



# FY27 Budget Update

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DECEMBER 15, 2025



# FY27 Revenue Outlook

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## Property Taxes:

- 2.5% levy increase: \$2,814,799 (final)
- New Growth: \$1,000,000 (estimate)
- Total increase: \$3,814,799

## Local Receipts:

- 1% increase = \$102,507 (estimate)

## Indirect Costs from Enterprise Funds

- 5% increase = \$76,624 (estimate)

## State Aid:

- 1% increase for Ch. 70 Education Aid = \$127,766 (estimate)
- 2% increase for Unrestricted General Government Aid = \$80,000 (estimate)
- Governor's Budget expected to be released with FY27 state aid amounts in mid-January

## Overall Revenue forecast: \$150,124,880

- **\$4.2 million in new funding for the FY27 Budget, or a 2.9% increase**

## Other potential revenue sources:

- Free Cash: not to be used for recurring, operating budget expenses
- Operating Budget Stabilization Fund: \$2.7 million balance; \$700,000 + 2.5% recurring each year



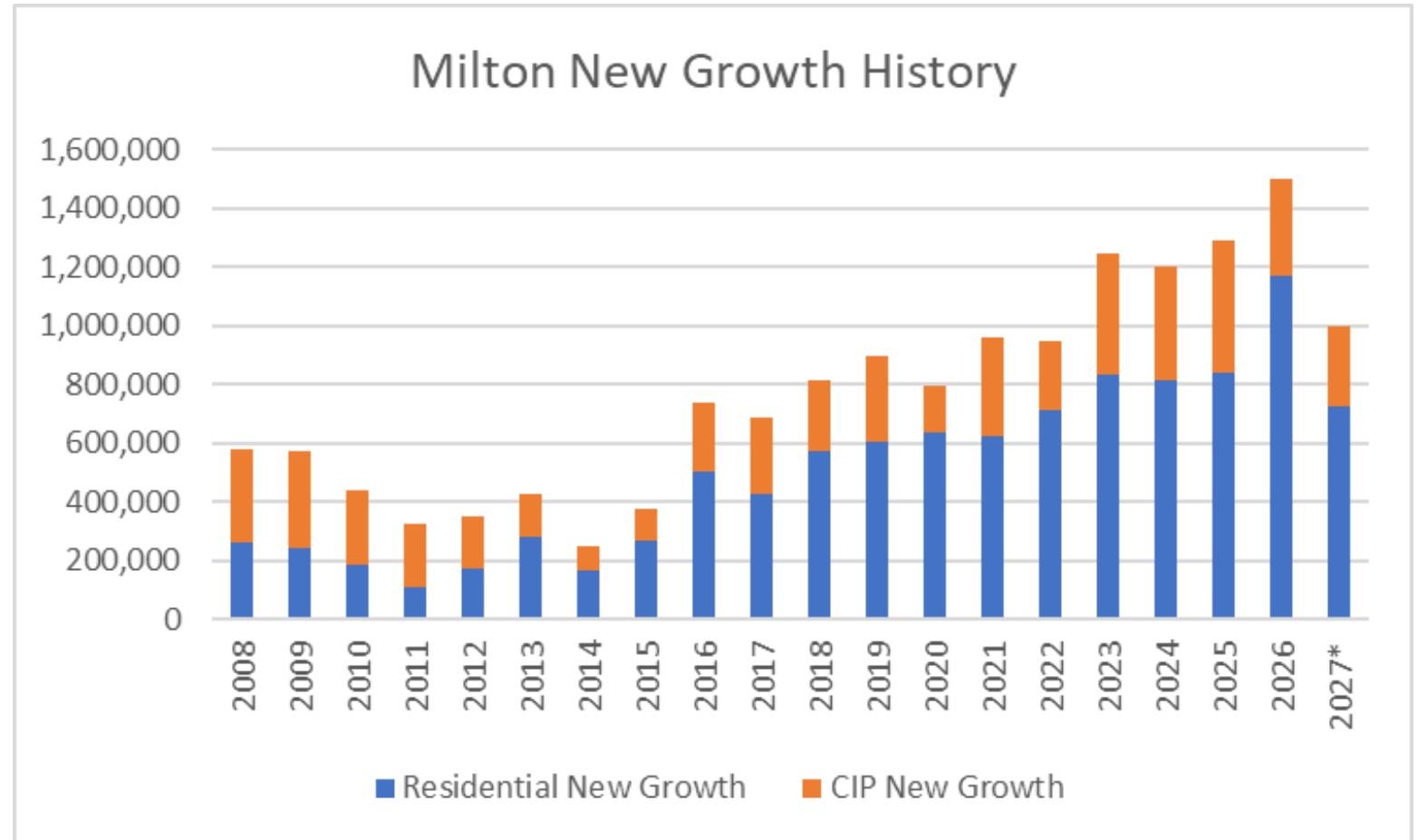
# New Growth

New Growth is the dollar increase in the annual levy limit that reflects the additional tax revenue generated by new construction, renovations, etc.

This does not include growth from change due to revaluation, but results from an improvement to a property.

Examples:

- New construction: Wolcott Woods, 131 Eliot, 440 Granite, Ice House (Blue Hills Parkway)
- Additions/Renovations
- Utilities





# FY27 Expenditure Outlook

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Summary level:

	<u>FY 2026 Budget</u>	<u>FY2027 Projection</u>	<u>\$ Change</u>	<u>% Increase</u>
Schools	72,873,914	76,662,596	3,788,682	5.2%
Blue Hills	954,340	1,025,916	71,576	7.5%
Shared	42,738,634	41,020,616	(1,718,017)	-4.0%
Town	32,758,275	33,930,063	1,171,788	3.6%
Total	149,325,163	152,639,191	3,302,786	2.2%
Deficit / Surplus		(2,514,311)		

Notes:

- Health insurance @ 7% increase from FY26



# FY27 Expenditure Outlook

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## Areas of cost pressure and change:

- Debt Service: net increase of \$700,000 due to projects / purchases due at the same time
  - Lower Gile turf field, Ladder, Engine, Collicot-Cunningham renovation
- Health Insurance



# Health Insurance Overview

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Milton is self-insured for non-Medicare plans for employees and retirees

- Retirees transition onto Medicare upon becoming eligible

Town and Employees/Retirees share the premium expense:

- 76%: Town
- 24%: Employee/Retiree

Other Retiree benefits:

- Town also offers supplemental Medicare plans and splits the premiums 50/50
- Town reimburses retirees for 50% of their monthly Medicare cost

Premiums are paid into the Town's Health Trust Fund

- Town also purchases stop loss insurance for high claims (\$175,000 and above)
- Premium adjusted annually to account for expected claims and balance of the trust

Medical claims are paid from the Trust

The annual budget appropriation funds the Town's share of premiums; the Health Trust Fund makes payments based on claims



# Health Insurance Overview

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The Health Insurance budget has grown at approximately 6%/year since FY2017

- Outlier years where costs spike: FY20, FY22, and FY26
- Otherwise costs historically more stable
  - High costs in FY20 resulted in plan design changes (deductible plans introduced)
- Pressure is put on the trust if the Town has a higher than typical claims experience
- Macroeconomic forces also impact the Town's medical costs: growth in medical costs, significant growth in pharmaceutical costs (GLP-1s)



# Health Insurance Overview

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## Self-Insured status

- Benefits
  - Control over plan design
  - Ability to adjust annual increases based on Milton's experience
- Risks
  - Health Trust falling into a negative balance and requiring other funding sources to balance
  - Small pool of subscribers means several high claims has an outsize impact on the entire program
  - Stop Loss limits risk, but is expensive
    - In FY26, two claims were assigned higher limits than all other claims

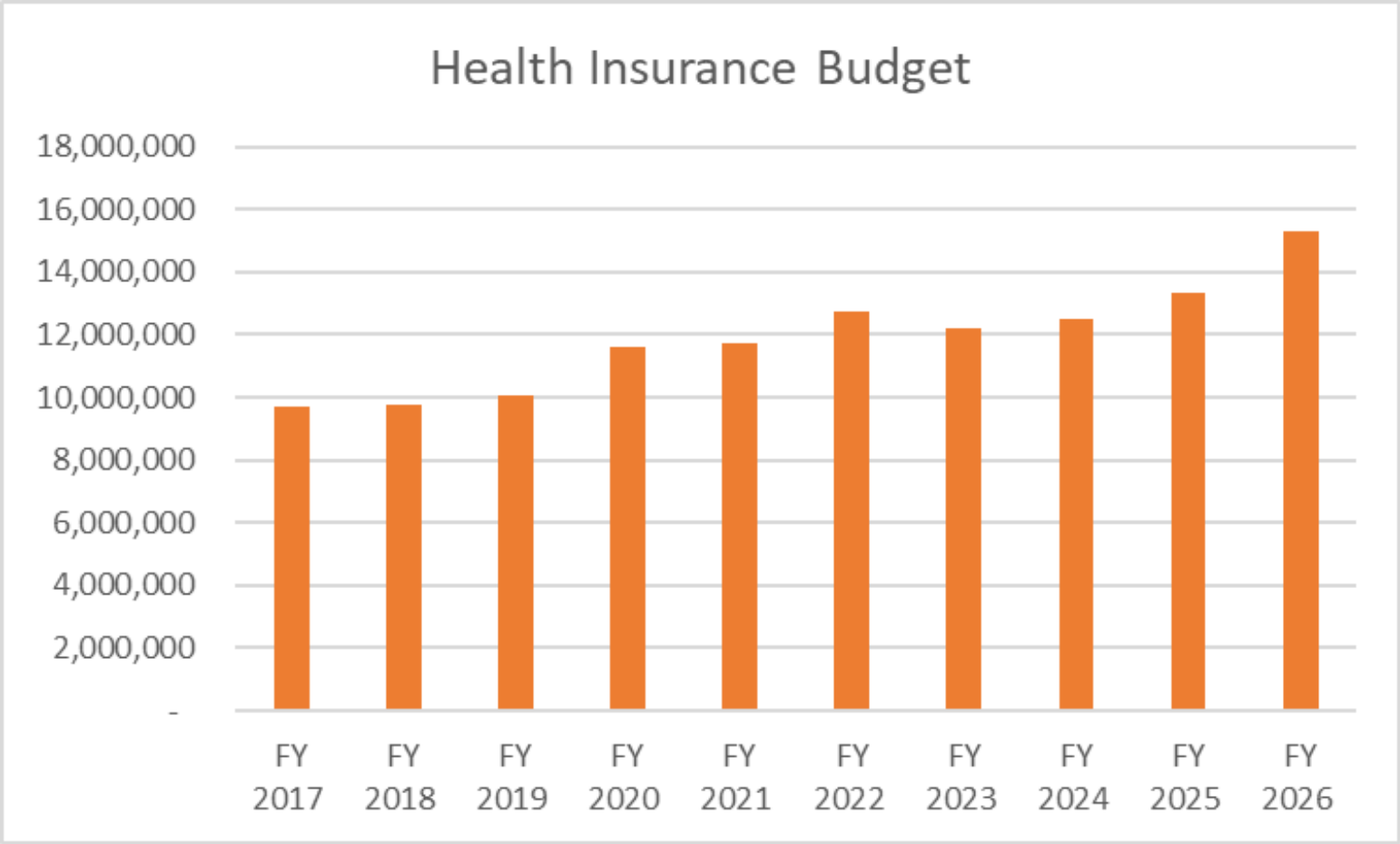
## FY2027 Outlook:

- Trust Balance at June 30, 2024: \$6.6 million or 42% of FY24 costs
- Trust Balance at June 30, 2025: \$3.8 million or 19% of FY25 costs





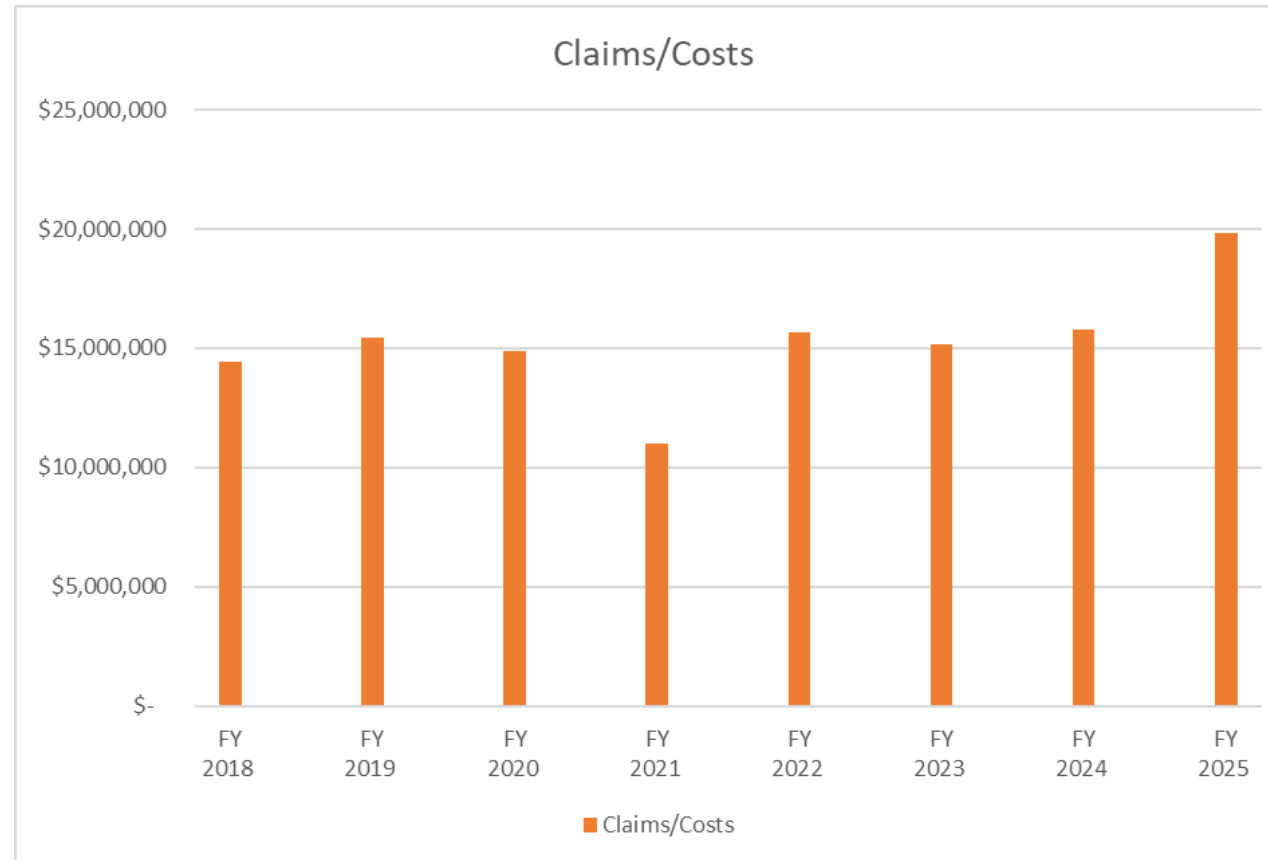
# Health Insurance Overview



Fiscal Year	Change from Prior Year
2017	
2018	0.6%
2019	3.2%
2020	15.3%
2021	0.8%
2022	8.9%
2023	-4.45%
2024	2.5%
2025	6.9%
2026	14.8%



# Health Insurance Overview





# Health Insurance Overview

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MUNICIPAL GOVERNMENT

**MMA forum explores health cost drivers,  
possible remedies**

Home → News → Municipal Government

## Municipal Round Table Series

**The Price is Right: Strategic Solutions for Healthcare  
Cost Management in FY27 and Beyond**



INSURANCE | BENEFITS | HR SOLUTIONS

Thursday, November 6, 2025

EPAPER | METRO | WEATHER | POLITICS | SPORTS | BUSINESS

## Health insurance premiums just keep going up, worsening affordability crisis

By [Jessica Bartlett](#) and [Marin Wolf](#) Globe Staff,  
Updated November 28, 2025, 5:41 a.m.

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## GLP-1s, cancer care are driving higher employer health care costs in 2026

By [Tara Bannow](#) STAT, Updated August 20, 2025, 4:52 p.m.

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