



Fiscal Year 2026 Proposed Operating & Capital Budgets

January 30, 2025

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 2026 budget and capital improvement plan.

In accordance with the vote taken at the December 9, 2024 joint meeting of the Select Board, School Committee, and Finance Committee, the proposed FY26 operating budget amounts to \$168.4M and utilizes the entire estimated property tax levy capacity under the provisions of Proposition 2 ½.

State Aid funding is based Governor Maura Healey's proposed FY26 State budget. 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 2026. In addition, the actual amount of new growth to the property tax levy and the amount of funding that will be required for new collective bargaining agreements for the Town's unionized public safety and library employees is unknown at this time. Therefore, the Town's FY26 operating budget will need to be modified in the months ahead as additional information becomes available.

FY26 Budget Overview

The proposed \$168.4M Fiscal Year 2026 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 the reduction of staffing in health, human services, and other operations. There is no indication that these inflationary pressures will subside. The Town will explore grant opportunities to restore some positions.

The reductions in the School Department's operations are detailed in the Superintendent of Schools' budgetary document. The Town is approaching critical minimum staffing levels. Additional staffing is warranted in public safety, education, and human services. An article will be placed on the Spring Annual Town Meeting Warrant to fund efforts to explore new revenue sources, alternative means of service delivery, and other efficiencies in government operations.

FY26 Budget Overview

The proposed \$168.4M FY26 operating budget provides the following:

- Chelmsford Public School funding increase of 2.4% (\$1.77M) to \$75.65M.
- Nashoba Valley Technical School District assessment increase of .3% (\$13K) to \$4.05M.
- General Government Operating Department funding increase of 1.7% (\$222K) to \$38.3M.
- Benefits and Insurance funding increases by 12.40% (\$3.97M) to \$36.0M
- Debt service decrease of 1.51% (-\$159K) to \$10.4M . Non-Excluded debt service increases by \$686K (9.62%), while Excluded debt service decreases by \$834K (-75.34%).
- State Assessments and Overlay decrease of 2.43% (-\$90K) to \$3.6M

FY26 General Government Operating Budget Reductions

The proposed Fiscal Year 2026 operating budget eliminates funding the following positions that are funded in the current fiscal year operating budget:

- Business Development Director (full-time)
- Highway Division Laborer (full-time)
- Community Services Coordinator (full-time)
- Assistant Health Director (full-time)
- Health Inspector (full-time)
- Veterans Services Assistant (part-time)
- Accounting Clerk (part-time)
- Town Clerk Clerical Assistance (part-time)
- Facilities Project Coordinator (part-time)

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

- Sunday hours at the Chelmsford public library;
- Lifeguards at the Town's beaches at Heart Pond and Freeman Lake;
- One of the two hazardous waste collections days;
- Printed copies of the Annual Town Report;

FY26 General Government Operating Budget Omissions

The proposed Fiscal Year 2026 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;

FY26 Budget Impact from Health Insurance Premiums and Retirement Assessment

Benefits and insurance absorbs **\$3.97M (69%)** of the overall budgetary increase.

\$2M has been budgeted to fund the projected 17.5% increase in health insurance premiums for 685 eligible active employees. The estimated total premium for an HMO family plan would increase to \$35,235. The Town funds 75% of the premium, which amounts to \$26,427.

\$950K has been budgeted for an estimated 12% 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 \$1M (8.38%) to \$13.1M.

Budget Revenue Sources

The proposed FY26 operating budget amounts to \$168.4M.

The budget utilizes the Town's entire \$128.9M estimated property tax levy capacity, which is a \$4.33M (3.48%) increase. The property tax would fund over 76% of the Town's operating budget.

The budget is based upon Governor Healey's proposed FY26 State operating budget, which provides \$22.4M in local aid receipts to Chelmsford. This is an increase of \$570K (2.61%).

Local receipts are estimated at \$13.1M, which amounts to an increase of \$592K (4.73%).

Available Funds are estimated at \$3.92M, which increases by \$147K (3.90%) for recurring operating costs.

Chapter 70 Education Funding

Governor Healey's proposed FY26 State operating budget increases Chapter 70 educational funding to \$15,065,524. This is an increase of \$384,900. This represents an increase of only 2.62%.

The Governor's proposed FY26 State budget fully funds Chapter 70 educational funding under the provisions of the fifth year of the six-year funding schedule under the Student Opportunities Act. Chelmsford would receive the minimum funding level of an additional \$75/student. The Governor's proposed Chapter 70 funding for the Chelmsford continues 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>
2016	\$10,473,018	\$126,400	1.22%
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(Gov.)	\$15,065,524	\$384,900	2.62%

FY26 Capital Improvements Plan Highlights

The proposed Fiscal Year 2026 capital improvement plan recommends a total of \$5.9M in debt service to finance 22 infrastructure projects. This increases the capital funding level by \$86K (.15%) over the current fiscal year to responsibly address \$6.5M in capital project requests.

Infrastructure investments include:

- McCarthy School Partial Roof Replacement: \$1,000,000
- School Entryway Security: \$877,500
- McCarthy School Boiler Replacement: \$700,000
- Adams Library HVAC Partial Replacement: \$450,000
- DPW Roadway Improvements: \$425,000
- Police Station Parking Lot Resurfacing: \$405,000
- DPW Sidewalk Construction: \$375,000
- Adams Library Parking Lot Resurfacing: \$365,000
- DPW Sidewalk Snow Clearing Equipment: \$210,000

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 FY26 enterprise budgets accompany this report. In summary,

- Sewer Enterprise budget increases by \$344,483 (5.63%) to \$6.43M. The wastewater treatment fee to the Lowell regional wastewater facility increases by \$200K to \$2.4M.
- Stormwater Enterprise budget increases by \$128K (6.58%) to \$2.08M.
- Public Education Government (PEG) Access budget increases by \$7.5K (1.12%) to \$685K.
- Forum ice rink enterprise is level-funded at \$65,000.
- Golf Course enterprise is level-funded at \$30,000.

Conclusion

The proposed Fiscal Year 2026 operating budget and capital improvement plan will reduce the Town's service level. Health care premiums, retirement assessment, and inflation 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 6.5% in the 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 additional Chapter 90 roadway funding, local option taxes, and other reforms to local governmental operations. Hopefully, the Governor and the State Legislature will provide 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

FY26 Budget Line-Item Changes

		<u>%Chg.</u>
• Municipal Administration:	\$ (132,693)	(3.10%)
• Chelmsford Public Schools:	\$1,770,000	2.40%
• Nashoba Valley Tech:	\$ 12,929	.32%
• Public Safety:	\$ 435,901	2.55%
• Public Works:	\$ 80,420	.87%
• Municipal Facilities:	\$ 29,020	1.10%
• Cemetery Commission:	\$ 20,632	4.63%
• Community Services:	\$ (304,345)	(15.47%)
• Library:	\$ 92,766	3.82%
• Benefits & Insurance:	\$3,970,266	12.40%
• Debt Service:	\$ (159,295)	(1.51%)
• State Assessments & Overlay:	\$ (89,969)	<u>.36%</u>
Total:	\$5,725,632*	3.52%

* Does not include funding for FY26 unresolved collective bargaining agreements for public safety and library employees.

Revenue Summary

\$168.4M budget

Additional Available Revenue:

Property Tax:	\$4,334,573	(3.48%)
State Aid:	\$569,760	(2.61%)
Local Receipts:	\$591,872	(4.73%)
Available Funds:	<u>\$146,937</u>	<u>(3.90%)</u>
	\$5,643,142	3.47%

5 Fiscal Year Expenditure Comparison

	<u>FY21</u>	<u>FY26</u>	<u>\$ Change</u>	<u>%Change</u>
Municipal Admin.	\$3.59M	\$4.15M	\$.56M	15.60%
Chelmsford Schools	\$61.67M	\$75.65M	\$13.98M	22.67%
Nashoba Tech	\$3.45M	\$4.05M	\$.60M	17.39%
Public Safety	\$14.24M	\$17.55M	\$3.31M	23.24%
DPW	\$6.91M	\$9.31M	\$2.40M	34.73%
Municipal Facilities	\$1.91M	\$2.66M	\$.75M	39.27%
Cemetery	\$.37M	\$.47M	\$.10M	27.03%
Community Services	\$1.29M	\$1.66M	\$.37M	28.68%
Library	\$2.07M	\$2.52M	\$.45M	21.74%
Benefits & Insurance	\$25.50M	\$35.98M	\$10.48M	41.10%
Debt Service	\$13.22M	\$10.39M	(\$2.83M)	(21.41%)
State Amts/Overlay	\$3.41M	\$3.61M	\$.20M	5.87%

10 Fiscal Year Expenditure Comparison

	<u>FY16</u>	<u>FY26</u>	<u>\$ Change</u>	<u>%Change</u>
Municipal Admin.	\$2.84M	\$4.15M	\$1.31M	46.13%
Chelmsford Schools	\$52.90M	\$75.65M	\$22.75M	43.01%
Nashoba Tech	\$2.82M	\$4.05M	\$1.23M	43.62%
Public Safety	\$12.00M	\$17.55M	\$5.55M	46.25%
DPW	\$6.06M	\$9.31M	\$3.25M	53.63%
Municipal Facilities	\$1.44M	\$2.66M	\$1.22M	84.72%
Cemetery	\$.30M	\$.47M	\$.17M	56.67%
Community Services	\$1.02M	\$1.66M	\$.64M	62.75%
Library	\$1.86M	\$2.52M	\$.66M	35.48%
Benefits & Insurance	\$20.07M	\$35.98M	\$15.91M	79.27%
Debt Service	\$13.89M	\$10.39M	(\$3.50M)	(25.20%)
State Amts/Overlay	\$3.79M	\$3.61M	(\$.18M)	(4.75%)

Chelmsford Public Schools Proposed FY26 Budget Line Item

FY25 Appropriation:	\$73,880,000	
Increase:	<u>\$1,770,000</u>	<u>(2.40%)</u>
FY26 Total:	\$75,650,000	

School Department Funding Increases

<u>FY</u>	<u>Amount</u>	<u>Increase</u>	<u>% Increase</u>
2017	\$54,550,000	\$1,650,000	3.11%
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%

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%)
FY24 Net School Spending:	\$82,940,441
FY24 Required Net School Spending:	<u>\$63,812,308</u>
Dollars Over Requirement:	\$19,128,133 (29.98%)
FY25 Budgeted Net School Spending:	\$88,376,595
FY25 Required Net School Spending:	<u>\$67,143,896</u>
Dollars Over Requirement:	\$21,232,699 (31.62%)
FY26 Required Net School Spending:	\$70,218,489

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

No data available for FY24

Chelmsford Public Schools Per Pupil Expenditure

Estimate: \$18,000

180 school days = \$100/school day/pupil

22 student classroom: \$18,000 x 22 = \$396,000

180 school days = \$2,200/school day/classroom

Chelmsford Public Schools Foundation Enrollment & Student/Teacher Ratio

	<u>Enrollment</u>	<u>Teachers</u>	<u>Student/Teacher Ratio</u>
FY14:	5,124	346.1	14.8
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		

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

FY26 School Department Budget Drivers

• Employee 2.5% COLA (to be negotiated):	\$1,590,289
• Employee Step Increases:	\$800,000
• Employee Lane Changes/Increases:	\$147,000
• Employee Retirement Incentives:	\$130,000
• Student Regular Transportation:	\$229,680
• Student Special Education Transportation:	\$171,000
• Out-of-District Special Education Tuition:	\$250,000
• Utilities:	\$135,120
• Contracted Services:	<u>\$65,000</u>
Total:	\$3,518,090
Proposed Funding Increase:	<u>\$1,770,000</u>
Shortfall:	\$1,748,090

Nashoba Tech FY26 Assessment

FY26 Assessment:	\$4,050,000 (Estimate)
FY25 Assessment:	<u>\$4,037,071</u>
Increase:	\$12,929 (.32%)

Nashoba Tech Enrollment

Chelmsford's October 1, 2024 enrollment at Nashoba Tech decreased by 8 students to 210. The District's total member enrollment increased by 7 students. Nashoba Tech's member enrollment has increased to 764.

The Town's share of the District member enrollment has decreased from 28.80% to **27.49%**.

The District is scheduled to present its proposed FY26 budget with resulting assessments on Friday, January 31.

Estimated Nashoba Tech FY26 Assessment: **\$4.05M**

Estimated Increase of **\$13K (.32%)**

Chelmsford's Foundation Enrollment at Nashoba Tech

- FY16: 185
- FY17: 184
- FY18: 191
- FY19: 198
- FY20: 186
- FY21: 201
- FY22: 212
- FY23: 207
- FY24: 212
- FY25: 218
- FY26 210 (October 1, 2024 enrollment basis)

Five Year Increase: 9 students (4.48%)

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

No data is available for FY24

The per pupil expenditure today (FY25) likely exceeds \$23,500.

FY26 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>	
2024	36,638	69	Property checks 16,032 (43.8%)
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	
2014	35,800	69	

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>	
2024	6,369	63.5	Medical Calls: 4,330 (68%)
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 expire at the end of this fiscal year. The Town's bylaws prohibit the funding of anticipated negotiated contractual amounts. Therefore, the police department, fire department, and library budgets do not include any funding for unresolved collective bargaining agreements.

Personnel Increase: \$101K

Employee and Retiree Health Insurance

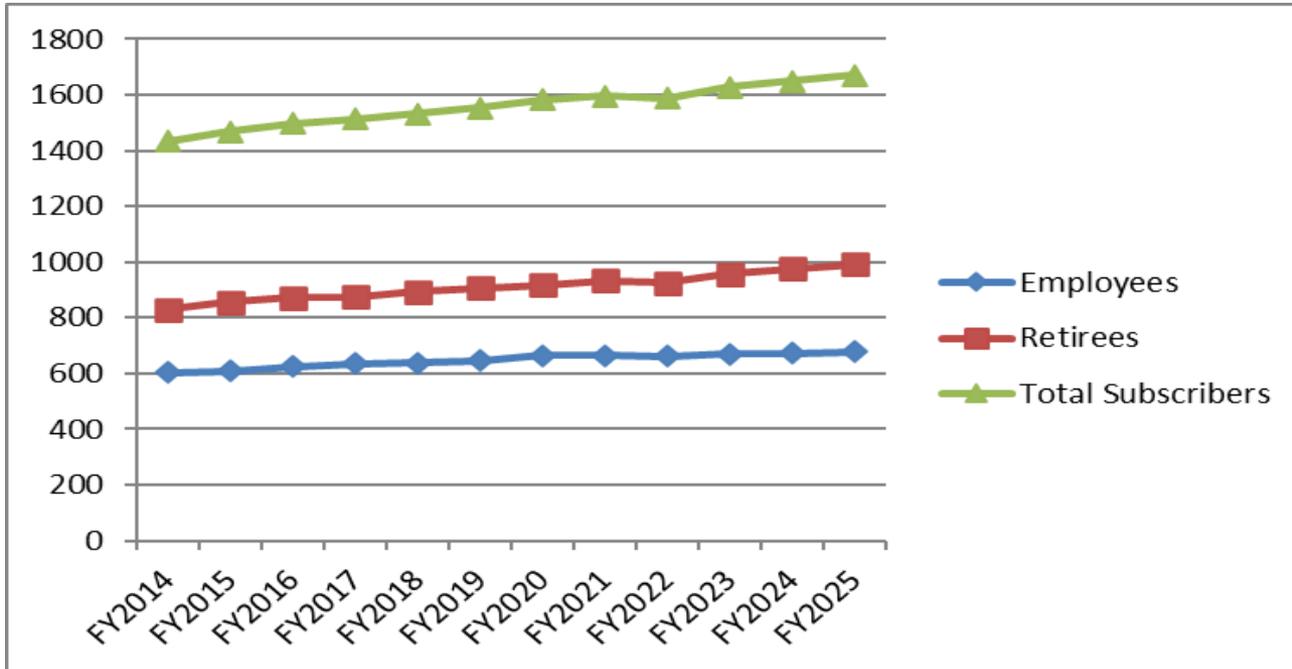
FY26 premiums for the Blue Cross health insurance plans are projected increased by 17.5%.

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

The number of insured continues to increase. The Town currently insures approx. 679 employees (School Dept. 465/General Govt 214) and 992 retirees.

Budgeted increase of **\$2.96M**

Health Insurance Subscribers



FY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employees	603	610	625	636	639	646	665	665	661	670	672	679
Retirees	830	857	873	876	893	907	918	932	926	958	977	992
Total	1433	1467	1498	1512	1532	1553	1583	1597	1587	1628	1649	1671

Health Insurance Premium

Fiscal Year 2026 Blue Cross HMO Family Plan projected health insurance premium for active employees:

Total Annual Premium: \$35,235

Town's Share (75%): \$26,427

Middlesex County Retirement Assessment

The Town's FY26 assessment is **\$13,090,444**.

This is an increase of **\$1,012,292 (8.38%)**.

\$11M 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 \$2.47M. This amounts to an increase of \$23K (93%). This incorporates the elimination of one of the two hazardous waste collection events 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 from \$99.77/ton to an estimated \$102.86. The tipping fees/disposal cost for Solid Waste disposal is expected to total \$1.90M. This is an increase of \$91K.

This results is a total increase of **\$114K for collection and disposal.**

Medicare Tax

The estimated Town contribution to Medicare payroll taxes for FY26 is \$1,302,300.

This is an increase of **\$62,016 (5.0%)**.

Debt Service

Standard & Poor's June 12, 2024 credit rating report:

“The town's percentage of debt to market values is at levels we consider low and continues the aggressive amortization, that is expected to be repaid almost in full over the next 10 years as the town executes its CIP.”

Excluded Debt Service

The projected FY26 excluded debt service from property taxes falls from \$1.11M to \$.27M. This is a result of the reduction in sewer project debt.

This is a decrease of **\$834K (-75.34%)**.

However, the decline in Proposition 2½ excluded debt does not provide any relief to the Town's operating budget.

Excluded Debt Service

FY19:	\$4,317,181
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

Decrease of \$834,150 (-75.34%) in FY26

Non-Excluded Debt Service

FY19:	\$7,492,061
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

Increase of \$686,263 (9.62%) in FY26

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
FY16: 242.6	711.5
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	TBA

Change since FY06:	8.6 (3.48%)	TBA (xx.xx%)	
Change in 5 years:	4.1 (1.63%)	TBA (x.xx%)	

General Government

Full-Time Equivalent Employees

	<u>FY06</u>	<u>FY25</u>	<u>FY26</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	5.32	6.32
DPW Engineering	5.00	6.00	6.00
DPW Highway	20.00	22.00	21.00
DPW Facilities	0.00	17.50	17.50
DPW Sewer Enterprise	10.70	13.00	13.00
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	11.00	9.50
Recreation	1.25	0.00	0.00
Health	3.60	7.80	5.80
Library	26.72	24.88	24.88

FY26 Budget Drivers

Health Insurance	\$2,960,000
School Department	\$1,770,000
Middlesex Retirement	\$1,012,292
Non-Excluded Debt Service	\$686,000
Solid Waste & Recycling	\$114,000
Non-Union General Govt. Employee Wages	\$101,000
Medicare Tax	\$62,000
Nashoba Tech	<u>\$13,000</u>
Total:	\$6,617,292*

* Does not include funding for unresolved collective bargaining agreements.

Available FY26 New Revenue Sources

- Property Tax:
 - Allowed 2 ½% Increase: 3,088,824
 - Projected New Growth: 2,000,000
 - Excess Levy Capacity: 53,710
 - State Aid Receipts: 569,760
 - Local Receipts: 591,872
 - Available Funds: 146,937
- Total: \$6,451,103

5 Fiscal Year Revenue Comparison

	<u>FY21</u>	<u>FY26</u>
Property Tax	\$106,800,917 (74.76%)	\$128,904,440 (76.58%)
State Aid	\$17,487,456 (12.24%)	\$22,412,465 (13.31%)
Local Receipts	\$12,821,150 (8.98%)	\$13,093,805 (7.78%)
Available Funds	<u>\$5,743,748</u> (4.02%)	<u>\$3,917,228</u> (2.33%)
Total	\$142,853,271	\$168,327,938

Chapter 70 funding: \$11,199,428 in FY21; \$15,065,524 in FY26;
increase of \$3,866,096 **(34.52%)**;

Gen Govt. Aid: \$5,389,609 in FY21; \$6,387,133 in FY26;
increase of \$997,524 **(18.51%)**

10 Fiscal Year Revenue Comparison

	<u>FY16</u>	<u>FY26</u>
Property Tax	\$89,718,236 (74.42%)	\$128,904,440 (76.58%)
State Aid	\$16,074,348 (13.33%)	\$22,412,465 (13.31%)
Local Receipts	\$10,278,329 (8.53%)	\$13,093,805 (7.78%)
Available Funds	<u>\$4,480,665</u> (3.72%)	<u>\$3,917,228</u> (2.33%)
Total	\$120,551,578	\$168,327,938

Chapter 70 funding: \$10,473,018 in FY16; \$15,065,524 in FY26;
increase of \$4,592,506 (**43.85%**);

Gen Govt. Aid: \$4,678,930 in FY16; \$6,387,133 in FY26;
increase of \$1,708,203 (**36.51%**)

Property Tax Revenue

	FY2022	FY2023	FY2024	FY2025	FY2026
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>
Base Levy	106,109,295	110,234,603	114,695,046	119,071,854	123,552,994
2 1/2% Increase	2,652,732	2,755,865	2,867,376	2,976,796	3,088,825
New Growth	<u>1,472,575</u>	<u>1,704,580</u>	<u>1,509,432</u>	<u>1,504,343</u>	<u>2,000,000</u>
Total Base Levy	110,234,603	114,695,046	119,071,854	123,552,994	128,641,818
Annual Increase	4,125,307	4,460,443	4,376,808	4,481,139	5,088,825

Estimated available FY26 new property tax levy capacity is **\$5.1M.**

FY25 \$8,820 Average Single-Family Property Tax Bill Allocation

Chelmsford Public Schools	\$4,006	(45.4%)
Nashoba Tech	\$219	(2.5%)
Benefits & Insurance	\$ 1,736	(19.7%)
Public Safety	\$928	(10.5%)
Public Works/Facilities/Cemetery	\$667	(7.6%)
Debt Service	\$572	(6.5%)
General Govt. & Human Services	\$339	(3.8%)
State Assessments & Overlay	\$201	(2.3%)
Library	\$132	(1.5%)
Reserve Fund	\$20	(.2%)

Property Tax Valuation

<u>Fiscal Year</u>	<u>Residential Valuation</u>	<u>Commercial Valuation</u>
2018	81.66%	18.34%
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%

Average Single Family Property Tax Bill

<u>Fiscal Year</u>	<u>Average Value</u>	<u>Tax Rate</u>	Single Family <u>Tax Bill</u>	State Rank
2007	396,327	12.53	4,966	61
2015	338,434	18.70	6,329	69
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	79
2025	634,510	13.90	8,820	84
	5-year increase = \$1,458 (19.80%)			
	10-year increase = \$2,491 (39.36%)			

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	FY23	549,316	6,520 +\$579 (9.75%)	42,563	15.32%
	FY24	600,018	6,774 +\$254 (3.89%)	46,050	14.71%
	FY25	632,908	7,196 +422 (6.23%)	51,246	14.04%
Chelmsford	FY23	573,061	8,235 +\$406 (5.19%)	56,760	14.51%
	FY24	628,793	8,564 +\$329 (4.00%)	61,805	13.86%
	FY25	634,510	8,820 +\$256 (2.99%)	66,946	13.17%
Dracut	FY23	458,830	5,313 +\$123 (2.37%)	36,277	14.65%
	FY24	526,154	5,498 +\$185 (3.48%)	39,887	13.78%
	FY25	552,507	5,591 +\$93 (1.69%)	42,616	13.12%
Tewksbury	FY23	553,132	7,799 +\$365 (4.91%)	43,650	17.87%
	FY24	602,548	8,068 +\$269 (3.45%)	47,985	16.81%
	FY25	629,508	8,322 +\$254 (3.15%)	51,763	16.08%
Westford	FY23	685,643	10,120 +\$442 (4.57%)	66,152	15.30%
	FY24	756,515	10,417 +\$297 (2.93%)	72,500	14.37%
	FY25	796,584	10,730 +\$313 (3.00%)	82,731	12.97%

State Aid

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>
Chapter 70	11,199,428	11,348,108	11,962,155	14,141,800	14,680,624	15,065,524
Charter Tuition Reimb.	220,912	235,724	303,661	144,980	135,773	166,832
School Choice Tuition	265,569	263,989	252,481	290,553	401,517	319,667
Gen. Government Aid	5,389,609	5,578,245	5,879,470	6,067,613	6,249,641	6,387,133
Veterans Benefits	76,248	99,397	96,252	121,336	93,958	85,063
Exemptions: Vets, Blind	265,648	222,197	214,018	191,200	172,559	279,768
State Owned Land	5,661	6,440	8,267	9,300	9,524	9,524
Libraries	<u>64,381</u>	<u>63,485</u>	<u>92,863</u>	<u>89,105</u>	<u>99,109</u>	<u>98,954</u>
Total	17,487,456	17,817,585	18,809,167	21,055,887	21,842,705	22,412,465

\$570K increase (2.61%) in FY26 State Estimated Receipts

67% of the Town's State Aid is Chapter 70 education funding

28.5% of the Town's State Aid is General Government Aid

Local Receipts

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>
Motor Vehicle Excise	5,333,790	5,359,008	5,731,006	5,721,313	6,153,573	5,900,000	6,150,000
Interest on Late Taxes	450,930	628,088	486,161	486,345	458,257	495,000	495,000
Payments in Lieu of Taxes	56,087	53,537	50,719	26,538	107,003	50,000	50,000
Meals Tax - Local	648,341	599,979	722,591	805,865	928,271	850,000	950,000
Fees	274,998	321,792	311,902	342,540	329,139	310,000	310,000
Rental Income	57,350	33,973	92,250	46,550	141,862	45,000	90,000
Dept Revenue - Schools	310	310	170	145	140	150	150
Dept Revenue - Cemetery	140,925	173,535	180,460	150,304	147,125	150,000	150,000
Dept Revenue - Other	219,041	234,931	181,779	302,720	202,641	264,345	264,345
Alcohol & Other Licenses	220,475	186,408	230,899	211,883	210,220	215,000	225,000
Permits	1,630,826	3,044,241	1,617,158	1,383,276	3,253,301	1,650,000	1,700,000
Fines & Forfeits	149,349	142,499	138,089	139,627	157,293	140,000	150,000
Interest on Investments	435,046	91,707	(46,470)	513,253	948,088	450,000	500,000
Medicaid Reimbursement	197,355	522,541	409,921	325,811	377,366	400,000	400,000
Room/Hotel Tax	397,892	351,400	468,208	504,229	585,258	500,000	575,000
LRTA	39,630	44,856	45,254	44,380	44,387	45,000	45,000
Solar Net Metering/Recurr	502,526	999,036	902,807	1,136,973	869,084	937,438	939,310
Misc. Non-Recurring	<u>96,027</u>	<u>33,309</u>	<u>170,610</u>	<u>226,465</u>	<u>70,781</u>	<u>100,000</u>	<u>100,000</u>
Total	10,850,898	12,821,150	11,693,514	12,368,217	14,983,789	12,501,933	13,093,805

\$592K (4.73%) increase in estimated Local Receipts.

Available Funds

		<u>Change</u>
• Wetlands Protection Act Funding:	\$10,000	\$0
• Sewer Betterments/Capital Fund:	\$2,291,832	(\$11,408)
• Sewer Enterprise Fund (offset):	\$860,933	\$86,928
• Childcare Revolving Fund:	\$232,637	\$34,648
• PEG CATV (offset):	\$106,887	\$13,270
• Stormwater Enterprise (offset):	\$404,461	\$49,687
• Excluded Debt Bond Premium Reserve:	<u>\$10,478</u>	<u>(\$26,188)</u>
	Total	
	\$3,917,228	\$146,937

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	-	2.3%
2021	-	3.3%
2022	-	7.0%
2023	-	2.4%
2024	-	3.1% (through November)

High inflation is expected to continue for the next two years.



FY26 Capital Plan

January 29, 2025

Proposed FY26 Capital Plan

Community Services – COA	\$170,000
Community Services - Library	\$875,000
Public Safety - Police	\$405,000
Public Safety – Fire	\$111,885
Public Works	\$1,140,000
Public Facilities	\$500,000
School Buildings	<u>\$2,767,500</u>
Total:	\$5,969,385

Proposed FY26 Capital Plan

Financing Summary

Total Projects:	\$5,969,385
Less: Other Financing Sources	
Recaptured Funds	<u>(\$ 27,414)</u>
Net Amount Borrowed:	\$5,941,971

Elder Services – Senior Center

Flooring Replacement \$170,000

- Replace damaged flooring tile – Phase 2
- Original flooring is over 30 years old



Public Libraries

Adams Parking Lot Rehabilitation \$365,000

- Parking lot is over 20 years old
- Mill & overlay pavement
- Replace damaged concrete curbing with granite
- Line striping



Public Libraries

Computer Replacement \$60,000

- Replace 50+ computers for staff and patrons at Adams and MacKay Libraries
- Repurpose older units for less-intensive computing applications



Public Libraries

Adams HVAC System Replacement \$450,000

- Phase 2
- 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 Safety – Police Station

Rear Parking Lot Rehabilitation \$405,000

- Original parking lot paved in 2004
- Mill & overlay pavement
- Install granite curbing, adjust drainage structures
- Line striping



Public Safety – Fire Dept.

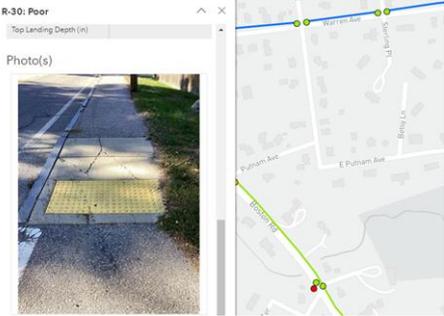
Command Staff Vehicle Replacement \$111,885

- Replaces 2016 Ford Expedition – F3 Command
- Over 67,895 miles with significant wear & tear
- Frontline emergency vehicle serves as mobile command post for Officer in Charge (OIC)
- Carries heavy-duty equipment



Public Works

Sidewalk Improvements	\$375,000
Road Improvements	<u>\$425,000</u>
Total:	\$800,000



Public Works

Mini Excavator Replacement \$130,000

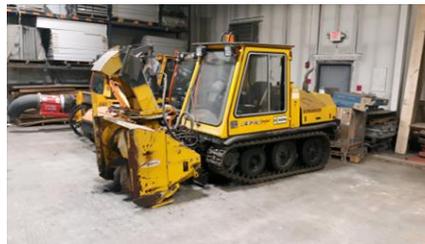
- Replaces 2013 Caterpillar mini excavator with over 3,849 operating hours.
- Versatile piece of equipment used by Highway Division for many town-wide projects including trenching, excavation, demolition, and grading



Public Works

Sidewalk Snow Removal Equipment \$210,000
Replacement

- Replaces 2003 Bombardier unit with 9,889 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



Municipal Facilities

Pickup Truck Replacement \$85,000

- Replaces light duty 2010 Chevrolet Colorado with a $\frac{3}{4}$ ton pickup equipped for snowplowing
- Mileage: 88,000
- Provides DPW with greater versatility and assistance during snowplowing operations



Municipal Facilities

Pickup Truck Replacement \$85,000

- Replaces light duty 2008 Ford Ranger with a $\frac{3}{4}$ ton pickup equipped for snowplowing
- Mileage: 100,000
- Provides DPW with greater versatility and assistance during snowplowing operations



Municipal Facilities

ADA Accessibility Improvements \$150,000

- Implement ADA (Americans with Disabilities Act) accessibility improvements at public parks, playgrounds, and open spaces
- Based on recommendations developed from the Town's updated Open Space & Recreation Master Plan



Municipal Facilities

Town Offices – Restroom Renovation \$180,000

- Renovate 2 - 4 restrooms under Phase 1
- Includes new floors, low-flow plumbing fixture and energy-efficient electrical fixture upgrades, partition replacement, ADA and code-compliance improvements
- Design procured using ARPA funds



School Facilities

Secure Entryways & Emergency Egress \$877,500
Byam, Center, Harrington, & So. Row Elementary
Schools, Parker Middle School, High School

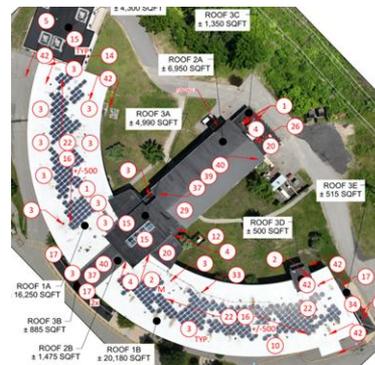
- Provides secure access
- New front entryway door access/ egress
- Construction of containment area, installation of security screening checkpoint
- Renovation of stairwell at High School to allow emergency egress



School Facilities

Center School – Partial Roof Replacement \$130,000

- 8,245 sq. ft. area, asphalt shingle pitched roof
- 25 years old
- Current roof is at the end of its' useful life and is beyond repair



School Facilities

Water Heater Replacement – South Row \$60,000

- Replace existing water heater and mixing valve serving South Row Elementary School
- Existing water heater is 12 years old
- Replacement required to avoid equipment failure



School Facilities

McCarthy – Partial Roof Replacement \$1,000,000

- 36,000 sq. ft.
- Current roof is 23 years old
- Section of roof above gyms, locker rooms, and kitchen area
- Requires removal & resetting of solar panels



School Facilities

Boiler Replacement \$700,000

McCarthy Middle School

- Replaces (4) existing 2.0 MBTU boilers
- Units are 18 years old - approaching the end of their useful life
- More frequent repairs required during recent years.



Capital Budget Process

April 2025: Town Meeting Consideration

June 2025: Municipal Bond Issuance

FY2026 PROPOSED CAPITAL BUDGET

Function	Department /Location	Project	Expenditure	
Community Services	<u>Senior Center</u>	Flooring Replacement - Phase 2	\$170,000	
	<u>Adams Library</u>	Parking Lot Repaving	\$365,000	
		Computer Replacement	\$60,000	
		HVAC System - Phase 2	\$450,000	
	<i>Community Services Subtotal</i>			\$1,045,000
Public Safety	<u>Police</u>	Parking Lot Repaving	\$405,000	
	<u>Fire</u>	Command Vehicle Replacement	\$111,885	
	<i>Public Safety Subtotal</i>			\$516,885
Public Works	<u>Highway</u>	Sidewalk Improvements	\$375,000	
		Roadway Improvements	\$425,000	
		Mini Excavator	\$130,000	
		Sidewalk Snow Clearing Equipment	\$210,000	
	<i>Public Works Subtotal</i>			\$1,140,000
Public Facilities	<u>Municipal Facilities</u>	Pickup Truck with Plow	\$85,000	
		Pickup Truck with Plow	\$85,000	
	<u>Parks, Playgrounds, & Open Spaces</u>	ADA Improvements	\$150,000	
	<u>Town Offices</u>	Restroom Renovation	\$180,000	
	<i>Municipal Facilities Subtotal</i>			\$500,000
	<u>Byam, Center, Harrington, So. Row, Parker, & High Sch. Center School</u>	Secure Entryways & Emergency Egress	\$877,500	
	<u>Center School</u>	Partial Roof Replacement	\$130,000	
	<u>South Row School</u>	Water Heater Replacement	\$60,000	
	<u>McCarthy Middle School</u>	Partial Roof Replacement	\$1,000,000	
		Boiler Replacement	\$700,000	
<i>School Facilities Subtotal</i>			\$2,767,500	
CAPITAL PROJECTS TOTAL			\$5,969,385	