



FY 2026 Budget

Initial Budget Considerations

January 2, 2025



Budget Approach & Process

Budget Approach

The Town Manager's Office and Finance Director/Town Accountant have spent the last several weeks reviewing department requests, meeting with departments to better understand their needs, and scrutinizing our revenue projections to ensure we can justify every expense and that we're confident in our projections for revenue to fund those expenses. This has been a very iterative process that has involved every department at Town Hall. Our aim has been to conservatively estimate our revenue to avoid mid-year deficits while also accounting for new growth and new or expanded revenue sources to maximize our funding capacity. This approach has remained consistent in Town and resulted in the Town maintaining a healthy free-cash balance.

Process/Timeline

Departments were asked to submit their requests two weeks early this year by December 10, 2024 and to craft a budget that maintained level-service and that sought creative approaches to delivering the services residents expect. We spent the weeks following December 10 in multiple meetings with departments refining requests, considering their new requests, and collaborating on a proposed budget that works for everyone.

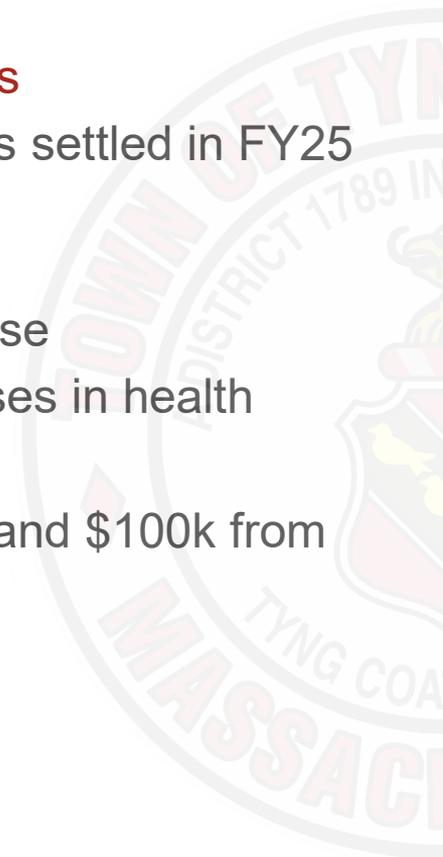
Landscape Surrounding the FY26 Budget Planning Process



FY26 Budget Landscape

Where are we going into the budget planning process? - Expenses

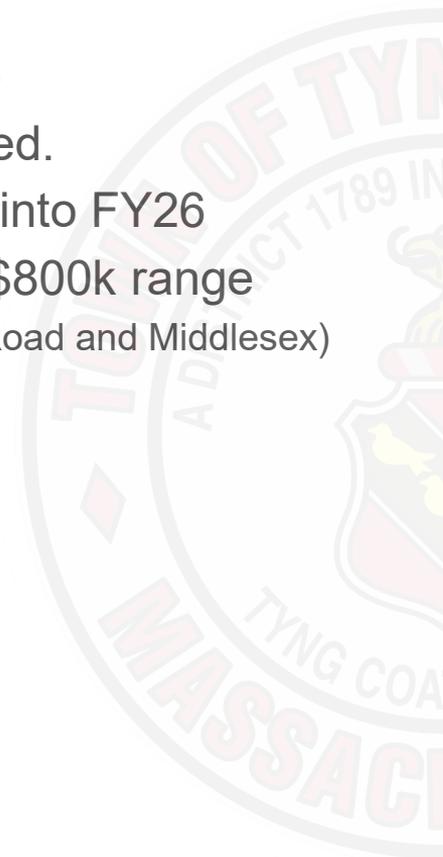
- All but one labor contract on the general government side was settled in FY25 meaning that labor costs are pretty well-known.
 - Reversal from FY25 where most labor costs were still in the air
- School department in the final year of set 2.7% budget increase
- Expecting challenges in terms of higher than previous increases in health insurance based on what we saw on retiree insurance.
- \$1M Contribution to the Middle School Debt (\$900k from GF and \$100k from Lakeview Lease Revenue)



FY26 Budget Landscape

Where are we going into the budget planning process? - Revenue

- Some categories are trending very well -- higher than budgeted.
- Earnings on investment trending very well - likely to continue into FY26
- New growth expected to fall short -- Likely land in the \$700k-\$800k range
 - Large projects aren't moving forward as quickly (warehouse on Kendall Road and Middlesex)
 - Toll Brothers not set to be complete by June 30 2025



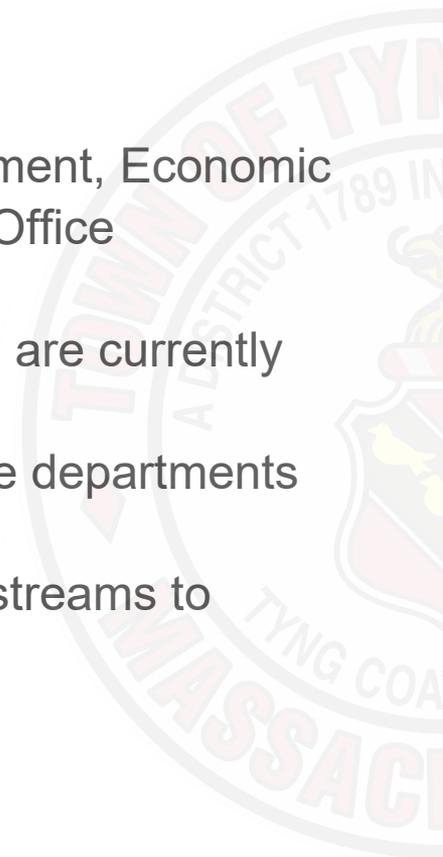
Revenues



Revenue Forecast

How do we calculate the revenue forecast?

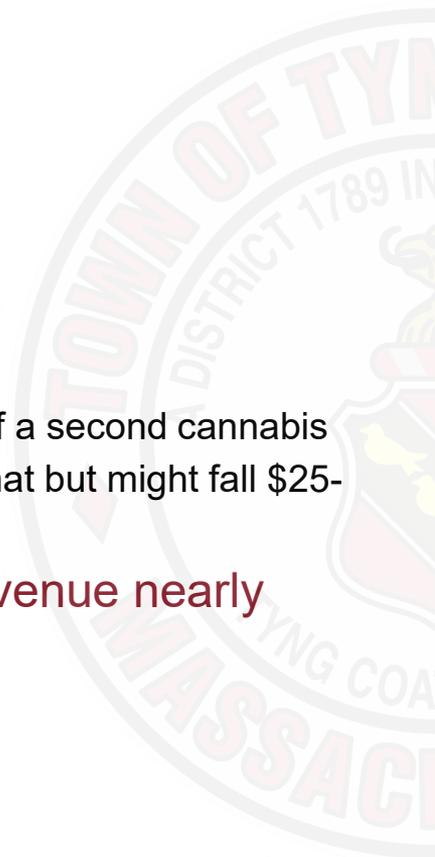
- Collaboration between the Assessors Office, Finance Department, Economic Development, Building Commissioner, and Town Manager's Office
- Look at 5 year trends
- Analyze the current FY trend to identify see how the numbers are currently tracking
- Incorporate anticipated new growth based off of input from the departments listed above
- Consider the factors that play into the various other revenue streams to identify anticipated changes in the coming fiscal year.



Revenue Forecast

FY25 Trending

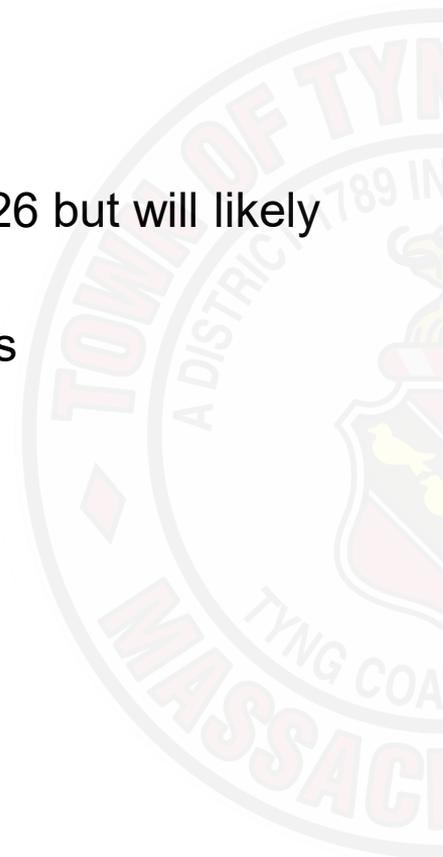
- Positive trending for revenues for fiscal year 2025
 - MV Excise trending toward being \$575k higher than budgeted
 - Licenses & Permits trending \$575k higher than budgeted
 - Earnings on Investments \$360k higher than budgeted
- Revenue areas not trending favorably
 - Marijuana revenue - The original FY25 budget included a full fiscal year of a second cannabis retailer -- 2nd location is set to open this month so we'll correct much of that but might fall \$25-35k short for FY25
- Overall, based on current trends we're likely to close FY25 revenue nearly \$675k higher than budgeted.



Revenue Forecast

Considerations for FY26

- Earnings on investment likely to continue to into FY26
- Licenses and Permits will continue to trend positively into FY26 but will likely return to normal levels in FY27
- Marijuana excise to likely be flat with FY25 budgeted numbers
- State aid expected to be stay at same levels as FY25





Revenue Forecast

Revenue Type	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Projections	% Increase
General Fund Revenue						
RE&PP	\$ 30,138,729.28	\$ 31,473,085.79	\$ 32,789,123.00	\$ 33,908,851.08	\$ 35,556,572.36	4.63%
Tax Liens	\$ 115,201.14	\$ 91,361.82	\$ -			
MV Excise	\$ 2,186,791.19	\$ 2,220,274.31	\$ 2,200,000.00	\$ 2,280,000.00	\$ 2,600,000.00	12.31%
Other Ex	\$ 253,769.51	\$ 282,792.65	\$ 260,000.00	\$ 417,000.00	\$ 420,000.00	0.71%
Cannabis Excise	\$ 213,594.86	\$ 231,446.33	\$ 275,000.00	\$ 400,000.00	\$ 400,000.00	0.00%
Cannabis Impact Fee	\$ 618,012.29	\$ 408,700.85	\$ -	-		
Pen & Int	\$ 120,824.40	\$ 159,452.26	\$ 159,000.00	\$ 232,000.00	\$ 200,000.00	-16.00%
Fees	\$ 119,679.84	\$ 94,126.62	\$ 94,000.00	\$ 75,000.00	\$ 75,000.00	0.00%
Licenses & Permits	\$ 621,759.75	\$ 809,392.32	\$ 797,000.00	\$ 820,000.00	\$ 1,200,000.00	31.67%
Other Dept Rev	\$ 261,203.14	\$ 334,726.92	\$ 334,000.00	\$ 300,000.00	\$ 300,000.00	0.00%
Earnings on Investments	\$ 75,246.82	\$ 161,873.60	\$ 145,200.00	\$ 300,000.00	\$ 550,000.00	45.45%
Fines & Fore	\$ 18,207.28	\$ 37,798.49	\$ 45,000.00	\$ 40,000.00	\$ 40,000.00	0.00%
Miscellaneous Revenue	\$ 645,654.23	\$ 177,288.70	\$ 232,000.00	\$ 200,000.00	\$ 200,000.00	0.00%



Revenue Forecast

Bond Premium / Proceeds	\$ 1,091,948.22	\$ 7,060,830.00				
TMS Feasibility	\$ 332,967.00	\$ 3,566,469.63				
Cem Rev	\$ 11,935.00	\$ 14,310.00	\$ 10,200.00	\$ 11,000.00	\$ 12,500.00	12.00%
Lib Rev	\$ 1,358.95	\$ 1,632.35	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	0.00%
Medicaid Reimbursement	\$ 127,991.80	\$ 327,027.97	\$ 266,000.00	\$ 150,000.00	\$ 200,000.00	25.00%
Cherry Sheet	\$ 8,870,109.00	\$ 9,357,730.99	\$ 9,640,685.00	\$ 9,572,928.00	\$ 9,600,000.00	0.28%
Cherry Sheet Charges & Assessments			\$ (2,067,320.00)	\$ (1,959,438.00)	\$ (2,000,000.00)	2.03%
Transfer	\$ 207,123.01	\$ 194,826.03				
Rentals	\$ 123,395.88	\$ 126,480.78	\$ 127,946.00	\$ 127,500.00	\$ 127,500.00	0.00%
PILOT	\$ 58,551.93	\$ 35,917.52	\$ 35,900.00	\$ 35,000.00	\$ 20,000.00	-75.00%
Other Available Sources	-	-	\$ 555,891.00	\$ 450,000.00	\$ 450,000.00	0.00%
General Fund Revenue Total (FY26)					\$ 49,953,572.36	

General Fund Expenditures



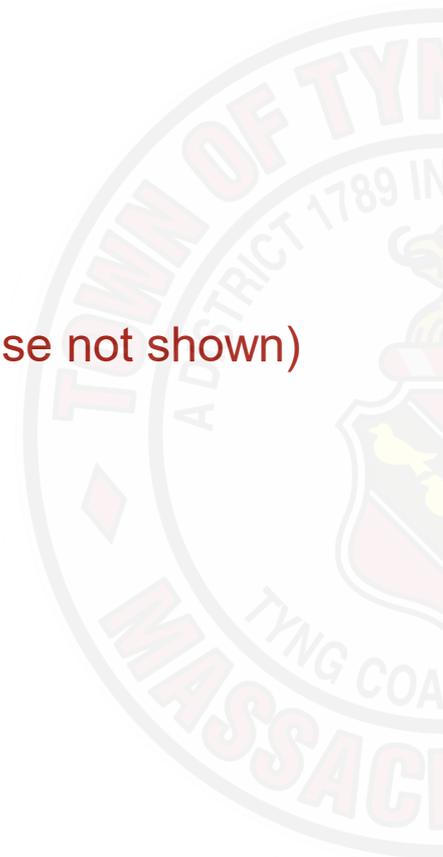
Expenditures

Total Department Requests: \$50,112,281

Total Department Requests (Minus New Positions): \$49,984,938

Includes:

- \$900k GF contribution to MS Debt (\$100k from Lakeview Lease not shown)
- (2) new cruiser leases - Police
- Social Media Archiving - IT (\$12k)
- Patrol Officer - Police (\$62k)
- Records Clerk - Police (\$58k)
- Fire Inspector - Fire Department (\$72k)



Expenditures

Exempt Debt- Exempt debt is the debt service payments that are outside of the general fund (think debt exclusion). The debt service for exempt debt is billed to taxpayers on top of the 2.5% tax levy.

In Fy25 there were three items under our exempt debt (THS Roof, TES Boiler, and Middle School). In Fy26 all of the exempt debt with the exception of the Middle School dropped off.

FY26 Exempt Debt Total: \$2.9M

- \$1,000,000 GF Contribution (\$900k from GF, \$100k from Lakeview Lease)

Total Exempt Debt on Tax Bill: \$1.97M (was \$1.83M in FY25)

Expenditures

- Projected Available Funds comes from our revenue projects for FY26
 - Assumes \$800k in new growth
- “Unappropriated Funds” is the difference between the revenue we expect to have and the budget.
 - In FY25 this balance was \$350k which is a comfortable place to be (FY24 was \$50k)
 - Ideally, this number because \$200-\$300k
- Total requests number right now does not include new positions

Summary of Requests	
Total Requests	\$ 49,984,931.12
Total Increase over Fy25	\$ 1,427,448.74
Projected Available Funds	\$ 49,953,572.36
Unappropriated Funds	\$ (31,358.76)

Expenditures

Items that will shake out over the next couple of months:

- Health Insurance (currently budgeted at 10% increase)
- Property Insurance (currently budgeted at 10% but FY26 will include new Middle School)
- GLTHS Assessment (currently budgeting a 3% increase)

Where is there cushion?

- Currently budgeting \$250k from General Fund for Roads Program. Could be reduced and offset by increased appropriation from Road Stabilization

Summary of Requests	
Total Requests	\$ 49,984,937.12
Total Increase over Fy25	\$ 1,427,454.74
Projected Available Funds	\$ 49,953,572.36
Unappropriated Funds	\$ (31,364.76)