



# FY2026 Budget Forecast

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DECEMBER 6, 2024



# Revenue Forecast

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FY2026 Revenues: \$136.3 million

Potential updates to the FY2026 revenue forecast:

- New Growth may be able to be revised upward modestly
- Local Receipts slightly reduced from FY2025
- State Aid
  - FY2026 State Budget expected in January
  - Consensus Revenue Forecast by state budget writers Fall/Winter



# Expenditures Outlook

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Three categories:

- Town Departments
- School Department
- Shared = employee benefits / insurance, debt service, etc.

	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>
Schools	\$62,647,939	\$68,038,389	\$74,448,060
Shared	\$36,824,839	\$34,182,106	\$36,966,887
Town	\$31,483,787	\$32,886,871	\$34,353,165
Total	\$130,956,565	\$135,107,366	\$145,768,113



# Shared Costs

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## Employee Benefits

- Milton Retirement System
- Medicare
- Health Insurance
- Other Post Employment Benefits (OPEB)
- Unemployment

## General Insurance

## General Fund Debt Service

## Reserve Fund

## Audit

## State Assessments



# Shared Costs

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## Milton Retirement System

- FY2025: \$4,540,705
- FY2026: \$4,696,318
  - FY2026 includes the normal cost for future benefits of current employees + an additional \$1 million to build reserves

## Medicare:

- FY2025: \$1,215,000
- FY2026: \$1,275,750

## Health Insurance

- FY2025: \$12,731,097
- FY2026: \$15,507,207
  - FY2026 with a significant increase due to FY2025 premium holiday and one-time funds being restored; higher census; and 10% premium forecast



# Shared Costs

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## Health Insurance

- Claims: FY2025 claims tracking ahead of recent years which means our anticipated premium increase must be very conservative at this point: 10% increase
  - 1% increase in premiums = approx. \$125,000 cost increase
- Enrollment: FY2025 enrollments above forecast which means we need to increase our budget to accommodate increased costs

	FY2025 Forecast	October 2025 Actual	Change
Individual	307	305	-2
Family	391	409	18
Total	698	714	16

- Example: BCBS Family plan
- Total Annual Premium: \$30,714.12
- Town share (76%): \$23,342.73
- Employee share (24%): \$7,371.39



# Shared Costs

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## Other Post Employment Benefits (OPEB)

- FY2025: \$1,500,000
- FY2026: \$1,562,500
  - FY2026 meets the Town's policy of contributing \$2.5 million to its long-term liabilities. With \$1 million going into the Milton Retirement System, the remaining share, plus 2.5%, is dedicated to OPEB

## Unemployment

- FY2025: \$100,000
- FY2026: \$100,000
  - FY2026 is level funded, but may need to be adjusted in a non-override budget year.



# Shared Costs

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## General Insurance

- FY2025: \$1,456,000
- FY2026: \$1,572,480
  - FY2026 is currently based on an 8% increase, but we will receive updated information from the Town's insurer in February/March

## Reserve Fund

- FY2025: \$250,000
- FY2026: \$250,000
  - FY2026 is level funded, but may need to be adjusted in a non-override budget year.





# Shared Costs

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## State Assessments

- FY2025: \$4,685,304
- FY2026: \$4,767,959
  - FY2026 is currently based on a 2% increase, but we will receive updated information when the Governor's budget is released in January

## General Fund Debt Service

- FY2025: \$5,817,961
- FY2026: \$6,064,936
  - FY2026 includes authorized, but unissued debt.
  - New capital projects approved for borrowing at the May 2025 Annual Town Meeting are not forecast to impact the budget until FY2027.

## Audit

- FY2025: \$65,500
- FY2026: \$76,050



# Departmental Budgets

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Level Service only:

## Town Departments

- FY2025: \$32,886,871
- FY2026: \$34,353,165 (\$1.46 million, or 4.4% increase)

## School Department

- FY2025: \$67,225,230
- FY2026: \$73,573,914 (\$6.3 million, or 9.44% increase)
  - Note: Blue Hills Regional Vocational Technical High School not included



# FY2026 Forecast

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FY2026 Revenues: \$136.3 million

FY2026 Expenditures: \$145.8 million

Deficit: -\$9.5 million



# Balanced Budget

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## Non-override balanced budget scenario:

- Use of Free Cash to support the budget
  - \$1 million for Milton Retirement
  - \$1.56 million for OPEB
  - \$250,000 for the reserve fund
  - \$94,956 other operating budget support
- Use of Free Cash for other items:
  - \$1 million for town and school capital
  - \$155,666 for opioid settlement purposes, as required by the settlements
  - \$500,000 for general stabilization due to growing budget and lack of contribution in FY2025
- Town and school department budgets will need to be less than a 2% increase from FY2025 to FY2026 to balance the budget in a non-override scenario.