



Fiscal Year 2027 Proposed Operating & Capital Budgets

February 5, 2026

Paul E. Cohen
Town Manager

To the members of the Select Board and the Finance Committee, in accordance with the provisions of Section 6-2 of the Town Charter and Section 35-1 of the Town Bylaws, I hereby submit a proposed Town of Chelmsford Fiscal Year 2027 budget and capital improvement plan.

The proposed FY27 operating budget amounts to \$176.4M and utilizes the entire estimated local property tax levy capacity under the provisions of Proposition 2 ½.

State Aid funding is based Governor Maura Healey's proposed FY27 State budget, with the exception that minimum Chapter 70 education aid will ultimately be enacted by the State Legislature at the same \$150/student amount as the current fiscal year. The Governor's proposal funds Chapter 70 minimum per pupil aid at only \$75/student. Since the State Legislature is not expected to enact a State budget until July, there remains uncertainty regarding the final amount of State aid that the Town will receive to help fund local governmental operations in Fiscal Year 2027. In addition, the actual amount of new growth to the property tax levy and the amount of funding that will be required for a new collective bargaining agreement with the Town's firefighters' union is unknown at this time. Therefore, the Town's FY27 operating budget will need to be modified in the months ahead as additional information becomes available.

FY27 Budget Overview

The proposed \$176.4M Fiscal Year 2027 operating budget significantly reduces the level of Town services, while utilizing the maximum property tax levy within the constraints of Proposition 2½. Extraordinary increase in health insurance premiums, retirement assessment, and wage growth necessitate level staffing of government operations. There is no indication that these inflationary pressures will subside.

The School Department's operations are detailed in the Superintendent of Schools' FY27 budgetary document. The Town would continue to operate at critical minimum staffing levels. Additional staffing is warranted in public safety, education, and human services.

FY27 Budget Overview

The proposed \$176.4M FY27 operating budget provides the following:

- Chelmsford Public School funding increase of 3.3% (\$2.5M) to \$78.15M.
- Nashoba Valley Technical School District assessment increase of 6.5% (\$263K) to \$4.32M.
- General Government Operating Department funding increase of 3.2% (\$1.25M) to \$40.1M.
- Benefits and Insurance funding increases by 7.68% (\$2.77M) to \$38.8M
- Debt service increase of 5.28% (\$548K) to \$10.9M . Non-Excluded debt service increases by \$302K (3.87%), while Excluded debt service increases by \$885K (324.06%).
- State Assessments and Overlay decrease of .72% (-\$27K) to \$3.7M.

FY27 General Government Operating Budget Increases

The proposed Fiscal Year 2027 operating budget level staffs all positions that are funded in the current fiscal year operating budget. Funding is provided for personnel in accordance with the second year of collective bargaining agreements with the unionized employees, with the exception of the firefighters which is currently in mediation. The Town's non-union employees will receive a 3% adjustment to the compensation schedules.

The proposed operating budget also additional funding for the following services:

- Biennial State Elections: \$51,000;
- Legal Services: \$50,000;
- Solid Waste & Recycling Collection and Disposal: \$147,000
- Richardson Road PFAS Treatment System: \$210,000;
- Building Maintenance: \$105,000;

FY27 General Government Operating Budget Omissions

The proposed Fiscal Year 2027 operating budget does not honor the following reasonable requests for General Government operations:

- Additional Police Officers to enhance traffic safety across the community.
- Additional Firefighters to increase apparatus staffing levels;
- Creation of Fire Lieutenant positions to enhance operational safety.
- Additional DPW Highway Laborer positions to improve the condition of the Town' parks, roadways, and sidewalks.
- Safety specialist position to improve workplace safety;

FY27 Budget Impact

from Health Insurance Premiums and Retirement Assessment

Benefits and insurance absorbs **\$2.77M (38%)** of the overall budgetary increase.

\$1.35M has been budgeted to fund the projected 7.9% increase in health insurance premiums for 690 eligible active employees. The estimated total premium for an HMO family plan would increase to \$38,100. The Town funds 75% of the premium, which amounts to \$28,575.

\$487K has been budgeted for an estimated increase in health insurance premiums for Medicare supplement plans for 1000 eligible retirees over the age of 65. The Town funds 60% of the premium.

The Town's assessment from the Middlesex County Retirement System increases by \$860K (6.57%) to \$13.95M.

Budget Revenue Sources

The proposed FY27 operating budget amounts to \$176.4M.

The budget utilizes the Town's entire \$135.1M estimated property tax levy capacity, which is a \$6M (4.67%) increase. The property tax would fund over 76% of the Town's operating budget.

The budget is based upon Governor Healey's proposed FY27 State operating budget with the exception that minimum Chapter 70 education aid will ultimately be enacted by the State Legislature at the same \$150/student amount as the current fiscal year. The Governor's proposal funds Chapter 70 minimum per pupil aid at only \$75/student. This would provide \$23.8M in local aid receipts to Chelmsford. This is an increase of \$1.1M (4.85%).

Local receipts are estimated at \$13.9M, which amounts to an increase of \$631K (4.75%).

Available Funds are estimated at \$3.5M, which decreases by \$502K (-12.95%) for recurring operating costs.

Chapter 70 Education Funding

Governor Healey's proposed FY27 State operating budget increases Chapter 70 educational funding to \$15,838,549. This is an increase of \$388,125. This represents an increase of only \$75/student (2.51%) for the Town's 5,175 students.

For the current fiscal year, the State Legislature increased the Governor's proposed Chapter 70 minimum student funding level to \$150/student. This proposed budget is based upon the same per-pupil funding level. This would increase the Chapter 70 funding level to \$16,226,674, which is an increase of \$776,250 (5.02%).

This would continue the Town's customary annual increase in educational funding levels, which are listed on the following slide:

Chelmsford's State Chapter 70 Education Funding History

<u>Fiscal Year</u>	<u>Chapter 70 Education \$</u>	<u>\$ Increase</u>	<u>% Increase</u>
2017	\$10,746,368	\$273,350	2.61%
2018	\$10,894,328	\$147,960	1.37%
2019	\$11,047,148	\$152,820	1.40%
2020	\$11,199,428	\$152,280	1.38%
2021	\$11,199,428	\$0	0%
2022	\$11,348,108	\$148,680	1.33%
2023	\$11,962,155	\$614,047	5.41%
2024	\$14,141,800	\$2,179,645	18.22%
2025	\$14,680,624	\$538,824	3.81%
2026	\$15,450,424	\$769,800	5.24%
2027 (Est.)	\$16,226,674	\$776,250	5.02%

FY27 Capital Improvements Plan Highlights

The proposed Fiscal Year 2027 capital improvement plan recommends a total of \$6.4M in debt service to finance 20 infrastructure projects. This increases the capital funding level by \$460K (7.7%) over the current fiscal year to responsibly address \$9.2M in capital project requests.

Infrastructure investments include:

- High School Partial Roof Replacement: \$1,000,000
- Adams Library HVAC Partial Replacement: \$850,000
- Byam School Parking Lot Resurfacing: \$700,000
- Police Station HVAC Partial Replacement: \$650,000
- DPW Roadway Improvements: \$425,000
- School Security & Fire Panel Assessment \$400,000
- DPW 10-Wheel Dump Truck: \$375,000
- DPW 6-Wheel Sander: \$350,000
- Facilities Town Offices Elevator: \$325,000

Enterprise Funds

The Town operates its sewer, stormwater, public/educational/governmental access programming, ice rink, and golf course through enterprise funds. These activities are independently funded from their operating revenue. The proposed FY27 enterprise budgets accompany this report. In summary,

- Sewer Enterprise budget increases by \$202K (3.13%) to \$6.67M. The wastewater treatment fee to the Lowell regional wastewater facility decreases by \$100K to \$2.3M.
- Stormwater Enterprise budget increases by \$107K (5.15%) to \$2.18M.
- Public Education Government (PEG) Access budget increases by \$92K (13.45%) to \$777K.
- Forum ice rink enterprise is level-funded at \$65,000.
- Golf Course enterprise is level-funded at \$30,000.

Conclusion

The proposed Fiscal Year 2027 operating budget and capital improvement plan will maintain the Town's service level. Health care premiums, retirement assessment, and labor costs significantly outpace the Town's revenue sources within the property tax constraints of Proposition 2½, state aid, and local receipts. There is no evidence that these fiscal pressures will dissipate soon. Health insurance premiums are expected to increase at double digit amounts in the next few years, the Town's retirement assessment will increase by at least 6.5% in each subsequent fiscal year, and the labor shortage will continue to escalate wages for employees and service providers.

These budgetary challenges are not unique to Chelmsford. Other Massachusetts municipalities are confronting these inflationary cost factors. Governor Healey has filed legislation to maintain Chapter 90 roadway funding, increase local option taxes, and implement reforms to local governmental operations. Hopefully, the Governor and the State Legislature will provide adequate assistance to municipal governments during this critical time.

Thank you for your consideration.

Budget Priorities

- Education
- Public Safety
 - Fire Department
 - Police Department
 - DPW
- Capital Infrastructure
- Public Health and Human Services

FY27 Budget Line-Item Changes

		<u>%Chg.</u>
• Municipal Administration:	\$ 281,896	6.80%
• Chelmsford Public Schools:	\$2,500,000	3.30%
• Nashoba Valley Tech:	\$ 263,302	6.50%
• Public Safety:	\$ 427,293	2.37%
• Public Works:	\$ 239,610	2.57%
• Municipal Facilities:	\$ 150,034	5.65%
• Cemetery Commission:	\$ 17,355	3.72%
• Community Services:	\$ 66,753	4.01%
• Library:	\$ 129,059	5.01%
• Benefits & Insurance:	\$2,766,664	7.68%
• Debt Service:	\$ 548,353	5.28%
• State Assessments & Overlay:	<u>\$ (88,723)</u>	<u>(2.40%)</u>
Total:	\$7,301,596*	4.32%

* Does not include funding for the unresolved collective bargaining agreement with the firefighters' union.

Revenue Summary

\$176.4M budget

Additional Available Revenue:

Property Tax:	\$6,032,245	(4.67%)
State Aid:	\$1,101,431	(4.85%)
Local Receipts:	\$631,195	(4.75%)
Available Funds:	<u>(\$520,044)</u>	<u>(12.95%)</u>
	\$7,244,827	4.28%

5 Fiscal Year Expenditure Comparison

	<u>FY22</u>	<u>FY27</u>	<u>\$ Change</u>	<u>%Change</u>
Municipal Admin.	\$3.54M	\$4.43M	\$.89M	2.51%
Chelmsford Schools	\$65.00M	\$78.15M	\$13.15M	20.23%
Nashoba Tech	\$3.72M	\$4.32M	\$.60M	16.13%
Public Safety	\$14.81M	\$18.49M	\$3.68M	24.85%
DPW	\$7.36M	\$9.55M	\$2.19M	29.76%
Municipal Facilities	\$2.04M	\$2.81M	\$.77M	37.75%
Cemetery	\$.38M	\$.48M	\$.10M	26.32%
Community Services	\$1.28M	\$1.73M	\$.45M	35.16%
Library	\$2.19M	\$2.71M	\$.52M	23.74%
Benefits & Insurance	\$26.56M	\$38.77M	\$12.21M	45.97%
Debt Service	\$12.56M	\$10.94M	(\$1.62M)	(12.90%)
State Amts/Overlay	\$3.67M	\$3.61M	(\$0.06M)	(1.63%)

10 Fiscal Year Expenditure Comparison

	<u>FY17</u>	<u>FY27</u>	<u>\$ Change</u>	<u>%Change</u>
Municipal Admin.	\$2.99M	\$4.43M	\$1.44M	48.16%
Chelmsford Schools	\$54.55M	\$78.15M	\$23.60M	43.26%
Nashoba Tech	\$2.83M	\$4.32M	\$1.49M	52.65%
Public Safety	\$11.92M	\$18.49M	\$6.57M	55.12%
DPW	\$6.69M	\$9.55M	\$2.86M	42.75%
Municipal Facilities	\$1.58M	\$2.81M	\$1.23M	77.85%
Cemetery	\$.33M	\$.48M	\$.15M	45.45%
Community Services	\$1.05M	\$1.73M	\$.68M	64.76%
Library	\$1.87M	\$2.71M	\$.84M	44.92%
Benefits & Insurance	\$21.56M	\$38.77M	\$17.21M	79.82%
Debt Service	\$14.07M	\$10.94M	(\$3.13M)	(22.25%)
State Amts/Overlay	\$3.42M	\$3.61M	\$.19M	5.56%

Chelmsford Public Schools

Proposed FY27 Budget Line Item

FY26 Appropriation:	\$75,650,000	
Increase:	<u>\$2,500,000</u>	<u>(3.30%)</u>
FY27 Total:	\$78,150,000	

School Department Funding Increases

<u>FY</u>	<u>Amount</u>	<u>Increase</u>	<u>% Increase</u>
2018	\$57,000,000	\$2,450,000	4.49%
2019	\$59,000,000	\$2,000,000	3.50%
2020	\$61,000,000	\$2,000,000	3.39%
2021	\$61,667,000	\$667,000	1.09%
2022	\$65,000,000	\$3,333,000	5.40%
2023	\$67,500,000	\$2,500,000	3.85%
2024	\$70,700,000	\$3,200,000	4.74%
2025	\$73,880,000	\$3,180,000	4.50%
2026	\$75,650,000	\$1,770,000	2.40%
2027	\$78,150,000	\$2,500,000	3.30%

Chelmsford Public Schools Funding

FY07 Net School Spending:	\$47,244,247
FY07 Required School Spending:	<u>\$44,620,168</u>
Dollars Over Requirement:	\$2,624,079 (5.88%)
FY25 Net School Spending:	\$88,293,650
FY25 Required Net School Spending:	<u>\$67,143,896</u>
Dollars Over Requirement:	\$21,149,754 (31.50%)
FY26 Budgeted Net School Spending:	\$92,168,286
FY26 Required Net School Spending:	<u>\$70,603,389</u>
Dollars Over Requirement:	\$21,564,897 (30.54%)
FY27 Required Net School Spending:	\$73,767,263

Chelmsford Public Schools Per Pupil Expenditure

FY14: \$12,436

FY15: \$13,289

FY16: \$14,216

FY17: \$14,610

FY18: \$14,954

FY19: \$15,637

FY20: \$15,659

FY21: \$17,193

FY22: \$16,808

FY23: \$17,804

FY24: \$18,641

Chelmsford Public Schools Per Pupil Expenditure

Estimate: \$19,500

180 school days = \$108/school day/pupil

22 student classroom: $\$19,500 \times 22 = \$429,000$

180 school days = \$2,383/school day/classroom

Chelmsford Public Schools Foundation Enrollment & Student/Teacher Ratio

	<u>Enrollment</u>	<u>Teachers</u>	<u>Student/Teacher Ratio</u>
FY15:	5,056	359.5	14.1
FY16:	4,987	366.3	13.6
FY17:	4,974	365.7	13.6
FY18:	4,994	372.6	13.4
FY19:	4,961	373.2	13.3
FY20:	5,021	369.5	13.6
FY21:	4,826	376.9	12.8
FY22:	4,943	380.9	13.0
FY23:	5,055	382.9	13.3
FY24:	5,130	381.7	13.4
FY25:	5,068	385.8	13.1
FY26:	5,128		

Chelmsford Public Schools Average Class Size

- FY15: 18.9
- FY16: 18.0
- FY17: 18.1
- FY18: 17.8
- FY19: 18.1
- FY20: 17.7
- FY21: 19.1
- FY22: 17.8
- FY23: 18.0
- FY24: 18.8
- FY25: 18.8

Nashoba Tech FY27 Assessment

FY27 Assessment:	\$4,316,932
FY26 Assessment:	<u>\$4,053,630</u>
Increase:	\$263,302 (6.50%)

Nashoba Tech Enrollment

Chelmsford's October 1, 2025 enrollment at Nashoba Tech increased by 6 students to 216. The District's total member enrollment increased by 6 students. Nashoba Tech's member enrollment has increased to 770.

The Town's share of the District member enrollment has decreased from 27.49% to **28.05%**.

The District is scheduled to present its proposed FY27 budget with resulting assessments on Friday, January 30.

Nashoba Tech FY27 Assessment: **\$4.32M**

Estimated Increase of **\$263K (6.50%)**

Chelmsford's Foundation Enrollment at Nashoba Tech

- FY17: 184
- FY18: 191
- FY19: 198
- FY20: 186
- FY21: 201
- FY22: 212
- FY23: 207
- FY24: 212
- FY25: 218
- FY26: 210
- FY26: 216 (October 1, 2025 enrollment basis)

Five Year Increase: 4 students (.19%)

Nashoba Valley Tech. Per Pupil Expenditure

FY14: \$16,165

FY15: \$17,030

FY16: \$18,374

FY17: \$19,477

FY18: \$20,530

FY19: \$21,429

FY20: \$20,362

FY21: \$20,829

FY22: \$21,587

FY23: \$22,459

FY24: \$24,046

The per pupil expenditure today (FY26) likely exceeds \$24,500.

FY27 Nashoba Tech Budget Drivers

- Staffing contractual increases, including step and lane changes
- Special education staffing, services and transportation costs
- Increases in building maintenance and capital projects
- Increases in the cost of technical program material & equipment
- Increases in other vendor contracts and fixed costs

Public Safety – Police

Mission: Maintain the peace, protect life & property:

69 full-time employees:

- 54 sworn officers;

 - 1 animal control officer

 - 9 civilian public safety dispatchers;

 - 3 clerical;

 - 1 mechanic;

 - 1 building custodian;

Chelmsford's ratio of sworn officers per 1,000 residents: 1.89;

National average: 2.4;

Police Department Call Volume Answered by Cruisers

<u>Year</u>	<u># Calls</u>	<u># FTE</u>	
2025	37,810	69	Property checks 17,770 (47%)
2024	36,638	69	
2023	37,393	69	
2022	36,763	69	
2021	35,240	69	
2020	36,979	69	
2019	36,746	69	
2018	35,096	69	
2017	32,144	68	
2016	34,062	68	
2015	31,951	68	

Public Safety – Fire

Mission: Emergency response to fire, medical, motor vehicle accident, and other life safety calls; fire prevention.

63.5 full-time employees (level staffing):

- 1 Fire Chief;
- 1 Deputy Fire Chief;
- 7 Captains;
- 52 Firefighters;
- 1.5 clerical;
- 1 mechanic;

At 11 firefighters minimum per shift.

Fire Department Call Volume

Total Number of Calls

<u>Year</u>	<u># Calls</u>	<u># FTE</u>	
2025	6,499	63.5	Medical Calls: 4,448 (68%)
2024	6,369	63.5	
2023	6,363	63.5	
2022	6,041	63.5	
2021	5,910	63.5	
2020	5,475	63.5	
2019	6,602	63.5	
2018	7,234	63.5	
2017	6,605	63.5	
2016	6,667	63.5	
2015	6,853	63.5	
2014	6,622	62.5	

Employee Compensation

The Town's General Government (Non-School Department) consists of non-union employees and five collective bargaining units. All of the collective bargaining agreements, with the exception of the unresolved firefighters' agreement, will enter into the second year of three-year contracts. The Town's bylaws prohibit the funding of anticipated negotiated contractual amounts. Therefore, the fire department's budget does not include any funding for the unresolved collective bargaining agreement.

Personnel Increase: \$700K

Employee and Retiree Health Insurance

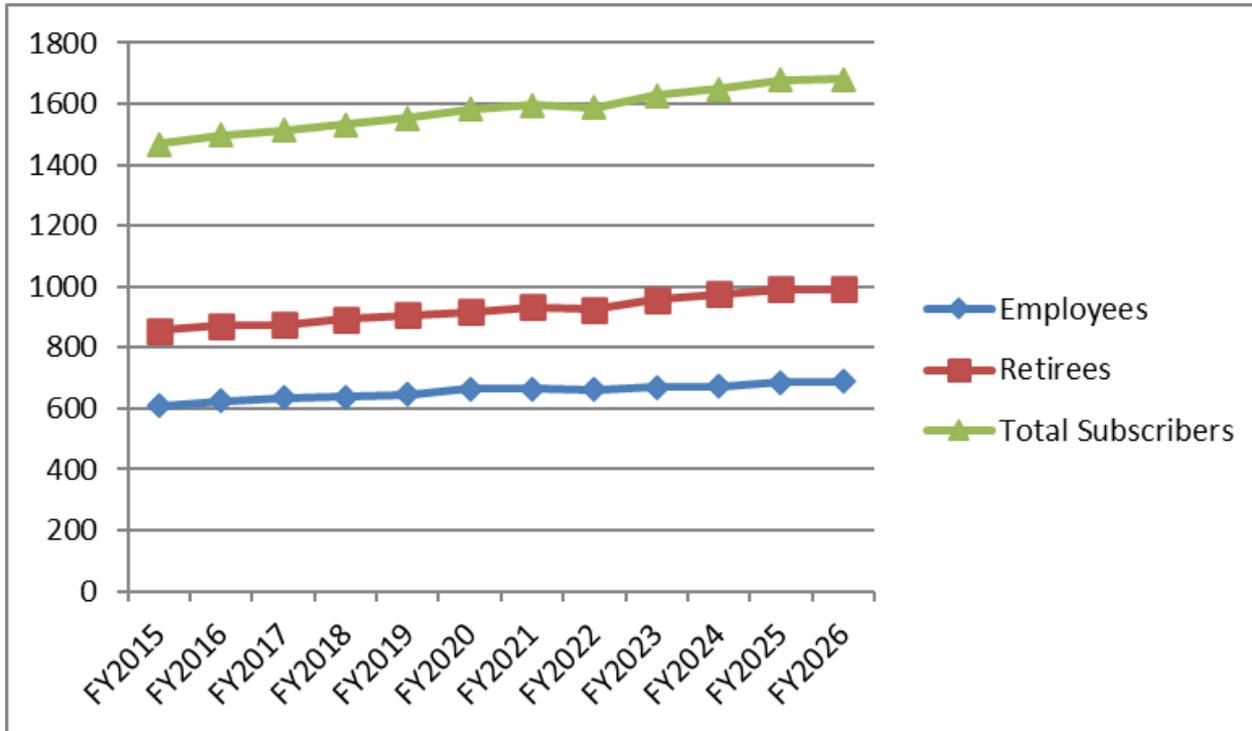
FY27 premiums for the Blue Cross health insurance plans for active employees are projected increased by 7.88%.

The Town's insurance premiums are dependent upon claims experience and enrollment.

The number of insured continues to increase. The Town currently insures approx. 689 employees (School Dept. 467/General Govt 222) and 993 retirees.

Budgeted increase of **\$1.84M**

Health Insurance Subscribers



FY	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Employees	610	625	636	639	646	665	665	661	670	672	685	689
Retirees	857	873	876	893	907	918	932	926	958	977	990	993
Total	1467	1498	1512	1532	1553	1583	1597	1587	1628	1649	1675	1682

FY2026 data for November 2025

Health Insurance Premium

Fiscal Year 2027 Blue Cross HMO Family Plan projected health insurance premium for active employees:

Total Annual Premium: \$38,100

Town's Share (75%): \$28,575

Middlesex County Retirement Assessment

The Town's FY27 assessment is **\$13,950,650**.

This is an increase of **\$860,206 (6.57%)**.

\$12M of this assessment is to amortize the Town's \$116M unfunded pension liability.

Retirement Assessment History

Town of Chelmsford									
Middlesex Retirement Assessment									
10-Year History & Analysis									
Fiscal Year	Normal Cost	+	2002 ERI	+	Payment on Unfunded Liability	=	Total Assessment	Payment Due July 1	Change
2016	\$ 1,155,249		\$ 298,335		\$ 5,778,213		\$ 7,231,797	\$ 7,096,040	\$ 612,334
2017	1,201,459		298,335		6,196,899		7,696,693	7,552,208	456,168
2018	1,269,098		297,748		6,403,153		7,969,999	7,822,651	270,443
2019	1,318,871		297,748		6,869,383		8,486,002	8,329,114	506,463
2020	1,477,302		-		7,556,811		9,034,113	8,872,242	543,128
2021	1,531,438				8,153,659		9,685,097	9,511,562	639,320
2022	1,728,559				8,330,179		10,058,738	9,883,109	371,547
2023	1,791,767				8,933,635		10,725,402	10,538,132	655,023
2024	1,915,464				9,615,459		11,530,923	11,333,552	795,420
2025	1,985,413				10,303,077		12,288,490	12,078,152	744,600
2026	1,981,685				11,336,726		13,318,411	13,090,444	1,012,292
2027	\$ 2,054,495				\$ 12,139,103		\$ 14,193,598	\$ 13,950,650	\$ 860,206

Solid Waste & Recycling Collection and Disposal

- Solid waste collection and recycling collection costs are expected to total \$2.60M. This amounts to an increase of \$126K (5.09%). This maintains one hazardous waste collection event at a cost of \$50K.
- The Town projects to dispose of 17,000 tons of solid waste at the Covanta facility in Haverhill. There is a state and regional shortage of solid waste landfill, trash-to-energy plants, and other solid waste disposal alternatives. Tipping fees are increasing by the Boston CPI to an estimated \$106. The tipping fees/disposal cost for Solid Waste disposal is expected to total \$1.92M. This is an increase of \$22K.

This results is a total increase of **\$147K for collection and disposal.**

Medicare Tax

The estimated Town contribution to Medicare payroll taxes for FY27 is \$1,367,415.

This is an increase of **\$65,115 (5.0%)**.

Debt Service

Standard & Poor's June 11, 2025 credit rating report:

“Manageable debt burden, with plans for additional borrowing”

Excluded Debt Service

The projected FY27 excluded debt service from property taxes increases from \$273K to \$1.16M. This is a result of the fire stations construction project.

This is an increase of **\$885K (324.06%)**.

However, the increase in Proposition 2½ excluded debt does not impact the Town's operating budget.

Excluded Debt Service

FY20:	\$4,233,004
FY21:	\$3,650,909
FY22:	\$3,191,315
FY23:	\$2,079,710
FY24:	\$1,679,444
FY25:	\$1,107,250
FY26:	\$273,100
FY27:	\$1,158,100

Increase of \$885,000 (324.06%) in FY27

Non-Excluded Debt Service

FY20:	\$7,492,663
FY21:	\$7,233,626
FY22:	\$7,040,697
FY23:	\$7,140,974
FY24:	\$7,050,012
FY25:	\$7,090,123
FY26:	\$7,823,140
FY27:	\$8,125,884

Increase of \$302,744 (3.87%) in FY27

Town of Chelmsford

Full-Time Equivalent Employees

<u>General Government</u>	<u>School Department</u>
(without Enterprise Fund Employees)	
FY06: 246.9	695.0
FY10: 215.6	611.1
FY17: 242.9	730.8
FY18: 246.0	753.5
FY19: 248.3	762.3
FY20: 250.4	772.8
FY21: 251.4	786.8
FY22: 253.8	787.4
FY23: 255.0	796.4
FY24: 256.5	794.2
FY25: 259.5	807.8
FY26: 255.5	803.6
FY27: 254.5	802.6

Change since FY06:	7.6 (3.08%)	107.6 (15.48%)	
Change in 5 years:	.7 (.28%)	15.2 (1.93%)	

General Government

Full-Time Equivalent Employees

	<u>FY06</u>	<u>FY26</u>	<u>FY27</u>
Executive Office	4.51	5.10	5.10
Finance Dept	14.48	14.00	14.00
Town Clerk	3.48	4.00	4.00
Planning & Development	3.00	3.00	3.00
Police Department	69.25	70.00	70.00
Fire Department	59.00	63.50	63.50
Inspections	3.98	6.32	6.32
DPW Engineering	5.00	6.00	5.00
DPW Highway	20.00	21.00	21.00
DPW Facilities	0.00	17.50	17.50
DPW Sewer Enterprise	10.70	13.00	14.00
DPW Stormwater Enterprise	0.00	11.00	11.00
DPW Parks	1.50	0.00	0.00
DPW Public Buildings	2.00	0.50	0.50
DPW Recycling/Waste	0.50	0.50	0.50
Cemetery	4.50	4.40	4.40
Human/Community Services	6.15	9.50	9.50
Recreation	1.25	0.00	0.00
Health	3.60	5.80	5.80
Library	26.72	24.88	24.88

FY27 Budget Drivers

School Department	\$2,500,000
Health Insurance	\$1,840,000
Excluded Debt Service	\$885,000
Middlesex Retirement	\$860,000
General Govt. Employee Wages	\$700,000
Non-Excluded Debt Service	\$303,000
Nashoba Tech	\$263,000
Solid Waste & Recycling	\$147,000
Medicare Tax	<u>\$65,000</u>
Total:	\$7,560,000*

* Does not include funding for unresolved firefighters' union collective bargaining agreement.

Available FY27 New Revenue Sources

- Property Tax:
 - Allowed 2 ½% Increase: 3,221,731
 - Projected New Growth: 1,900,000
 - Excluded Debt Service: 885,000
 - State Aid Receipts: 1,100,000
 - Local Receipts: 630,000
 - Available Funds: (500,000)
- Total: \$7,300,000

5 Fiscal Year Revenue Comparison

	<u>FY22</u>	<u>FY27</u>
Property Tax	\$111,899,277 (77.17%)	\$135,138,580 (76.62%)
State Aid	\$17,817,585 (12.29%)	\$23,820,808 (13.51%)
Local Receipts	\$11,693,514 (8.06%)	\$13,925,000 (7.89%)
Available Funds	<u>\$3,587,220</u> (2.47%)	<u>\$3,496,807</u> (1.98%)
Total	\$144,997,596	\$176,381,195

Chapter 70 funding: \$11,348,108 in FY22; \$16,226,764 in FY27;
increase of \$4,878,656 (**42.99%**);

Unrestricted General Govt. Aid: \$5,578,245 in FY22; \$6,475,975 in FY27;
increase of \$897,730 (**16.09%**)

10 Fiscal Year Revenue Comparison

	<u>FY17</u>	<u>FY27</u>
Property Tax	\$94,109,746 (75.61%)	\$135,138,580 (76.62%)
State Aid	\$16,599,846 (13.34%)	\$23,820,808 (13.51%)
Local Receipts	\$10,484,442 (8.42%)	\$13,925,000 (7.89%)
Available Funds	<u>\$3,275,531</u> (2.63%)	<u>\$3,496,807</u> (1.98%)
Total	\$124,469,565	\$176,381,195

Chapter 70 funding: \$10,746,368 in FY17; \$16,226,764 in FY27;
increase of \$5,480,396 (**50.10%**);

Unrestricted General Govt. Aid: \$4,880,124 in FY17; \$6,475,975 in FY27;
increase of \$1,595,851 (**32.70%**)

Property Tax Revenue

	FY2023	FY2024	FY2025	FY2026	FY2027
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>
Base Levy	110,234,603	114,695,046	119,071,854	123,552,994	128,869,227
2 1/2% Increase	2,755,865	2,867,376	2,976,796	3,088,825	3,221,731
New Growth	<u>1,704,580</u>	<u>1,509,432</u>	<u>1,504,343</u>	<u>2,227,409</u>	<u>1,900,000</u>
Total Base Levy	114,695,046	119,071,854	123,552,994	128,869,227	133,990,958
Annual Increase	4,460,443	4,376,808	4,481,139	5,316,234	5,121,731

Estimated available FY27 new property tax levy capacity is **\$5.1M.**

FY26 \$9,219 Average Single-Family Property Tax Bill Allocation

Chelmsford Public Schools	\$4,121	(44.7%)
Nashoba Tech	\$221	(2.4%)
Benefits & Insurance	\$ 1,964	(21.3%)
Public Safety	\$986	(10.7%)
Public Works/Facilities/Cemetery	\$682	(7.4%)
Debt Service	\$562	(6.1%)
General Govt. & Human Services	\$313	(3.4%)
State Assessments & Overlay	\$203	(2.2%)
Library	\$138	(1.5%)
Reserve Fund	\$18	(.2%)

Property Tax Valuation

<u>Fiscal Year</u>	<u>Residential Valuation</u>	<u>Commercial Valuation</u>
2019	82.09%	17.91%
2020	82.63%	17.37%
2021	83.00%	17.00%
2022	83.42%	16.58%
2023	84.56%	15.44%
2024	84.65%	15.35%
2025	84.99%	15.01%
2026	85.29%	14.71%

Average Single Family Property Tax Bill

Fiscal <u>Year</u>	Average <u>Value</u>	Tax <u>Rate</u>	Single Family <u>Tax Bill</u>	State Rank
2007	396,327	12.53	4,966	61
2016	362,736	18.03	6,540	70
2017	385,733	17.92	6,912	68
2018	399,518	17.96	7,175	66
2019	428,333	16.35	7,001	70
2020	447,553	16.45	7,362	68
2021	470,835	15.74	7,411	72
2022	496,467	15.77	7,829	77
2023	573,061	14.37	8,235	77
2024	628,793	13.62	8,575	78
2025	634,510	13.90	8,820	80
2026	694,695	13.27	9,219	86
5-year increase = \$1,808 (24.40%)				
10-year increase = \$2,679 (40.96%)				
2.5% compounded over 5 years = 13.14%				

Property Tax Comparison

<u>Town</u>	<u>Fiscal Year</u>	<u>Average Single-Family Home Value</u>	<u>Average Single-Family Tax Bill</u>	<u>Per-Capita Income</u>	<u>Tax Bill as % of Income</u>
Billerica	FY24	600,018	6,774 +\$254 (3.89%)	46,050	14.71%
	FY25	632,908	7,196 +422 (6.23%)	51,246	14.04%
	FY26	644,586	7,484 +288 (4.00%)	50,638	14.78%
Chelmsford	FY24	628,793	8,564 +\$329 (4.00%)	61,805	13.86%
	FY25	634,510	8,820 +\$256 (2.99%)	66,946	13.17%
	FY26	694,695	9,219 +\$399 (4.52%)	67,479	13.66%
Dracut	FY24	526,154	5,498 +\$185 (3.48%)	39,887	13.78%
	FY25	552,507	5,591 +\$93 (1.69%)	42,616	13.12%
	FY26	593,296	5,737 +146 (2.61%)	42,821	13.40%
Tewksbury	FY24	602,548	8,068 +\$269 (3.45%)	47,985	16.81%
	FY25	629,508	8,322 +\$254 (3.15%)	51,763	16.08%
	FY26	685,343	8,608 +\$286 (3.44%)	52,263	16.47%
Westford	FY24	756,515	10,417 +\$297 (2.93%)	72,500	14.37%
	FY25	796,584	10,730 +\$313 (3.00%)	82,731	12.97%
	FY26	852,122	11,171 +\$441 (4.11%)	81,289	13.74%

State Aid

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>
Chapter 70	11,348,108	11,962,155	14,141,800	14,680,624	15,450,424	16,226,674
Charter Tuition Reimb.	235,724	303,661	144,980	135,773	92,664	229,138
School Choice Tuition	263,989	252,481	290,553	401,517	409,499	355,089
Gen. Government Aid	5,578,245	5,879,470	6,067,613	6,249,641	6,318,387	6,475,975
Veterans Benefits	99,397	96,252	121,336	93,958	86,511	112,259
Exemptions: Vets, Blind	222,197	214,018	191,200	172,559	253,414	309,520
State Owned Land	6,440	8,267	9,300	9,524	9,524	9,713
Libraries	<u>63,485</u>	<u>92,863</u>	<u>89,105</u>	<u>99,109</u>	<u>98,954</u>	<u>102,440</u>
Total	17,817,585	18,809,167	21,055,887	21,842,705	22,719,377	23,820,808

\$1.1M increase (4.85%) in FY27 State Estimated Receipts

68% of the Town's State Aid is Chapter 70 education funding

27% of the Town's State Aid is General Government Aid

Local Receipts

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>
Motor Vehicle Excise	5,359,008	5,731,006	5,721,313	6,153,573	6,493,595	6,150,000	6,700,000
Interest on Late Taxes	628,088	486,161	486,345	458,257	510,641	495,000	495,000
Payments in Lieu of Taxes	53,537	50,719	26,538	107,003	56,580	50,000	50,000
Meals Tax - Local	599,979	722,591	805,865	928,271	887,928	950,000	975,000
Fees	321,792	311,902	342,540	329,139	389,550	370,000	370,000
Rental Income	33,973	92,250	46,550	141,862	103,789	90,000	90,000
Dept Revenue - Schools	310	170	145	140	240	150	150
Dept Revenue - Cemetery	173,535	180,460	150,304	147,125	175,580	150,000	160,000
Dept Revenue - Other	234,931	181,779	302,720	238,296	233,273	195,000	230,000
Alcohol & Other Licenses	186,408	230,899	211,883	210,220	224,134	220,000	225,000
Permits	3,044,241	1,617,158	1,383,276	3,254,301	2,130,304	1,704,134	1,700,000
Fines & Forfeits	142,499	138,089	157,293	157,293	169,451	160,211	160,000
Interest on Investments	91,707	(46,470)	513,253	1,018,018	1,219,975	734,500	750,000
Medicaid Reimbursement	522,541	409,921	325,811	377,366	369,894	365,500	365,500
Room/Hotel Tax	351,400	468,208	504,229	585,258	598,438	575,000	566,075
LRTA	44,856	45,254	44,380	44,387	46,973	45,000	47,000
Solar Net Metering/Recurr	999,036	902,807	1,136,973	869,084	988,866	900,000	900,000
IT Contract - Housing Authority						39,310	41,275
Misc. Non-Recurring	<u>33,309</u>	<u>170,610</u>	<u>226,465</u>	<u>70,781</u>	<u>143,660</u>	<u>100,000</u>	<u>100,000</u>
Total	12,821,150	11,693,514	12,385,883	15,090,374	14,742,871	13,293,805	13,925,000

\$631K (4.75%) increase in estimated Local Receipts.

Available Funds

		<u>Change</u>
• Wetlands Protection Act Funding:	\$10,000	\$0
• Sewer Betterments/Capital Fund:	\$1,652,441	(\$639,391)
• Sewer Enterprise Fund (offset):	\$956,681	\$95,267
• Childcare Revolving Fund:	\$357,367	\$26,104
• PEG CATV (offset):	\$95,165	(\$11,915)
• Stormwater Enterprise (offset):	\$414,675	\$9,891
• Excluded Debt Bond Premium Reserve:	<u>\$10,478</u>	<u>\$0</u>
	Total	
	\$3,496,807	(\$520,044)

Inflation

Boston Consumer Price Index (CPI- U)

2014	-	1.6%
2015	-	.6%
2016	-	1.5%
2017	-	2.5%
2018	-	3.3%
2019	-	1.9%
2020	-	1.1%
2021	-	3.3%
2022	-	7.1%
2023	-	3.7%
2024	-	3.2%
2025	-	3.1%

Higher than traditional inflation level are expected to continue.



FY27 Capital Plan

February 5, 2026

Proposed FY27 Capital Plan

Community Services - Library	\$920,000
Public Safety - Police	\$650,000
Public Safety – Fire	\$185,550
Public Works & Cemetery	\$1,735,000
Public Facilities	\$373,000
School Facilities	<u>\$2,565,340</u>
Total:	\$6,428,890

Proposed FY27 Capital Plan

Financing Summary

Total Projects:	\$6,428,890
Less: Other Financing Sources	
Recaptured Funds	<u>(\$149,159)</u>
Net Amount Borrowed:	\$6,279,731

Capital Plan 10-Year History

<u>Fiscal Year</u>	<u>General Govt.</u>	<u>School Dept.</u>	<u>Total</u>	<u>School %</u>
2017	1,736,015	1,476,291	3,212,306	45.96%
2018	1,580,684	1,728,792	3,309,476	52.24%
2019	1,532,000	1,748,571	3,280,571	53.30%
2020	2,411,743	1,061,275	3,473,018	30.56%
2021	1,913,450	1,892,844	3,806,294	49.73%
2022	2,257,916	1,636,058	3,893,974	42.02%
2023	2,155,872	1,614,435	3,770,307	42.80%
2024	2,228,102	2,159,105	4,387,207	49.21%
2025	3,469,874	2,413,528	5,883,402	41.02%
2026	3,201,885	2,767,500	5,969,385	46.36%
2027	3,863,550	2,565,340	6,428,890	39.90%

Deferred Capital Needs

- 9 project requests totaling over \$3.1M were deferred from the FY27 Capital Improvement Plan due to funding limitations:

<u>Project</u>	<u>Cost</u>
Library - Adams Roof Replacement	\$ 573,600
DPW - Sidewalk Improvements	\$ 375,000
DPW - Main St. Traffic Improvements -Ph.1	\$ 500,000
DPW - Turnpike Rd. Sidewalk - Ph. 2	\$ 1,000,000
DPW - Town Common Walkway -ADA	\$ 130,000
Facilities - Town Offices Restroom Renov.	\$ 290,000
School - Harrington Kitchen Floor	\$ 107,589
School - CHS Locker Room Renov. Study	\$ 30,000
School - CHS Switchgear System Rehab.	\$ 150,000
TOTAL:	\$ 3,156,189

Additionally, our updated 5-Year Capital Plan includes **\$65.6M** of project requests over the following 4 fiscal years:

FY2028: \$15,335,713

FY2029: \$17,548,164

FY2030: \$18,497,110

FY2031: \$14,280,064

Public Libraries

Adams HVAC System Replacement \$850,000

- Phase 3
- Current system installed in 2000 and is past its expected useful life
- Frequent equipment failures and repairs
- Library has 150,000 visitors annually & serves as emergency heating/ cooling center



Public Libraries

MacKay ADA Ramp and Building Repairs \$70,000

Scope of work includes:

- ADA ramp replacement & site regrading
- Replacement of rear door & door frame
- Rear wall repairs



Public Safety – Police Station

HVAC System Replacement \$650,000

- Phase 1
- Current system installed in 2002 and is past its expected useful life
- System has experienced equipment failures
- Critical facility operates 24/7



Public Safety – Fire Dept.

Staff Vehicle Replacement \$ 90,150

- Replaces 2013 Ford Fusion Hybrid
- Over 67,394 miles
- Extensive corrosion, replacement of hybrid battery and exhaust system is required
- Proposed replacement will be a hybrid model



Public Safety – Fire Dept.

Staff Vehicle Replacement \$ 95,400

- Replaces 2017 Ford Explorer
- Over 40,074 miles
- Recurring mechanical problems following a collision in 2024.
- Proposed replacement will be a hybrid model



Public Works

Roadway Improvements

\$425,000



Public Works

Sander Truck - 6 Wheel

\$350,000

- Replaces 2007 heavy-duty model with extensive corrosion
- Mileage: over 45,000
- Includes sander, dump body, and snowplow
- Essential for snow and ice removal.



Public Works

Sander & Plow Truck – 10-Wheel \$375,000

- Replaces 2010 heavy-duty model
- Mileage: over 38,000, extensive corrosion
- Includes sander, dump body, and wing plow
- Essential for snow and ice removal.
- 18-month production lead time



Public Works

Sidewalk Snow Removal Equipment
Replacement

\$195,000

- Replaces 2009 unit with 8,000 hours of service
- Essential equipment for Highway Div. to clear snow from over 27 miles of high priority sidewalks
- Avoids expensive repairs and downtime during winter storms



Public Works

Rack Body Truck Replacement \$135,000

- Replaces a 2010 model rack body truck
- New truck will be equipped with a snowplow
- Body and frame have significant corrosion
- Mileage: 77,000



Public Works

Pickup Truck Replacement \$90,000

- Replaces light duty 2012 Chevrolet Colorado with a $\frac{3}{4}$ ton pickup equipped for snowplowing
- Mileage: 89,000
- Provides DPW with greater versatility and assistance during snowplowing operations



Public Works

Cemetery Backhoe Replacement \$165,000

- Replaces 2008 Deere Backhoe
- Essential equipment for excavation, roadway maintenance, and snow removal
- Cemetery Commission will reimburse 50% of cost to the General Fund



Municipal Facilities

Utility Van Replacement \$48,000

- Replaces 2010 utility van used by Facilities Division plumber for town-wide projects
- Mileage: 98,000



Municipal Facilities

Town Offices – Elevator Replacement \$325,000

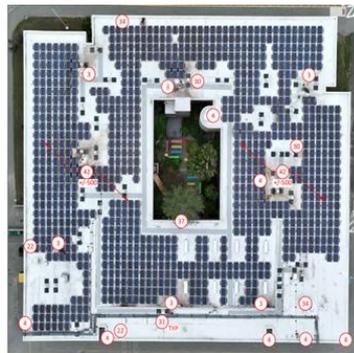
- Existing elevator is over 40 years old
- Provides supplementary funding for additional work required or ventilation, code requirements, and unanticipated building electrical upgrades.



School Facilities

Roof Replacement Study \$100,000

- CHS, Harrington, & McCarthy Schools
- Age of roofs: 19 – 22 years
- Detailed assessment and test cuts will provide accurate information to guide budgeting and prioritization recommendations.



School Facilities

Integrated Emergency Notification System (ENS)
Building Safety & Security Upgrade \$251,490

Byam and South Row Elementary Schools

- Provides an integrated system that replaces obsolete clock, intercom, and public address (PA) systems.



School Facilities

Security System & Fire Alarm Panel Upgrades

\$400,000

Byam and Harrington Elementary Schools

- Replace/ upgrade building intrusion (security) and fire alarm panel systems.
- Provide an assessment with design and cost estimates for replacing the systems in all schools.



School Facilities

Parking Lot Rehabilitation \$700,000

Byam Elementary School

- Pavement and sub-base materials are past end-of-life, requiring frequent repairs.
- Includes paving, granite curb replacement, striping, and ADA improvements.



School Facilities

Bi-Directional Antenna System \$113,850

McCarthy Middle School

- Amplifies portable public safety radio communications for first responders
- Enhances school safety



Capital Budget Process

April 2026: Town Meeting Consideration

June 2026: Municipal Bond Issuance

FY2027 PROPOSED CAPITAL BUDGET

Function	Department /Location	Project	Expenditure
Community Services	<u>Adams Library</u>	HVAC System Replacement - Phase 3	\$850,000
	<u>MacKay Library</u>	Ramp Repl. & Rear Entrance Repairs	\$70,000
	<i>Community Services Subtotal</i>		\$920,000
Public Safety	<u>Police</u>	HVAC System Replacement - Phase 1	\$650,000
	<u>Fire</u>	Staff Vehicle Replacement	\$90,150
		Staff Vehicle Replacement	\$95,400
<i>Public Safety Subtotal</i>		\$835,550	
Public Works	<u>Highway</u>	Roadway Improvements	\$425,000
		6-Wheel Sander Truck Replacement	\$350,000
		10-Wheel Dump Truck Replacement	\$375,000
		Sidewalk Snow Clearing Equipment	\$195,000
		Rack Body Truck with Plow Repl.	\$135,000
		3/4 Ton Pickup Truck with Plow	\$90,000
	<u>Cemetery</u>	Backhoe Replacement	\$165,000
	<i>Public Works Subtotal</i>		\$1,735,000
Public Facilities	<u>Municipal Facilities</u>	Utility Van Replacement - Plumbing	\$48,000
	<u>Town Offices</u>	Elevator Replacement - Phase 2	\$325,000
	<i>Municipal Facilities Subtotal</i>		\$373,000
	<u>Harrington, McCarthy & CHS</u>	Roof Replacement Study	\$100,000
	<u>Byam & South Row Schools</u>	Emergency Notification System	\$251,490
	<u>Byam & Harrington Schools</u>	Security & Fire Panel Upgrades	\$400,000
	<u>Byam School</u>	Parking Lot Rehabilitation	\$700,000
	<u>McCarthy Middle School</u>	Bi-Directional Antenna	\$113,850
	<u>High School</u>	Roof Replacement - Kitchen & Cafeteria	\$1,000,000
	<i>School Facilities Subtotal</i>		\$2,565,340
CAPITAL PROJECTS TOTAL			\$6,428,890