



TOWN OF TYNGSBOROUGH
Office of the Town Manager
Town Offices | 25 Bryant Lane
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TO: Select Board
FROM: Colin Loiselle, Town Manager
DATE: February 10, 2025
RE: Update on FY26 Budget

As we head toward our first Tri-Board Meeting in two weeks I wanted to provide the Select Board with an update on where the FY26 budget stands. Since the last time this budget was presented to the Select Board one major item became clearer – the expected increase in one of our biggest budget drives, health insurance.

As the Board will remember, the initial FY26 budget assumed a 10% increase over FY25 but we expected that the actual increase would come in lower, probably closer to 6%. For reference in FY25 the actual increase was just above 5%. Unfortunately, we've since learned that across the MIA Health Insurance Trust the increase range for all communities is 9.9% to 19%. At best, that means our budget will not change and at worst that means we'll need to increase that line. I don't expect we'll see an increase above 12 or 13 percent but we won't know for certain for another couple of weeks. That said, the budget as presented this evening includes a 10% increase.

Attached to this MEMO is the current version of the Town Manager's recommended budget for FY26. Aside from the health insurance note above, the only other change is that we now have the Governor's Budget proposal which includes a net state aid increase of approximately \$120k for Tyngsborough.

Other budget highlights below:

Revenue

- Updated with revenue through December – no changes to our projections as trends are remaining positive
- Still waiting on confirmation from the Assessors that they're comfortable with the \$800k new growth estimate but cushion built-in in case they don't agree.
- Includes \$1.9M in excluded debt exclusively for the Middle School project.



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- Net state aid increased over FY25 by about \$120k based on Governor's proposal (not final yet)

Expenses

- New Items
 - \$25k to create a full-time shared public safety administrative assistant (\$25k exists already in the FD department budget for a part-time position)
 - \$30k to PD to allow them to enter into a new lease for a new cruiser. This has positive downstream impacts on future capital because front line cruiser can be moved into administrative services.
 - \$1500 stipend in the Emergency Management budget to provide a stipend to the Deputy Emergency Management Director. This is a new focus for the Fire/EMD Departments and the position oversees our new grant funded CERT Team
 - \$9k in the Assessor budget to upgrade the assessing software which has reached end of life but is not eligible for capital.
 - Included a 6% expense increase in the library budget which is part of their five-year plan to achieve the state required 16% material contribution. We've been way below that number for many years and I appreciate the Board of Library Trustees and Director Growney's effort to get the library where it needs to be without having dramatic one-time impacts on the budget.

Additional Budget Considerations

- Structural change (not new positions) in how we are documenting the salary expenses of staff within the newly created Facilities Division of the DPW. Those salaries previously fell under the HWY budget but we wanted to accurately show where money is being spent so it looks like a dramatic increase in Public Buildings but its just a shift of where the money is being budgeted.
- Reduced GF contribution to roads to \$200k which is down \$50k from the original department request. Previous presentations highlighted how this reduction in one year will have no impact on the planned roads projects.
- Year over year we continue to see increased costs for software but we've also been moving nearly all software costs out of individual departments into the IT budget again for accurate reporting of expenditures.
- Still finalizing the collective bargaining agreement with the Fire Union so those numbers might change slightly.



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Middle School Debt

| | |
|---|-----------------------|
| FY26 Debt Service on Middle School | \$2,970,169.72 |
| Less GF Contribution (on budget) | \$900,000 |
| Less Lakeview Lease Contribution | \$100,000 |
| Tax Impact via Debt Exclusion FY26 | \$1,970,169.72 |

Overall Budget Position

| | |
|--|-----------------|
| Projected GF Revenue | \$50,116,494.36 |
| Projected Excluded Debt Revenue | \$1,970,169.72 |
| TOTAL REVENUE | \$52,086,664.08 |
| Total FY26 Budget (as of 2.10.25) | \$51,899,340.75 |
| Surplus | \$187,323.33 |

You'll remember that in previous presentations we talked about the "surplus" and where I was most comfortable keeping that number.

Right now, that number is slightly above where I'd love for it to be (~\$150k) but that number will come down slightly once we know for sure what the Health Insurance increase will be, once we know for sure what the new growth number will be, and once we are certain about the GLTHS increase.

If we needed additional flexibility, we'd reduce the \$200k to roads down to \$150k which again is still sufficient to cover this year's road program which is valued at just shy of \$1.2M.