



# FY2026 Budget Forecast

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DECEMBER 17, 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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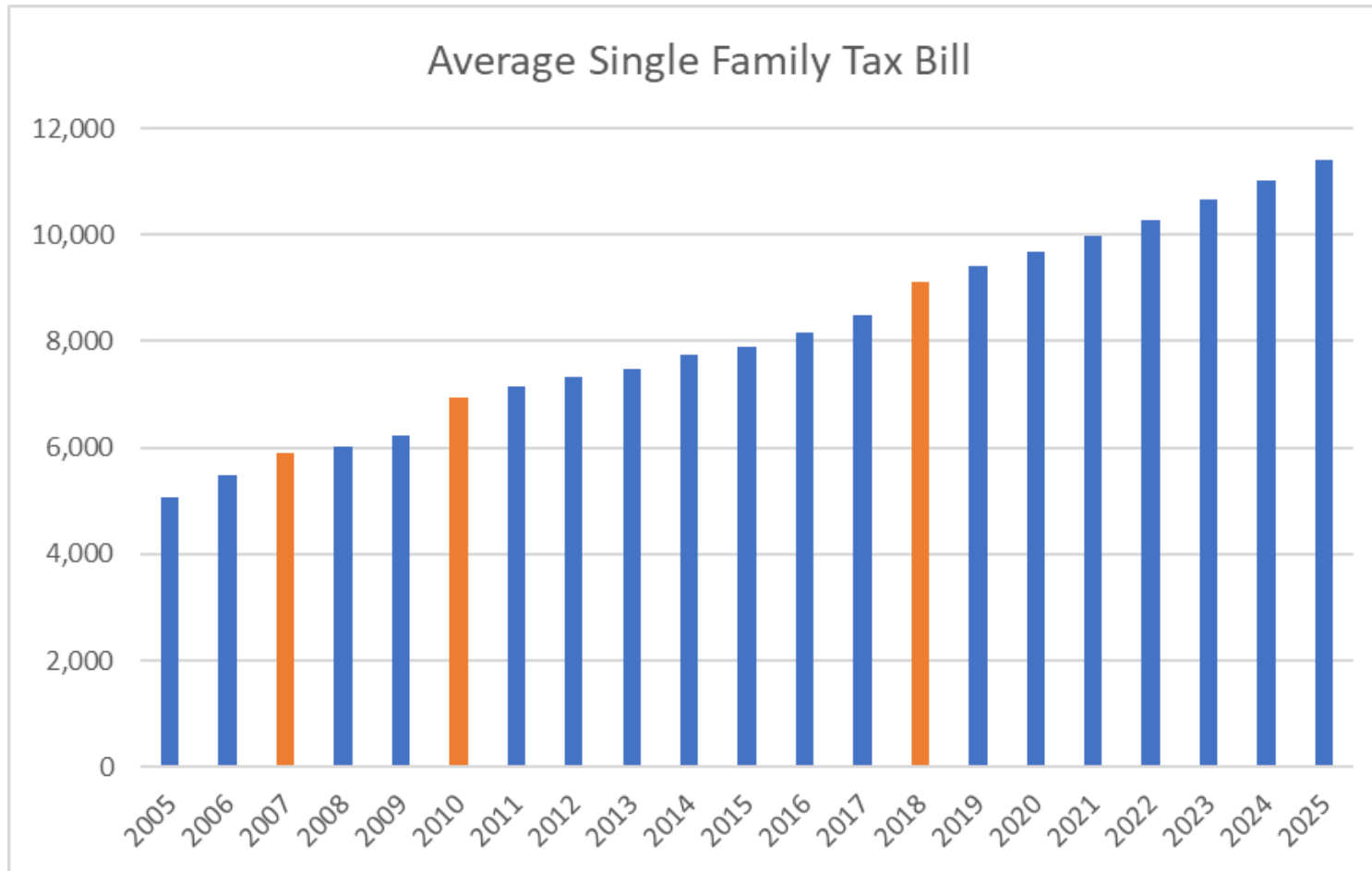
FY2026 Revenues: \$136.3 million

FY2026 Expenditures: \$145.8 million

Deficit: -\$9.5 million



# 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 | 11.2%      |



# 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