



# FY2026 Budget Update

---

JANUARY 7, 2025



# Revenue Forecast

---

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

---

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  | \$36,977,982  |
| Town    | \$31,483,787  | \$32,886,871  | \$34,392,929  |
| Total   | \$130,956,565 | \$135,107,366 | \$145,818,971 |



# Shared Costs

---

## 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

---

## 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

---

## 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 | November 2025 Actual | Change |
|------------|-----------------|----------------------|--------|
| Individual | 307             | 306                  | -1     |
| Family     | 391             | 409                  | 18     |
| Total      | 698             | 714                  | 17     |

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



# Departmental Budgets

---

Level Service only:

## Town Departments

- FY2025: \$32,856,871
- FY2026: \$34,392,929 (\$1.5 million, or 4.7% 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

---

FY2026 Revenues: \$136.3 million

FY2026 Expenditures: \$145.8 million (level service)

Deficit: -\$9.6 million

Needs based requests increase the anticipate expenditures:

Schools:

Year 1: \$1,367,000

Year 2: \$822,500

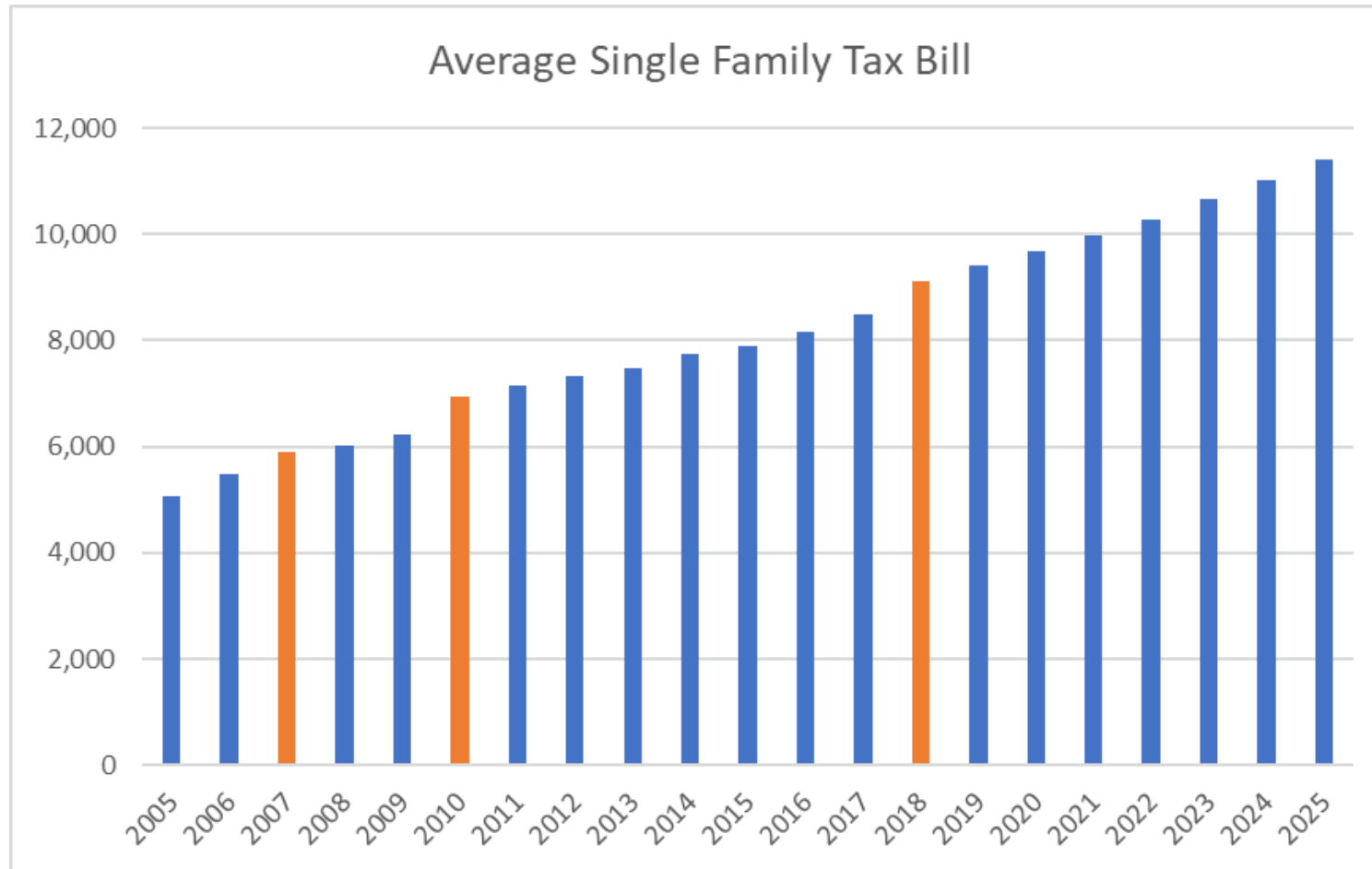
Town:

\$2 million in *departmental requests* for FY2026





# Property Tax Levy



| Fiscal Year | Change from Prior Year |
|-------------|------------------------|
| 2007        | 8.0%                   |
| 2008        | 1.8%                   |
| 2009        | 3.4%                   |
| 2010        | 11.5%                  |
| 2011        | 3.0%                   |
| 2012        | 2.6%                   |
| 2013        | 2.0%                   |
| 2014        | 3.6%                   |
| 2015        | 1.8%                   |
| 2016        | 3.5%                   |
| 2017        | 3.9%                   |
| 2018        | 7.4%                   |
| 2019        | 3.4%                   |
| 2020        | 2.9%                   |
| 2021        | 3.0%                   |
| 2022        | 3.1%                   |
| 2023        | 3.8%                   |
| 2024        | 3.2%                   |
| 2025        | 3.6%                   |



# Property Tax Levy

|                                    | FY2025 Budget | FY2026 Forecast |              |            |
|------------------------------------|---------------|-----------------|--------------|------------|
| Previous Levy Limit                | \$95,438,796  | \$99,114,881    |              |            |
| Add 2.5% Levy                      | \$2,385,970   | \$2,477,872     |              |            |
| New Growth                         | \$1,290,115   | \$850,000       |              |            |
|                                    |               |                 |              |            |
| Subtotal                           | \$99,114,881  | \$102,442,753   |              |            |
|                                    |               |                 |              |            |
| Debt Exclusion                     | \$1,794,934   | \$1,336,993     |              |            |
| Special Purpose Debt Stabilization | \$534,246     | \$992,187       |              |            |
| Legally obligated medical expenses | \$500,000     | \$500,000       |              |            |
| Subtotal                           | \$2,829,180   | \$2,829,180     |              |            |
|                                    |               |                 | \$ Increase  | % Increase |
| Maximum Allowed                    | \$101,944,061 | \$105,271,933   | \$3,327,872  | 3.2%       |
| Override                           | \$0           | \$9,500,000     |              |            |
|                                    | \$101,944,061 | \$114,771,933   | \$12,827,872 | 12.58%     |



# Balanced Budget

---

## 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.
  - Factors that may change this: revenue, particularly state aid and health insurance enrollments/premium