000	19,768.50	20,930.00	1,161.50
1,250,000	21,487.50	22,750.00	1,262.50
1,350,000	23,206.50	24,570.00	1,363.50
1,450,000	24,925.50	26,390.00	1,464.50
1,550,000	26,644.50	28,210.00	1,565.50

IMPORTANT DATES



Budget Forum:

Thursday, March 23rd – 6:00 PM
Old Town Hall Auditorium

Warrant Forum:

TBD

Town Meeting:

Wednesday, May 3rd – 7:00 PM
Mary Rowlandson & Luther Burbank *(if needed)*

Town Election:

Monday, May 8th – 7:00 AM – 8:00 PM
Old Town Hall Auditorium