

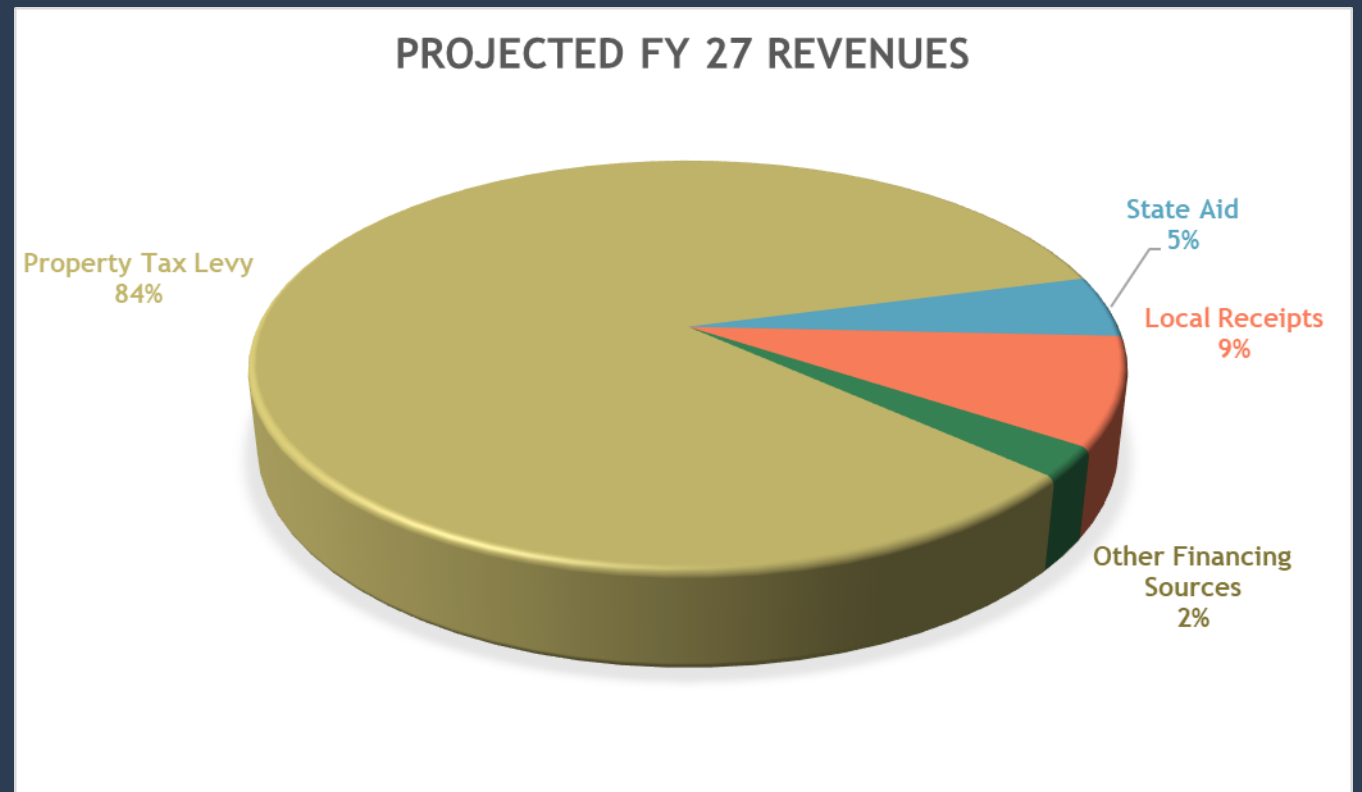
Town of Middleton FY27 Operating Budget

February 7, 2026

Select Board, Finance Committee, Town Administration & Town Departments

Revenue Components

- Property Taxes ~ 84%
- Local Receipts ~ 9%
- State Aid ~ 5%
- Transfers In ~ 2%



Revenue Trends

	FY2026 BUDGETED	FY2027 ESTIMATE	\$ Change	% Change
PROPERTY TAXES				
Prior Year Levy Limit	\$ 35,956,431	\$ 39,100,500		
2.5% Increase	\$ 898,911	\$ 977,513		
New Growth	\$ 265,688	\$ 300,000		
Operating Budget Override	\$ 1,979,470	\$ -		
TOTAL LEVY LIMIT	\$ 39,100,500	\$ 40,378,013		
Debt Exclusion	\$ 3,604,938	\$ 3,743,487		
Excess Levy Capacity	\$ (384,799)	\$ (430,642)		
TOTAL MAXIMUM LEVY LIMIT	\$ 42,320,639	\$ 43,690,858	\$ 1,370,220	3.2%
RESERVE FOR ABATEMENT (OVERLAY)	\$ (236,813)	\$ (240,000)	\$ 3,187	1.3%
NET PROPERTY TAXES RAISED	\$ 42,083,826	\$ 43,450,858	\$ 1,367,032	3.2%

- Property Taxes

- Tax Levy increased as allowed under Prop 2 ½
- Growth estimated at \$300,000
- Keeping overlay to be raised at \$240,000
- Currently using stepped-in excess levy per SB FC vote on 3/27/25
- Net increase of 3.2%

Revenue Trends

- Local Receipts
 - No changes from when we set the tax rate
- From FY26 Finalized budget to Tax Recap the following changes were made:
 - MVE Increased \$75,000
 - Meals increased \$25,000
 - PILOT increased \$10,000
 - Building Permits decreased \$25,000
 - Cemeteries decreased \$10,000
 - Investment income increased \$25,000

	FY2026 BUDGETED	FY2027 ESTIMATE	\$ Change	% Change
LOCAL RECEIPTS				
Motor Vehicle Excise	\$ 2,300,000	\$ 2,300,000	\$ -	0.0%
Other Excise- Room	\$ 225,000	\$ 225,000	\$ -	0.0%
Other Excise - Meals	\$ 325,000	\$ 325,000	\$ -	0.0%
Penalties/Interest on Taxes and Excises	\$ 100,000	\$ 100,000	\$ -	0.0%
Payments in Lieu of Taxes	\$ 150,000	\$ 150,000	\$ -	0.0%
Other Charge for Services - TSS	\$ 315,000	\$ 315,000	\$ -	0.0%
Fees	\$ 141,000	\$ 141,000	\$ -	0.0%
Departmental Revenue - Cemeteries	\$ 30,000	\$ 30,000	\$ -	0.0%
Other Departmental Revenue	\$ 123,500	\$ 123,500	\$ -	0.0%
Building Permits	\$ 300,000	\$ 300,000	\$ -	0.0%
Other Licenses and Permits	\$ 151,000	\$ 151,000	\$ -	0.0%
Fines and Forfeits	\$ 10,000	\$ 10,000	\$ -	0.0%
Investment Income	\$ 200,000	\$ 200,000	\$ -	0.0%
Medicaid Reimbursement	\$ 17,000	\$ 17,000	\$ -	0.0%
HM Bond Premium Offset	\$ 25,844	\$ 25,844	\$ -	0.0%
TOTAL LOCAL RECEIPTS	\$ 4,413,344	\$ 4,413,344	\$ -	0.0%

Revenue Trends

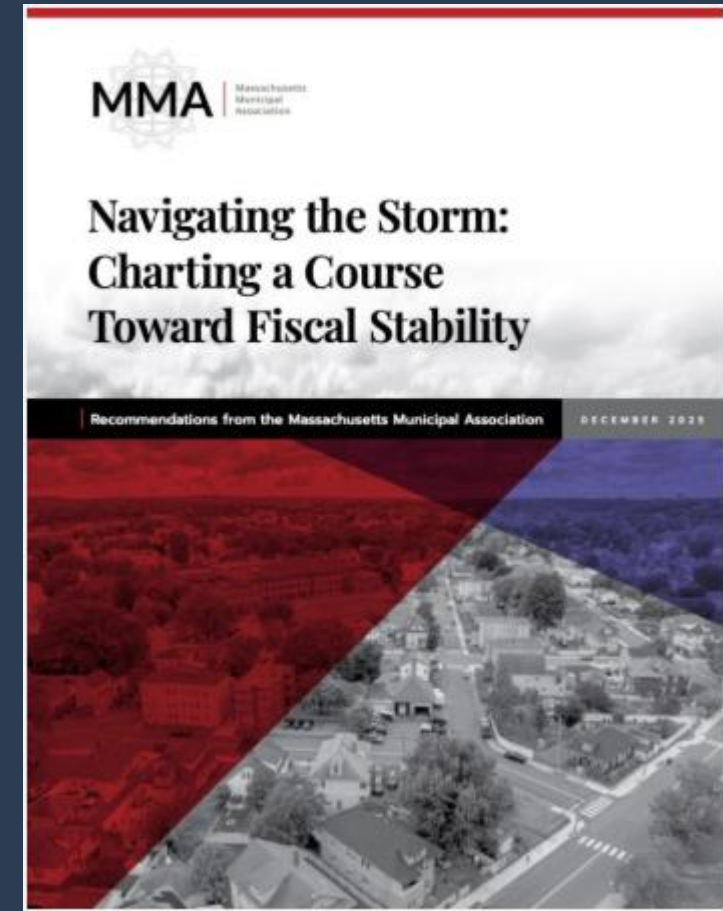
	FY2026 BUDGETED	FY2027 ESTIMATE	\$ Change	% Change
STATE AID				
Cherry Sheet Receipts	\$ 2,856,500	\$ 2,909,331		
Less Offsets	\$ (24,358)	\$ (24,932)		
Less Charges & Assessments	\$ (361,805)	\$ (368,104)		
TOTAL NET STATE AID	\$ 2,470,337	\$ 2,516,296	\$ 45,959	1.9%

- State Aid
 - Currently using estimates (overall increase of 1.9%)
 - Governor's budget came out after Town budget publication – net state aid is \$2,522,599 or an increase of \$52,262 or 2.1%

Navigating the Storm: Charting a Course Toward Fiscal Stability

- Follow up to the “Perfect Storm” report by the MMA produced last October
- Most important recommendation from this report is infusing Unrestricted General Government Aid (UGGA)
 - 18 year after the great recession reductions, UGGA is still funded below those 2008 levels NOT adjusted for inflation
 - Recommendation does not pull from other local aid programs to offset the funding

- <https://www.mma.org/resources/a-perfect-storm-cities-and-towns-face-historic-fiscal-pressure/>

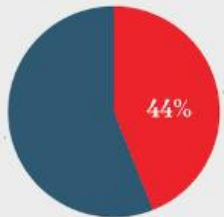


Navigating the Storm: Charting a Course Toward Fiscal Stability



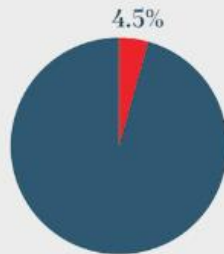
Prop 2 ½ overrides are a **non-starter** for many communities.

Many rural communities and Gateway Cities lack the property values, household income levels, or both to make an override feasible

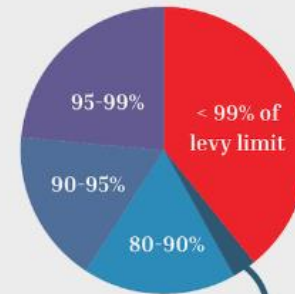


Since 2010, **only 44%** of cities and towns have even attempted an override

Only 16 communities have approved 10 or more overrides since 2010.



Most cities and towns are **at/near the limit** of revenue they can collect under Prop 2 1/2



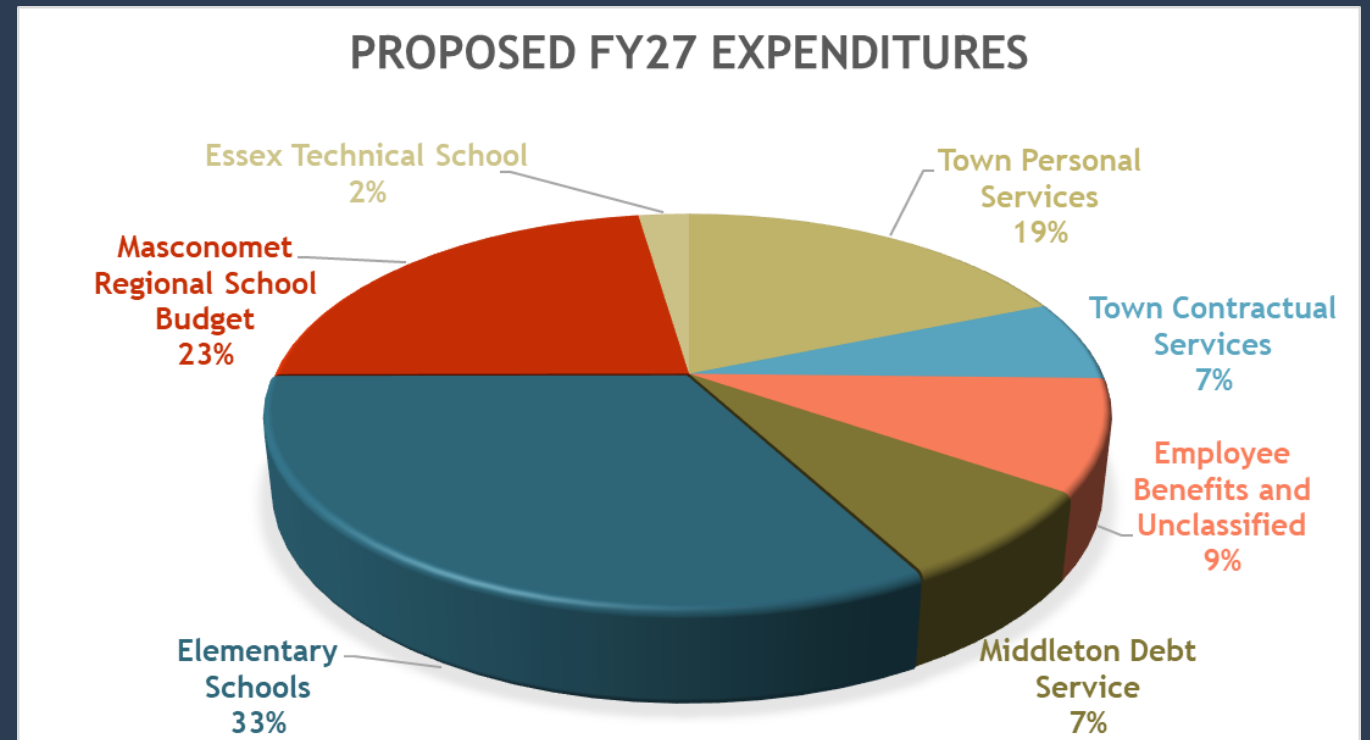
Only 3.4% under 80%

Revenue Summary

	FY2026	FY2027		
	BUDGETED	ESTIMATE	\$ Change	% Change
NET PROPERTY TAXES RAISED	\$ 42,083,826	\$ 43,450,858	\$ 1,367,032	3.2%
TOTAL NET STATE AID	2,470,337	2,516,296	45,959	1.9%
TOTAL LOCAL RECEIPTS	4,413,344	4,413,344	-	0.0%
TOTAL OFFSET RECEIPTS	1,341,931	1,227,870	(114,061)	-8.5%
TOTAL REVENUES	<u>\$ 50,309,438</u>	<u>\$ 51,608,368</u>	<u>\$ 1,298,930</u>	<u>2.6%</u>

Expenditure Components

- Town Operating Budget
- Elementary School Operating Budget
- Regional School Assessments
- Insurance/Pension
- Debt
- State Assessments



Expenditure Highlights

The proposed operating budget as of 1/30/26 is \$52,207,947

- Town Services (including debt and employee benefits) - \$21.99 million dollars or 42.12%
- Elementary Schools - \$17.14 million dollars or 32.84%
- Regional School Assessments - \$13.07 million dollars or 25.04%

Overall Budget increase of \$1.9 million dollars or 3.8% vs FY2026

Expenditure Assumptions

- As the budget is a snapshot as of 1/30/26 the following budget assumptions were made:
 - Masco Budget – 2.5% increase
 - Essex Tech Budget – 5% increase
 - Health Insurance – 20% increase in rate (enrollment is down from PY budget)
 - MELD contribution – maintained at same level
 - State Aid – projection model used

FY 27 Budget Drivers

Department	Change	Description
Elementary Schools	\$418,135	Maintaining a 2.5% increase
Retirement Assessment	\$311,074	Town's share of the assessment increased 5.5% as well as the standard 6% in the assessment from Essex Regional Retirement
Masconomet	\$289,275	Holding a 2.5% placeholder
Health/Dental Insurance	\$181,655	Placeholder of 20% premium increase for health and 5% premium increase for dental; nets to a 12% increase overall with enrollment down from FY26 budget (all new positions were budgeted but not all took insurance)
Town Buildings	\$96,975	See next slide for breakdown of changes
Library	\$86,165	Majority is Salary related – Custodians moved from Town Buildings to correctly classify them (\$54,000); FY27 is first budget with contract numbers FY26 budget is FY24 rates
Debt Service	\$80,500	Will increase further with interest on BANS to be issued
IT	\$75,318	New Records Request software (\$11,500); Konica Leases/Supplies (\$9,000); Cybersecurity moving from Capital (\$28,500); 5% contractual increases for other software's (ClearGov, Munis, Etc..)
Elections	\$56,891	Budgeting for 3 elections in FY27
Property & Liability Insurance	\$26,875	This will increase further with updated projections from MIIA for the new premiums for Municipal Campus
Council on Aging	\$23,915	Reduction in Title IIIB Grant offset for Salaries & Wages
Veteran's Agent	\$22,907	New VSO hired at higher rate and additional hours
Group B Classification	\$19,792	Mid-Year adjustment to Comp & Class Group B in FY26 compounded by COLA (affects Town Clerk, Assessor and Treasurer Budgets)
Chief Wills Festival	(\$5,000)	Moved out of operating budget and will be funded from Mansfield Fund.

FY 27 MMC Consolidation

Department	Description	Net Change	Notes
Town Building	ELECTRICITY 105 S MAIN	\$10,500.00	True Increase
Town Building	ELEC.WATER PUBLIC SAFETY CENTER	\$40,500.00	
Police	ELECTRICITY	(\$14,000.00)	
Police	BUILDING UTILITIES	(\$5,000.00)	
Fire	ELECTRICITY	(\$13,000.00)	
Fire	FUEL	(\$8,150.00)	
		\$350.00	Net Increase to Budget
Town Building	POSTAGE	\$23,490.00	
Select Board	POSTAGE	(\$700.00)	
Town Accountant	POSTAGE	(\$50.00)	
Assessors	POSTAGE	(\$1,200.00)	
Treasurer-Collector	POSTAGE	(\$29,480.00)	
Treasurer-Collector	CONTRACTUAL SERVICES	\$25,240.00	
Town Clerk	POSTAGE	(\$4,500.00)	
Conservation Commission	POSTAGE	(\$100.00)	
Planning Board	POSTAGE	(\$1,000.00)	
Police	POSTAGE	(\$1,000.00)	
Fire	POSTAGE	(\$75.00)	
Board Of Health	POSTAGE	(\$150.00)	
Veterans Agent	POSTAGE	(\$300.00)	
		\$10,175.00	Net Increase (primarily for Elections)

FY 27 MMC Consolidation

Department	Description	Net Change	Notes
Town Building	Central Office Supplies	\$6,000.00	
Select Board	CENTRAL OFFICE SUPPLIES	(\$3,500.00)	
Veterans Agent	CENTRAL OFFICE SUPPLIES	(\$150.00)	
Conservation Commission	COPIER/PRINTING	(\$200.00)	
Planning Board	COPIER/PRINTING	(\$500.00)	
Board Of Health	COPIER/PRINTING	(\$500.00)	
Town Accountant	OFFICE SUPPLIES	(\$500.00)	
Assessors	OFFICE SUPPLIES	(\$1,800.00)	
Treasurer-Collector	OFFICE SUPPLIES	(\$500.00)	
Planning Board	OFFICE SUPPLIES	(\$1,200.00)	
Building Inspection	OFFICE SUPPLIES	(\$2,200.00)	
Board Of Health	OFFICE SUPPLIES	(\$250.00)	
Conservation Commission	OFFICE/OPERATING SUPPLIES	(\$400.00)	
		(\$5,700.00)	Net Decrease in Budget

FY 27 MMC Consolidation

Department	Description	Net Change	Notes
Town Building	OTHER SUPPLIES	\$3,800.00	
<i>Town Building</i>	<i>OPERATING SUPPLIES</i>	<i>(\$1,500.00)</i>	
		\$2,300.00	Net Decrease
Town Building	BUILDING MAINTENANCE - 105 S. Main	\$38,750.00	
<i>Town Building</i>	<i>CONTRACTUAL SERVICES</i>	<i>(\$24,000.00)</i>	
<i>Council On Aging</i>	<i>BUILDING MAINTENANCE</i>	<i>(\$5,610.00)</i>	
		\$9,140.00	Net Increase
Town Building	BUILDING MAINT. PUBLIC SAFETY CENTER	\$61,250.00	
<i>Police</i>	<i>BUILDING MAINTENANCE</i>	<i>(\$8,500.00)</i>	
<i>Fire</i>	<i>BUILDING MAINTENANCE</i>	<i>(\$11,000.00)</i>	
		\$41,750.00	Net Increase
		\$92,005.00	Net Cost of New Accounts/Reorganization

Salaries & Wages Comparison

FY26 to FY27

	FY26	FY27	\$ Change	% Change
<u>Department</u>				
Moderator	\$500	\$1,000	\$500	100.0%
Select Board/Administrator	\$391,048	\$405,913	\$14,865	3.8%
Finance Committee	\$700	\$0	-\$700	-100.0%
Town Accountant	\$227,762	\$237,901	\$10,139	4.5%
Board of Assessors	\$217,419	\$229,622	\$12,203	5.6%
Treasurer/Collector	\$243,368	\$248,073	\$4,705	1.9%
Custodian of Lands	\$2,500	\$2,500	\$0	0.0%
Information Technology	\$74,461	\$79,600	\$5,139	6.9%
Town Clerk	\$194,937	\$210,888	\$15,951	8.2%
Elections	\$22,095	\$72,136	\$50,041	226.5%
Conservation Comm.	\$98,674	\$101,634	\$2,960	3.0%
Planning Board	\$103,161	\$106,774	\$3,613	3.5%
Town Buildings	\$53,816	\$0	-\$53,816	-100.0%
Police Department	\$2,597,895	\$2,670,691	\$72,796	2.8%
Fire Department	\$2,716,087	\$2,735,549	\$19,462	0.7%
Inspections Dept.	\$288,638	\$302,365	\$13,727	4.8%
Animal Control	\$21,822	\$22,444	\$622	2.9%
Constable	\$500	\$500	\$0	0.0%
Elementary School	\$11,582,895	\$11,996,229	\$413,334	3.6%
Public Works	\$931,253	\$960,124	\$28,871	3.1%
Snow and Ice	\$52,520	\$54,227	\$1,707	3.3%
Transfer Station	\$158,632	\$166,076	\$7,444	4.7%
Board of Health	\$155,655	\$161,657	\$6,002	3.9%
Council on Aging	\$293,383	\$319,827	\$26,444	9.0%
Veteran's Agent	\$37,245	\$61,702	\$24,457	65.7%
Library	\$553,405	\$631,553	\$78,148	14.1%
Recreation Comm.	\$38,229	\$42,978	\$4,749	12.4%
Unclassified	\$40,000	\$70,000	\$30,000	75.0%
Total Salaries & Wages	\$21,098,600	\$21,891,963	\$793,363	3.8%

Other Expense Budget

Department	FY26 to FY27			
	FY26	FY27	\$ Change	% Change
Select Board/Administrator	\$43,040	\$39,290	(\$3,750)	-8.7%
Finance Committee	\$100,200	\$100,215	\$15	0.0%
Town Accountant	\$52,000	\$46,000	(\$6,000)	-11.5%
Board of Assessors	\$28,166	\$28,760	\$594	2.1%
Treasurer/Collector	\$46,230	\$42,140	(\$4,090)	-8.8%
Town Counsel	\$96,000	\$96,000	\$0	0.0%
Information Technology	\$485,107	\$555,286	\$70,179	14.5%
Town Clerk	\$47,200	\$47,450	\$250	0.5%
Elections	\$22,900	\$29,750	\$6,850	29.9%
Conservation Comm.	\$8,950	\$8,900	(\$50)	-0.6%
Planning Board	\$11,810	\$7,690	(\$4,120)	-34.9%
Town Buildings	\$100,000	\$250,790	\$150,790	150.8%
Town Reports	\$12,500	\$15,000	\$2,500	20.0%
Police Department	\$221,988	\$232,379	\$10,391	4.7%
Fire Department	\$316,536	\$272,211	(\$44,325)	-14.0%
Inspections Dept.	\$34,250	\$33,357	(\$893)	-2.6%
Animal Control	\$3,900	\$3,900	\$0	0.0%
Elementary School	\$5,142,501	\$5,147,302	\$4,801	0.1%
Essex N.S Technical H.S.	\$1,158,466	\$1,212,979	\$54,513	4.7%
Masco School	\$11,571,000	\$11,860,275	\$289,275	2.5%
Public Works	\$383,900	\$380,400	(\$3,500)	-0.9%
Snow and Ice	\$299,000	\$316,500	\$17,500	5.9%
Transfer Station	\$507,967	\$525,600	\$17,633	3.5%
Board of Health	\$23,300	\$21,150	(\$2,150)	-9.2%
Council on Aging	\$47,158	\$44,629	(\$2,529)	-5.4%
Veteran's Agent	\$46,900	\$45,350	(\$1,550)	-3.3%
Tri-Town Council	\$29,925	\$31,421	\$1,496	5.0%
Garden Club	\$5,000	\$5,000	\$0	0.0%
Library	\$245,919	\$253,936	\$8,017	3.3%
Recreation Comm.	\$20,775	\$21,630	\$855	4.1%
Historical Comm.	\$1,000	\$1,000	\$0	0.0%
Patriotic Observances	\$6,500	\$6,500	\$0	0.0%
Chief Wills Day	\$5,000	\$0	(\$5,000)	-100.0%
Debt Service	\$3,859,476	\$3,939,976	\$80,500	2.1%
Unclassified	\$4,218,773	\$4,739,445	\$520,672	12.3%
Total Other Expenses	\$29,203,337	\$30,362,211	\$1,158,874	4.0%

Known Budget Changes

- Essex North Shore Tech - \$77,837 decrease to budget per preliminary assessment
- Health insurance range of 2.9%-14.4% average 8.3% (unknown budget impact)
- Dental insurance range of 0%-10.9% average 3.5% (unknown budget impact)
- Interest projected for issuance of BAN - \$179,500 exempt; \$99,723 non-exempt
- P&L Ins. – additional \$25,000 increase for premiums for new/current buildings
- State Aid Governor's Budget - \$6,303 increase in revenue

Unknown Budget Changes

- Masconomet – guidance was 2.5%; Middleton's share of assessment not provided at this time; deliberations still happening
- MELD Contribution – Final number not received
- Health/Dental – Town's official rates not received
- Revenue Adjustments – growth to be looked at in more depth; look at February/March numbers to see what can/needs to be adjusted