



# FY2026 Budget Update

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JANUARY 7, 2025



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



# 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

## 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

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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

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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

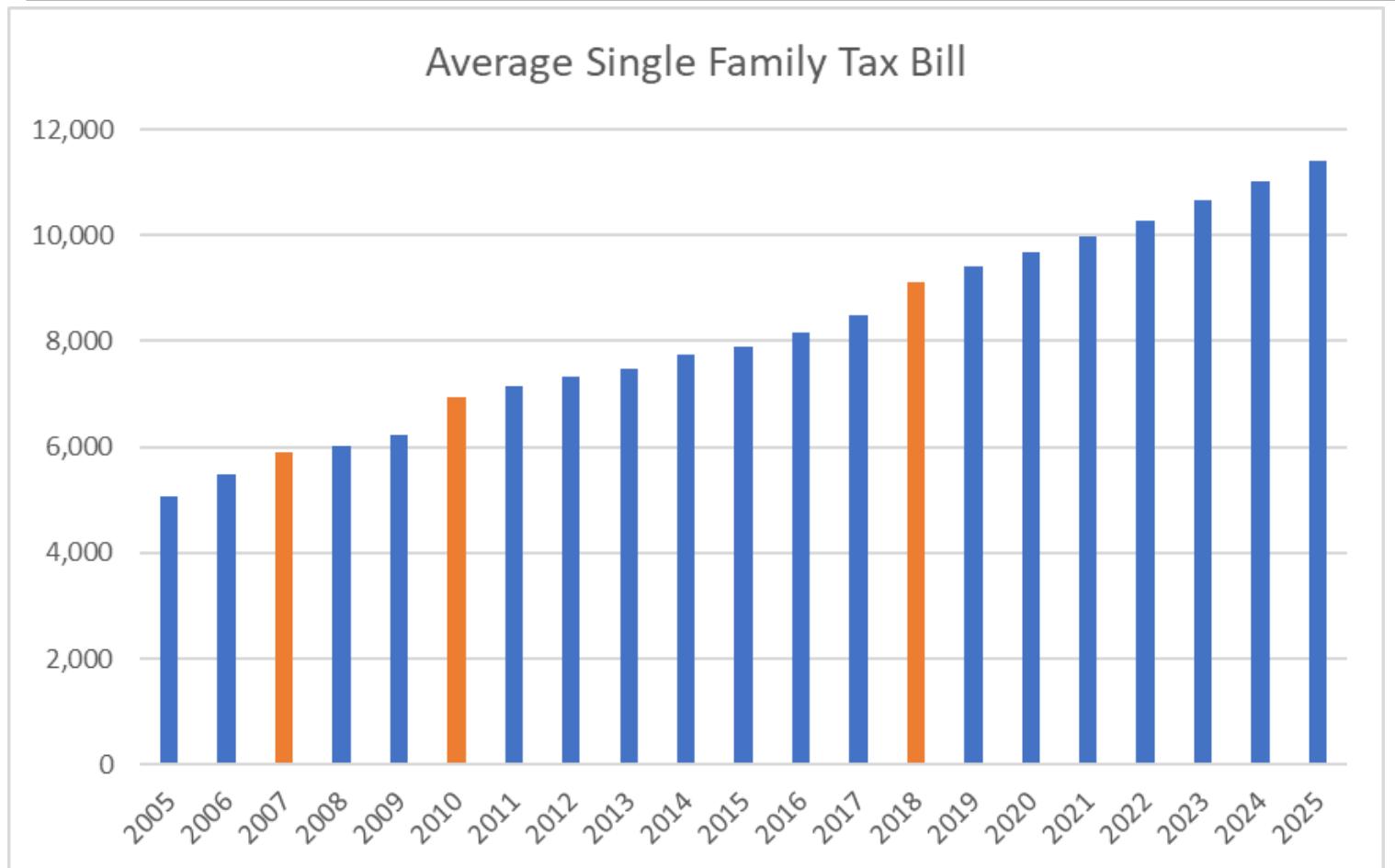
Year 2: \$822,500

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

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