



FY 2026 Budget

Final Budget Presentation

March 24, 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.

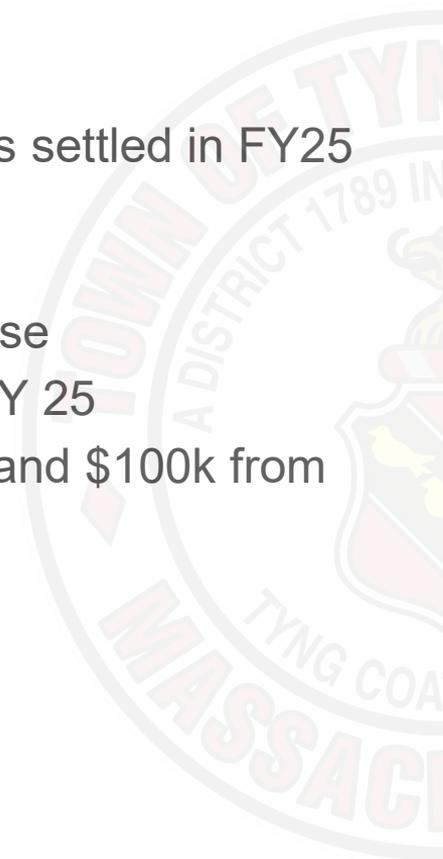
Landscape Surrounding the FY26 Budget Planning Process



FY26 Budget Landscape

Expenses

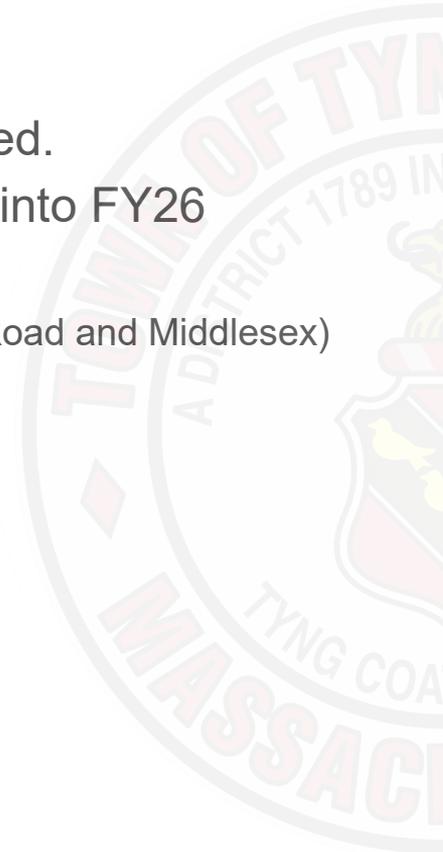
- All but one labor contract on the general government side was settled in FY25 meaning that labor costs are pretty well-known.
 - Reversal from FY25 where most labor costs were still in the air
- School department in the final year of set 2.7% budget increase
- Higher than normal health insurance increases -- 17% over FY 25
- \$1M Contribution to the Middle School Debt (\$900k from GF and \$100k from Lakeview Lease Revenue)



FY26 Budget Landscape

Revenue

- Some categories are trending very well -- higher than budgeted.
- Earnings on investment trending very well - likely to continue into FY26
- New growth fell short of expectations - \$750k
 - 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



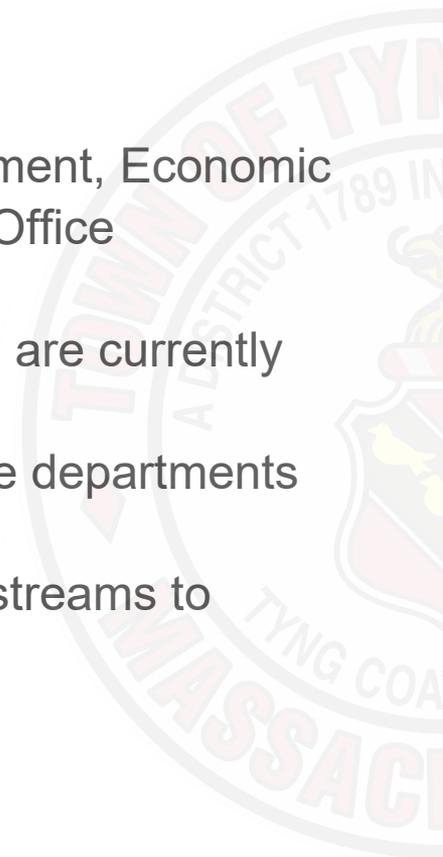
Revenues



Revenue Forecast

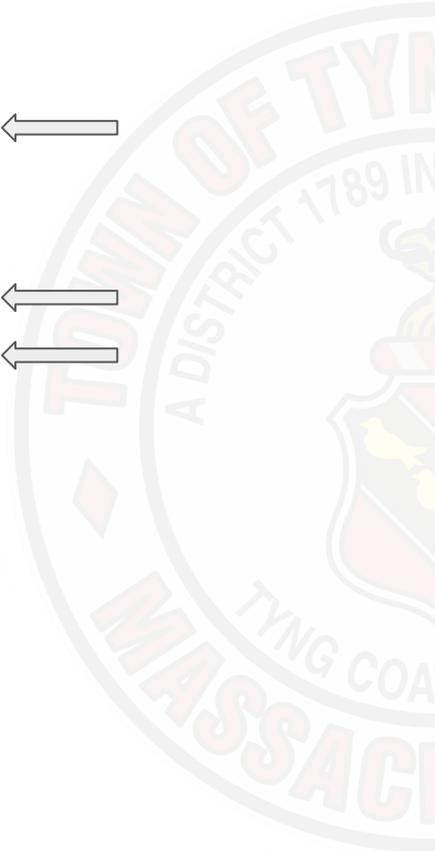
How do we calculate the revenue forecast?

- 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

Category	Average %	Projected	Budgeted	Variance
RE&PP	63%	\$ 38,842,131.33	\$ 33,908,851.08	\$ 4,933,280.25
Tax Liens	-	-	-	-
MV Excise	12%	\$ 2,639,490.54	\$ 2,280,000.00	\$ 359,490.54
Other Ex	53%	\$ 395,121.06	\$ 417,000.00	\$ (21,878.94)
Cannabis Excise	50%	\$ 240,381.80	\$ 400,000.00	\$ (159,618.20)
Cannabis Impact Fee	-	-	-	-
Pen & Int	55%	\$ 277,948.76	\$ 232,000.00	\$ 45,948.76
Fees	60%	\$ 24,788.76	\$ 75,000.00	\$ (50,211.24)
Licenses & Permits	55%	\$ 1,428,053.52	\$ 820,000.00	\$ 608,053.52
Other Dept Rev	87%	\$ 404,365.18	\$ 300,000.00	\$ 104,365.18
Earnings on Investments	30%	\$ 851,616.67	\$ 300,000.00	\$ 551,616.67
Fines & Fore	57%	\$ 26,756.36	\$ 40,000.00	\$ (13,243.64)
Miscellaneous Revenue	83%	\$ 141,760.26	\$ 200,000.00	\$ (58,239.74)
Cem Rev	63%	\$ 13,493.83	\$ 11,000.00	\$ 2,493.83
Lib Rev	57%	\$ 2,018.36	\$ 2,000.00	\$ 18.36
Medicaid Reimbursement	32%	\$ 244,553.67	\$ 150,000.00	\$ 94,553.67
Cherry Sheet	60%	\$ 9,343,362.22	\$ 9,658,984.00	\$ -
Cherry Sheet Charges & Assessments	64%	\$ (2,797,283.69)	\$ (2,081,642.00)	\$ -
Transfer	-	-	-	-
Rentals	62%	\$ 70,529.48	\$ 127,500.00	\$ (56,970.52)
PILOT	5%		\$ 35,900.00	\$ (35,900.00)
CPA	72%	\$ 1,177,236.05	\$ 750,000.00	\$ 427,236.05
Sewer	52%	\$ 2,193,187.97		\$ 2,193,187.97
Sewer Betterments	43%	\$ 1,532,308.17		\$ 1,532,308.17
Ambulance	51%	\$ 828,024.89	\$ 679,169.82	\$ 148,855.07
Total	69%	\$ 48,790,353.28	\$ 48,305,762.90	\$ 484,590.38
			Local receipts	\$ 1,370,478.23





Revenue Forecast

FY 26 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	\$ 35,506,572.36	4.50%
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	\$ 2,625,000.00	13.14%
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	\$ 240,000.00	3.33%
Fees	\$ 119,679.84	\$ 94,126.62	\$ 94,000.00	\$ 75,000.00	\$ 50,000.00	-50.00%
Licenses & Permits	\$ 621,759.75	\$ 809,392.32	\$ 797,000.00	\$ 820,000.00	\$ 1,215,000.00	32.51%
Other Dept Rev	\$ 261,203.14	\$ 334,726.92	\$ 334,000.00	\$ 300,000.00	\$ 350,000.00	14.29%
Earnings on Investments	\$ 75,246.82	\$ 161,873.60	\$ 145,200.00	\$ 300,000.00	\$ 750,000.00	60.00%
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	\$ 9,872,519.00	3.03%
Cherry Sheet Charges & Assessments			\$ (2,067,320.00)	\$ (1,959,438.00)	\$ (2,109,597.00)	7.12%
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	\$ 375,000.00	-20.00%
Excluded Debt			\$ 591,034.00	\$ 1,831,338.33	\$ 1,970,169.72	7.05%
General Fund Revenue Total (FY26)					\$ 52,266,664.08	

General Fund Expenditures



Expenditures

FY25 Budget	\$49,075,424
FY26 Proposed	\$52,265,873
\$ Increase	\$3,190,449
% Increase	6.5%
GF % Increase (minus exempt debt)	3.6%

Main Budget Drivers

- \$900,000 from GF to reduce exempt debt on Middle School
- Contractual labor increases
- 17% health insurance increase
- \$25k to make a previously part-time admin assistant a full-time public safety admin assistant

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 & 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

Administration's Priority for New Items

- **Public Safety Administrative Assistant:** Split position with 15 hours weekly doing records in the Police Department and 25 hours weekly in the Fire Department as Administrative Assistant
 - Estimated FY26 Salary: \$51,868
 - Already included in Fire Budget (\$25,140)
 - Net Budget Implication: \$26,728 (+potential Health Insurance implication of roughly \$20k)

Structural Changes to Budget

- Creation of a Facilities Division within DPW resulting in three salaries being moved out of HWY and into Facilities (previously Public Buildings)



Path to a Balanced Budget

Changes Since Last Presentation

- 17% Health Insurance Increase
- 16% GLTHS Assessment Increase (debt service, increased transportation costs, lower than normal increase in Fy25)

These factors above coupled with year one of the \$1M Middle School Debt Contribution put our level service budget into a deficit.

Budget Reduction

- Eliminated the general fund roads contribution (-\$250k) to balance budget
 - That reduction will be offset by a combination of stabilization funds and increased Chapter 90 funding.





Roads Program - FY26

Source	Amount
Chapter 90	\$400,000*
	*Governor's Proposed Chapter 90 increases to \$700k
Fair Share Amendment	\$250,000
Road Stabilization	\$900,000
TOTAL	\$1,550,000

FY26 ROADS PROGRAM

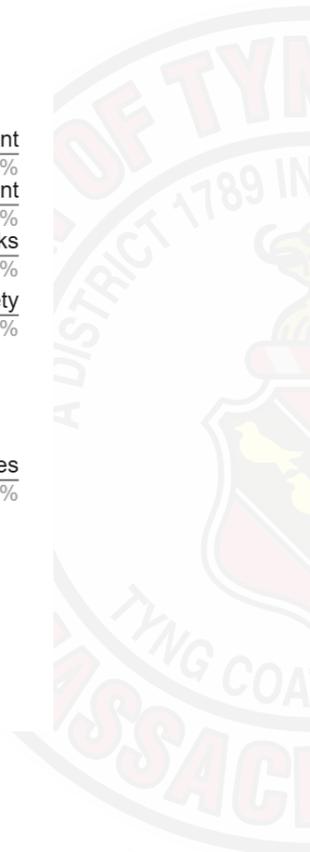
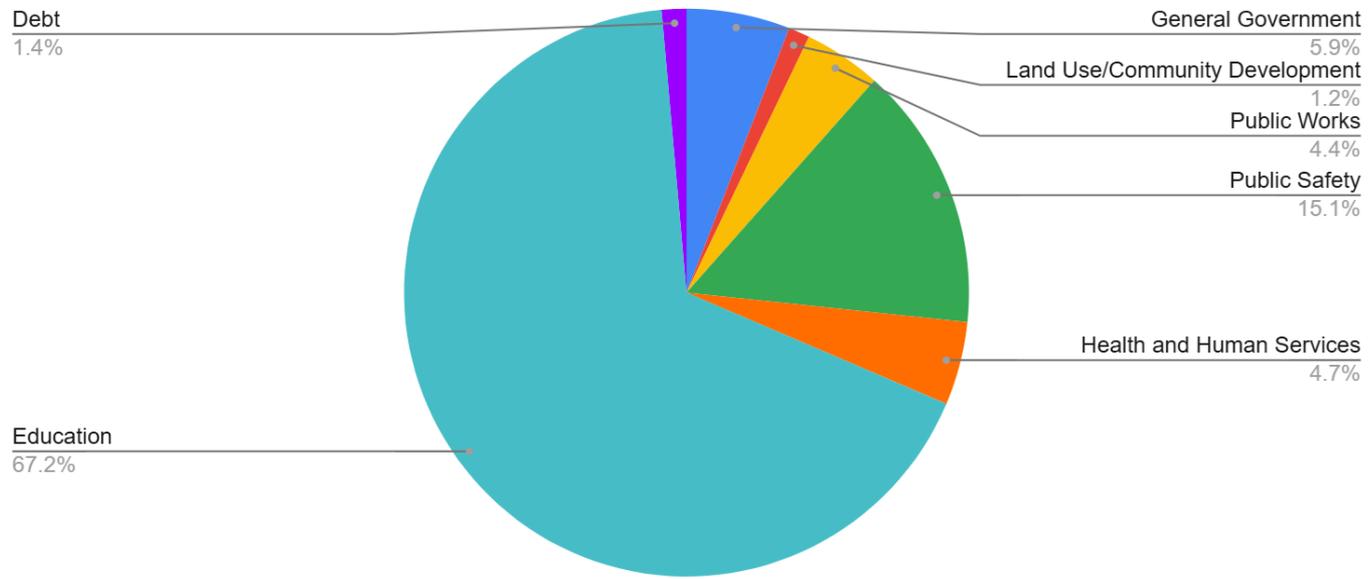
- 1) Phase I Preservation (Westford Road, Swan, Norris, Bryant, Old Tyng, and Coburn): \$600,000 for 4.8 miles
- 2) Phase II Full-depth Reclamation (Elm, Oak, Pine, Bridget, Lincoln): \$675,000

FY26 Planned Total:
\$1,275,000



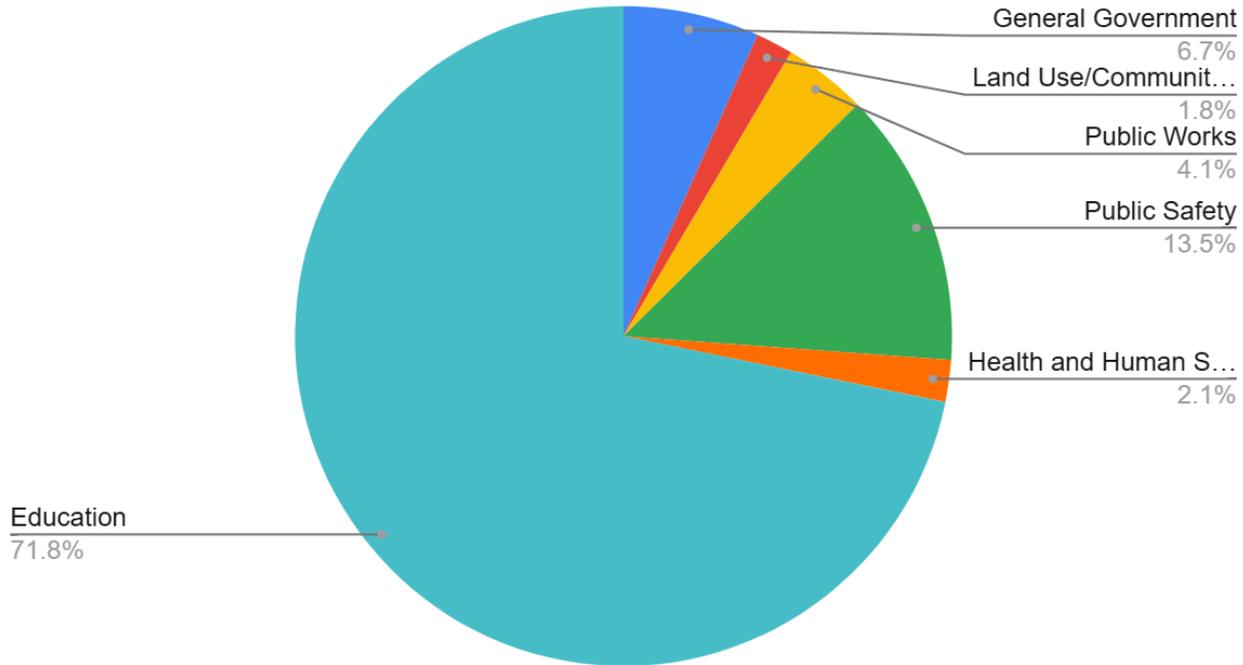
FY26 Budget Visualization

Where do we spend our money?



FY26 Budget Visualization

Where do our staff work?



Planning Ahead

Free Cash: As budgets get tighter & we rely more heavily on increased revenues, the available free cash we can expect will be reduced. We should plan for \$500-\$650k in free cash moving forward.

- Future capital plans will require reliance on borrowing (lots of capacity)
 - Financial Policies limit total general fund supported debt service to 10% of operating budget
 - Financial Policies limit total debt (including excluded debt) to less than 5% of EQV

General Fund Roads Contribution: This will be incredibly hard to get back to prior FY26 levels unless new growth improves in coming years.

