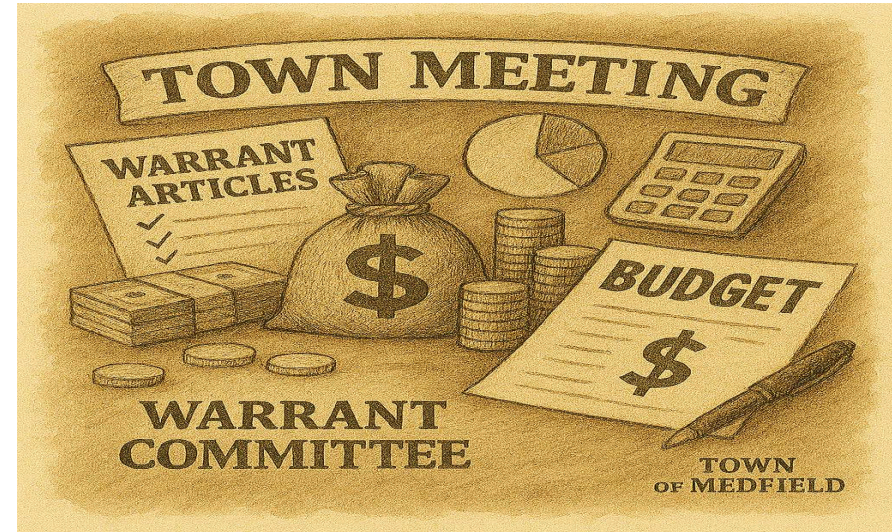


School Committee, Select Board and Warrant Committee Joint Workshop

FY 2027 Operating Budget and Fiscal Challenges



The Meeting
will Start
Shortly

Steve Callahan – Chair Warrant Committee

December 2, 2025

AGENDA



**Committees Call to
Order**



**Warrant Committee
Chair Presentation
and Questions**



**Select Board and
School Committee
Discussion**



Public comment

Preliminary & Tentative for Discussion Purposes Only

Warrant Committee Chair Presentation & Questions



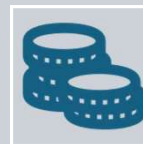
**FY 2027 & FY 2028
FORECASTED REVENUE and
SHARED COSTS**



**DEPARTMENT “ASKS” FOR
FY 2027 & FY 2028
OPERATING BUDGETS**



**TIMELINE FOR TOWN
MEETING and FY 2027
OPERATING BUDGET**



**SIGNIFICANT CAPITAL
NEEDS**

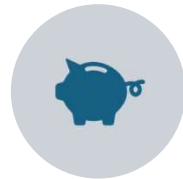
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KEY PRINCIPLES FINANCIAL POLICIES AND OBJECTIVES



OPERATING BUDGET

Priority for balanced budgets without the need for a prop 2 ½ override



FREE CASH

Prudent use for stabilization funds and one-time needs



OPERATING EXPENDITURES

Covered by current operating revenues, not non-recurring sources



CAPITAL BUDGET APPROPRIATION: MUNICIPAL BUILDINGS

The town does not have the ability to fund significant building projects in the 20-year capital plan without increasing property taxes through borrowing

Goal of Financially Sustainable Budgets aided by Financial Policies and Objectives

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FY2027 Preliminary Forecast of Department Operating Budget Growth estimated at 1.2%

	FY 2026 Budget	FY 2027 Forecast	\$ Change FY 26 to FY 27	% Change FY 26 to FY 27	FY 2028 Forecast	\$ Change FY 27 to FY 28	% Change FY 27 to FY 28
TOTAL REVENUE WITHIN PROP 2 1/2	\$ 74,062,249	\$ 75,898,483	\$ 1,836,234	2.5%	\$ 77,914,378	\$ 2,015,895	2.7%
TOTAL SHARED/FIXED EXPENDITURES	\$ 14,979,336	\$ 16,128,956	\$ 1,149,620	7.7%	\$ 17,183,496	\$ 1,054,540	6.5%
REMAINING REVENUE AVAILABLE	\$ 59,082,913	\$ 59,769,527	\$ 686,614	1.2%	\$ 60,730,882	\$ 961,355	1.6%
DEPARTMENT OPERATING BUDGETS							
SCHOOL DEPARTMENT (75%)	\$ 44,598,730	\$ 45,113,691	\$ 514,961	1.15%	\$ 45,834,707	\$ 721,016	1.62%
MUNICIPAL DEPARTMENTS (25%)	\$ 14,484,183	\$ 14,655,837	\$ 171,654	1.19%	\$ 14,896,176	\$ 240,339	1.64%
	\$ 59,082,913	\$ 59,769,528	\$ 686,614	1.2%	\$ 60,730,883	\$ 961,355	1.6%

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Selected Key Forecast Highlights and Assumptions



DEVELOPMENT OF MEDFIELD STATE HOSPITAL DOES NOT MOVE FORWARD



LIMITATIONS ON REVENUE GROWTH

Decrease in new growth, State Aid grows at 2.5%, Investment Income (3.0% return on ST Inv), Decrease in Other Available Funds



HEALTH INSURANCE INCREASE OF 18%

Health Insurance rates increasing an average of 15% over next two fiscal years. Addition of new enrollees pushes overall increase to 18% in FY 2027. Significant cost driver is increased cost of healthcare and the Town's high claim experience, particularly for drugs.



OTHER SHARED AND FIXED COSTS

Property and Liability Insurance cost increase.

Vocational School Assessment increase due to enrollment increase from 7 to 15 students.

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Department “Asks” for FY 2027 & FY 2028 Operating Budgets

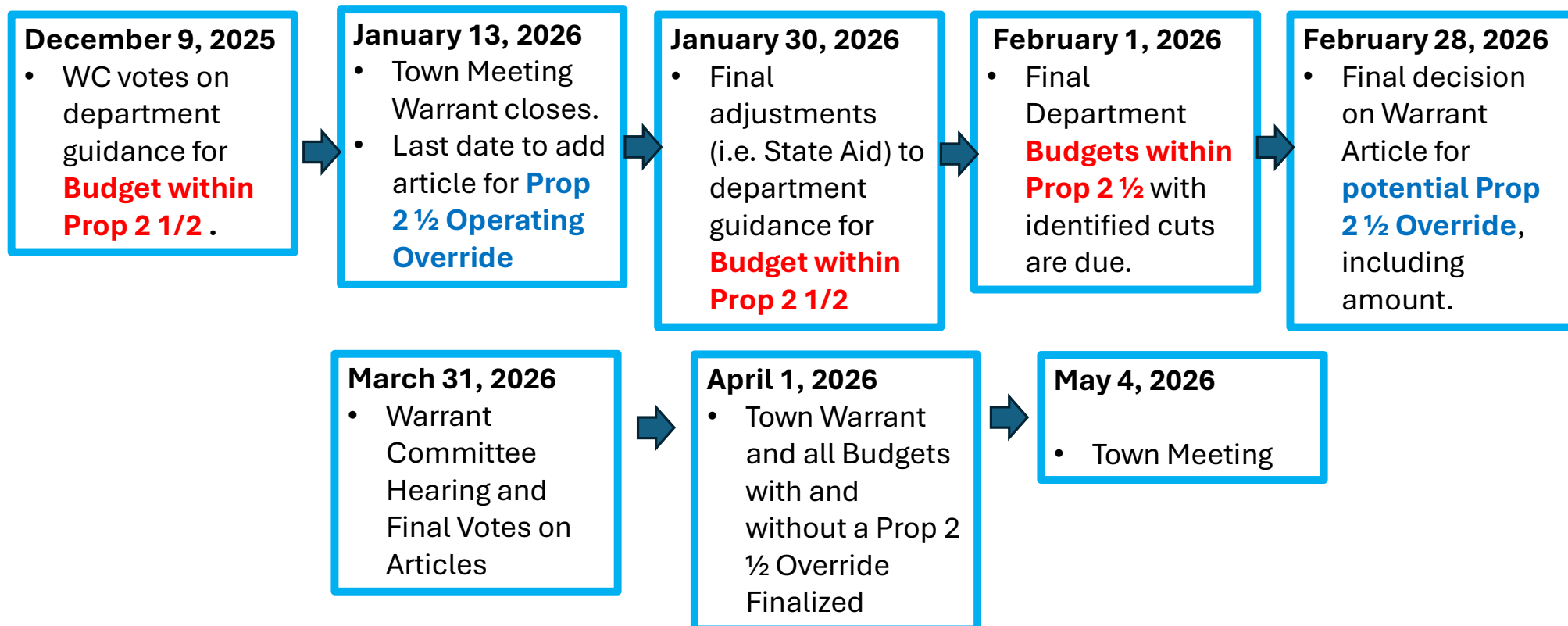
Develop Department Budgets to Meet the Prop 2 ½ Forecast Guidance:

- ✓ Develop Operating budgets within the 1.2% (FY 2027) and 1.6% (FY 2028) forecast guidance
- ✓ Identify specific services and costs that will be cut
- ✓ Rank and prioritize all cuts (priority of preferred restoration).

If warrant article added for FY 2027 Prop 2 ½ Operating Override:

- ✓ Develop Operating Budgets that restore previously identified critical service and cost cuts
- ✓ Consider the ranking and priority of cuts when considering which cuts to restore
- ✓ Revised guidance on the amount of any Prop 2 ½ override will be provided.

Preliminary Timeline for Town Meeting and FY 2027 Operating Budget(s)



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Significant Capital Needs Over Next Five Years



**DALE STREET
SCHOOL
REPLACEMENT**



**OTHER SCHOOLS:
ROOF AND ENVELOPE
REPLACEMENTS**



**PARKS & REC
PROGRAM SPACE
NEEDS**



**WATER & SEWER
INFRASTRUCTURE PROJECTS**

Preliminary & Tentative for Discussion Purposes Only

Questions

Preliminary & Tentative for Discussion Purposes Only

Select Board and School Committee Discussion

Preliminary & Tentative for Discussion Purposes Only

Public Comment

Preliminary & Tentative for Discussion Purposes Only