



# Lakeville FY 2025 Operating Budget

MARCH 11, 2024

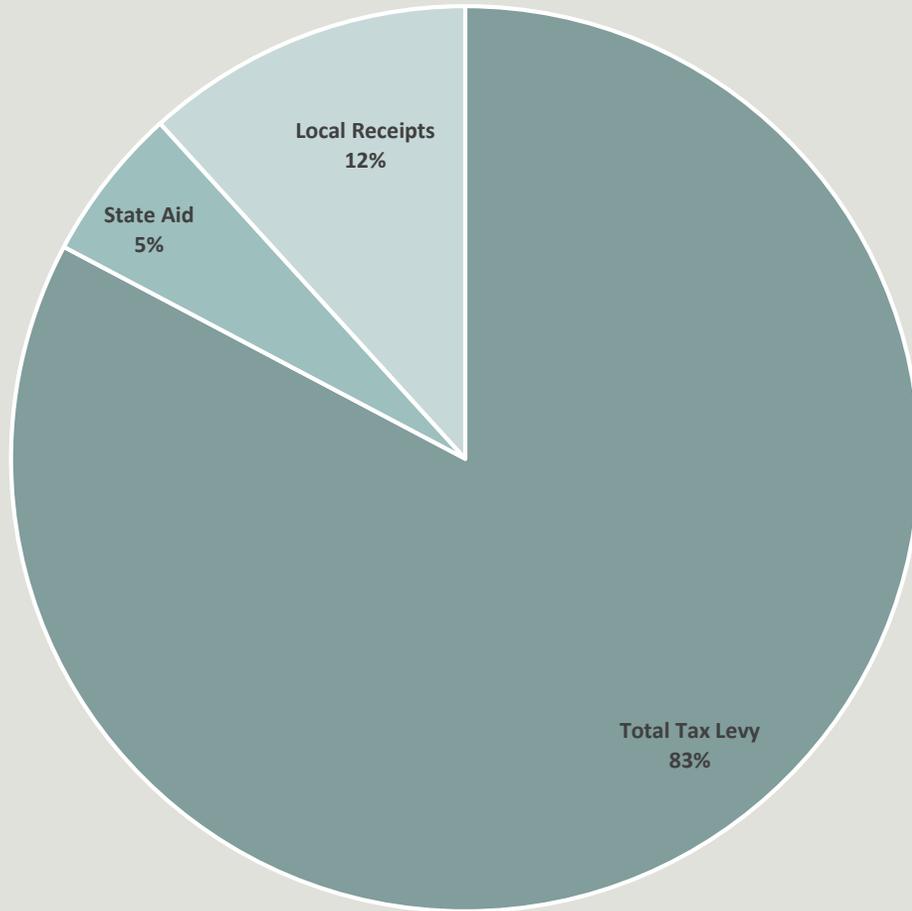
ROBERT G. NUNES, INTERIM TOWN ADMINISTRATOR



# FY 2025 Budget Overview

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- Level service budget
- No employee layoffs
- Fund contractual and non-union personnel obligations
- Department enhancement requests were not funded
- Employee upgrade requests were not funded
- Conservative revenue projections



■ Total Tax Levy ■ State Aid ■ Local Receipts

FY 2025  
Revenue By  
Source -  
\$36,434,781.00

Total  
Operating  
Revenue

Projected Revenues	
Levy	\$28,125,641.00
2.5% Increase	703,141.00
New Growth	129,960.00
Debt Exclusions	890,963.00
LFRSD Exclusions	154,321.00
<b>Total Tax Levy</b>	<b>\$30,004,026.00</b>

Total  
Operating  
Revenue

Projected Revenues	
State Aid	\$2,002,654.00
Local Receipts	4,250,000.00
Free Cash	120,000.00
Septic Loan Program	58,101.00
Total Other Revenue	\$6,430,755.00
<b>Total</b>	<b>\$36,434,781.00</b>

# Property Tax Levy

The property tax is

- A statutory mechanism to fund local government operations
  - Administered by local government
  - Largest source of local government revenue
  - Includes levy, 2.5% increase, new growth, and debt exclusions
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- A debt exclusion is an action taken by a community through a referendum to raise the funds necessary to pay for a project from the property tax levy, but outside the limits of Proposition 2 ½
  - Debt exclusion revenue of **\$1,045,284.00** for Route 79, Police Station and renovation and reconstruction of the Austin School

# New Growth

## Current and Historic New Growth

FY 2025 Projection	\$129,960.00
FY 2024 Certified	\$341,078.00
FY 2023 Certified	\$522,531.00
FY 2022 Certified	\$625,186.00

**Future New Growth: Proposed \$125M development at 43 Main Street  
e.g. permitting fees, real and personal property taxes.**

## State Aid

The two largest forms of state aid for Lakeville are Unrestricted General Aid and Smart Growth School Reimbursement

The following is based on Governor Healey's FY25 Budget Recommendation:

- FY25 State Aid: **\$2,002,654.00**
- Increase in Smart Growth Reimbursement of **\$267,750.00\***
- Net increase of over **\$296,043.00** FY24
- **\*Smart Growth Reimbursement: Annual state reimbursement provided under MGL c. 40S for additional school costs for students living in smart growth zoning districts c. 40R**

### Assessments:

- Cherry Sheet Assessments are charges assessed by the Commonwealth and Plymouth County
- FY25 State Assessments: **\$220,417.00**

# Local Receipts

Examples of local receipts include: motor vehicle excise, meals and rooms, excises, penalties, Medicaid reimbursements, fees, licenses & permits, fines, investment income, charge for service

Motor Vehicle Excise	
FY25 Projected	\$2,260,000.00
FY24 Projected	\$2,000,000.00
FY23 Actual	\$2,257,192.00
FY22 Actual	\$2,155,242.00
Ambulance/EMS Fees	
FY25 Projected	\$1,025,000.00
FY24 Projected	\$1,000,000.00
FY23 Actual	\$1,012,128.00
FY22 Actual	\$1,010,955.00

## Cannabis Revenue

- Not Projected in FY 2025 Budget
- Host Community Agreements (5)

## Legislative Changes to Cannabis Law

- Impact on Host Community and Development Agreements
- Legal issues are ongoing

# Local Receipts

# Free Cash

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Free Cash is defined as unrestricted and available funds for appropriation by Town Meeting

Certified as of July 1 based on the June 30<sup>th</sup> balance sheet, which reflects results from the prior year

Should be considered as non-recurring revenue

Free Cash will be used to fund ongoing capital projects and subsidies for the Parks Commission and Transfer Station.

- **Transfer Station:           \$102,500.00**
- **Parks Commission:       \$17,500.00**

7/1/2024 Free Cash will be certified in the fall of 2024.

<b>Free Cash</b>	
<b>FY24 Certified (7/1/23)</b>	<b>\$3,908,875.00</b>
<b>Balance as of 3/4/24</b>	<b>\$1,587,375.00</b>
<b>FY23 Certified</b>	<b>\$2,125,559.00</b>
<b>FY22 Certified</b>	<b>\$2,417,877.00</b>

# Stabilization Fund

A Stabilization “rainy day” Fund is a special reserve fund into which monies may be appropriated and reserved for a later appropriation

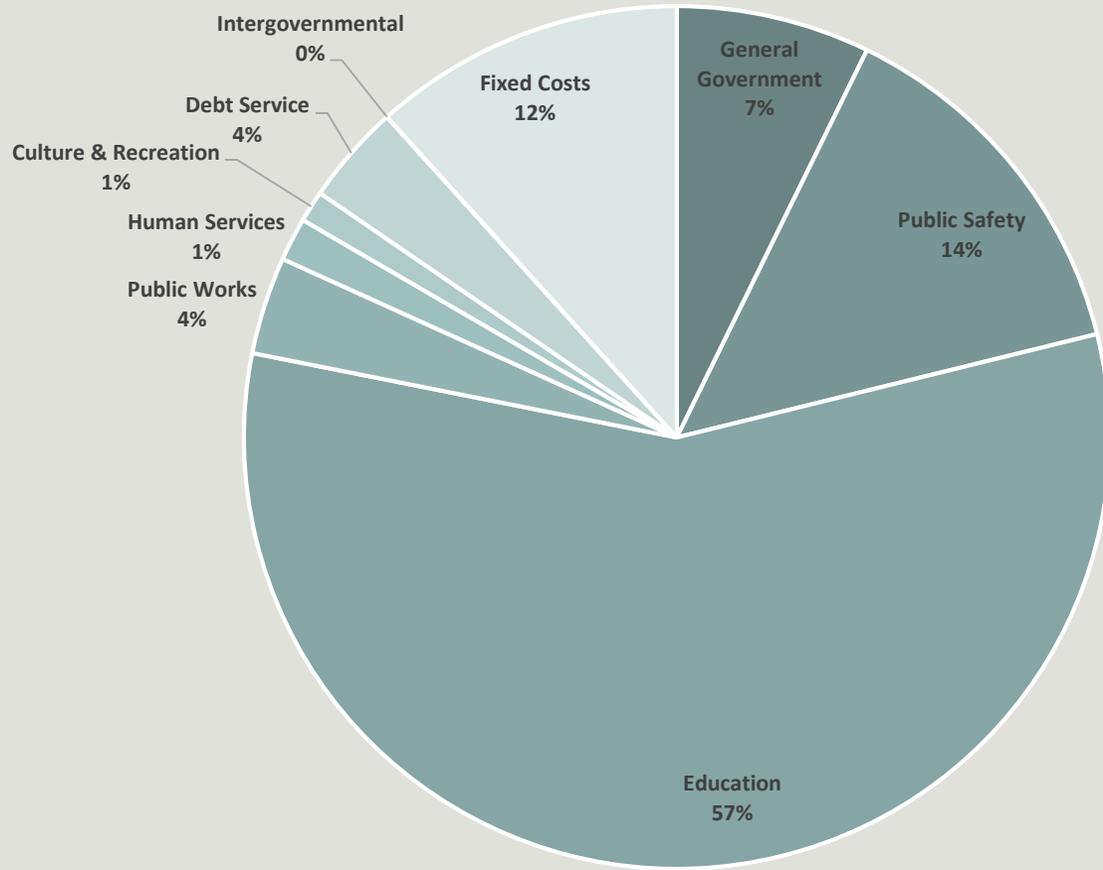
Stabilization Fund balances carry forward from one fiscal year to the next

Interest earned on investment of the balance in this fund remains with the fund

A two-thirds vote of Town Meeting is required to appropriate into or out of the fund, and to amend the purpose of the fund

Current balance in the stabilization fund is **\$2,062,191.00** or 5.6% of the FY25 General Fund Operating Budget

(The percentage does not include enterprise accounts or items to be raised on the Recap Sheet)



FY25 General  
Fund  
Appropriation -  
\$35,872,184.00

# Total Operating Expenditures

\* Does not include Parks or Transfer Station subsidies or items to be raised on the Recap.

Category	FY25 General Fund Appropriation	FY % Change	% of FY25 Budget
General Government	\$2,594,850.00	(5.84%)	7.2%
Public Safety	\$4,987,954.00	4.23%	13.9%
Education	\$20,446,253.00	5.24%	57.0%
Public Works	\$1,310,414.00	2.57%	3.7%
Human Services	\$581,291.00	3.15%	1.6%
Culture & Recreation	\$421,385.00	2.83%	1.2%
Debt Service	\$1,341,823.00	7.95%	3.7%
Intergovernmental	\$2,443.00	0.12%	0.0%
Fixed Costs	\$4,185,771.00	8.48%	11.7%
<b>Total</b>	<b>\$35,872,184.00</b>	<b>4.51%</b>	<b>100%*</b>

# Fixed Costs

## Fixed Costs

- Unemployment
- Group Insurance
- Risk Management

## Health Insurance

- The Town is a member of the Gateway Health Group (Joint Purchasing Arrangement) consisting of the Town of Carver and Old Rochester Regional High School
- The Health Group is self insured
- The Group is currently facing a **\$1.7M** deficit in claims

# Fixed Costs

## Health Insurance

- In order to reduce the deficit and a 17% FY25 premium increase, the following measures will hopefully occur:
  - Pay **\$109,182.00**: the **employer** (December premium holiday) costs in FY24
  - Employees will not be required to pay back the premium holiday
  - Favorable claims for the remainder of FY24
    - Introduce Health Reimbursement Accounts (HRA's)
  - Bid/procure Administrative Services Offices (ASO)
  - Initiate Chapter 32B Sections 21-23
    - Reconvene Insurance Advisory Committee (IAC)
    - Reconvene Public Employee Committee (PEC)

# Fixed Costs

## Health Insurance

- The FY25 health insurance appropriation is fully funded to provide health insurance to employees in the Town's health program
- The FY25 health insurance appropriation is **\$2,208,003.00**, an 8.5% increase over FY24
  - 56 active employees
  - 14 retirees
  - 111 retirees on Medicare supplement plan - Medex
- Recommendation:
  - Procure the services of a Health Care consultant to review claims and seek other health care options for FY26 and beyond

# Fixed Costs

## Retirement

- Lakeville is a member of the Plymouth County Retirement Association
- FY25 Appropriation **\$1,631,268.00**
- FY24 Appropriation \$1,500,803.00
- An increase of **8.5%** over FY24
  - The retirement appropriation is funded as requested by Plymouth County Retirement Board
  - The retirement appropriation has increased **27.5%** since **FY22**
  - The goal of the County is to have the fund fully funded by June 30, 2028
- Other Post Employment Benefits (**OPEB**)
  - Current balance in the OPEB Trust Account: **\$2,872,700.00**
  - Annual Town Meeting Article **\$310,000.00**

# Debt

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Projects reflected in debt appropriation of **\$1,341,823.00**:

- State Revolving Fund – Sewer Projects
- Septic Program
- Police Station
- Route 79 e.g. engineering, land takings
- New Ambulance
- Assawampsett Elementary School Window & Door Project (New debt)

# Public Safety

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## Police

- Budget maintains current staffing

## Fire

- Budget maintains current staffing
- Operating Budget does not fund 4 firefighters hired with ARPA funding
- Recommendation:
  - Fund 4 firefighters with ARPA funding in FY25
  - Total cost: **\$267,173.00**
  - Pursue a SAFER Grant to fund the 4 firefighters beyond FY25

# Education

## Freetown Lakeville Regional School District

- FY25 Appropriation **\$17,144,035.00**
  - A reduction of \$387,582.00 from the original request of \$17,531,617.00
  - Will result in no Proposition 2 ½ Override or cuts to services
  - 1,506 Lakeville students

## Old Colony Regional Vocational High School

- FY25 Appropriation **\$2,735,738.00**
- 152 Lakeville students
- Planning phase for future renovation of High School /new construction

# Education

## Bristol County Agricultural School

- FY25 Appropriation **\$449,980.00** (includes transportation)
- 13 Lakeville students

## Norfolk County Agriculture School

- FY25 Appropriation **\$110,000.00** (includes tuition and transportation)
- 1 Lakeville student

# Enterprise Funds

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Enterprise accounts allows for a separate accounting and financial reporting mechanism for municipal services for which a fee is charged

- Parks
- Transfer Station

Retained Earnings stay with the fund and are certified similar to Free Cash

- Balances in Retained Earnings:
  - Parks: **\$28,434.00**
  - Transfer Station: **\$172,633.00**

# Capital Planning

The Town's Capital Investment Plan (CIP) is based on using conservative financial estimates and procedures

- Projects/equipment are funded through Free Cash, Capital Stabilization Fund, Overlay Surplus and Retained Earnings
- Capital Stabilization Fund Balance: **\$3,539,251.00**  
(Potential funding for partial costs for funding of design, engineering costs etc.. for new Fire Station)

# Capital Planning

## Capital Items proposed in FY 25

- **Police Department**
  - 3 Police Cruisers
  - 7 Tasers
- **Fire Department**
  - Lease/purchase Ladder truck
  - Design/Construct Fire Station (Borrowing to be determined)
- **Animal Control**
  - Truck replacement

# Capital Planning

- **Public Works**
  - Road improvements
  - Riding mower
  - Material removal
  - 1 ton dump truck
  - Pave DPW lot & drainage
  - Radio repeater
  - Roll off truck for transfer station
- **Park**
  - North Fields - Water/Electric hookups

# American Rescue Plan Act (ARPA)

- Approved Projects as of 2/29/24

Plymouth County Allocation	\$2,077,295.00
Water project	332,800.00
Ambulance	572,403.00
Old Town Hall Restroom	183,700.00
Gamache Playground	170,000.00
<b>Available Balance:</b>	<b>818,391.00</b>
Revenue replacement	353,700.00

# American Rescue Plan Act (ARPA)

- Approved Projects as of 2/29/24

<b>Direct Federal Allocation</b>	<b>\$1,210,073.00</b>
Water Feasibility Study	14,800.00
COVID 19 Testing	100,000.00
Outdoor Stage Cover	20,000.00
TW Tennis Courts	44,785.00
New Fields Project	120,000.00
New Fields Supplement	30,000.00
Firefighter Staffing	172,208.00
Investment Earnings	36,832.00
<b>Available Balance</b>	<b>745,112.00</b>

# Questions/Comments

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For additional Information on the FY25 Budget contact:

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