

Five-Year Financial Forecast



FY2027 – FY2031

Five-Year Financial Forecast FY2027 - FY2031

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TOWN ADMINISTRATOR'S PRELIMINARY BUDGET MESSAGE & BUDGET INSTRUCTIONS



MEMORANDUM

TO: SELECT BOARD

FROM: ELIZABETH SULLIVAN, TOWN ADMINISTRATOR *E. Sullivan*

DATE: SEPTEMBER 18, 2025

SUBJECT: FY27 PRELIMINARY BUDGET & FIVE-YEAR LONGE-RANGE FORECAST

BUDGET KICKOFF & PROCESS

As you know, the FY2027 Budget planning process commences in early October. Budget guidelines are tentatively to be distributed to Department Heads on October 2, 2025, for departments to begin building their budgets. As you will see, based on the preliminary projections for Fiscal 2027, my recommendation, is for all Town departments to prepare level funded budgets with increases in mandated costs such as contractual and other fixed costs are built into the budget.

In early November, I will meet with the senior managers from each department to review their budgets. As you know, we will not receive the DY Regional School District assessment number until late January when the Governor releases the Chapter 70 State Aid budget. The School Superintendent has scheduled a meeting for October 30, 2025 to review preliminary school budgets, with the Administration from both Yarmouth and Dennis, Finance as well as Select Board members from both Towns respectively. For budgeting purposes, we traditionally are consistent with the School Agreement, following a five-year foundation enrollment rolling average for the DY Regional School District. The figure used for the Cape Cod Regional Technical School is typically budgeted at an estimated per pupil amount.

In keeping with the budget schedule, the Select Board will review the Budget Message on December 2nd and review departmental budgets during the month of December. In late January, and February the Finance Committee will begin their review of the FY2027 Budget.

CAUTION, RECAP/REMINDERS FROM LAST YEAR'S FY26 BUDGET

As you know, in planning the FY2026 budget, the Board held several budget review meetings including: December 3rd and 10th, and on February 4th for Wastewater Enterprise Fund Budget, and you received presentations by both the DYRSD and Cape Cod Tech School on the respective school assessments at your March 4, 2025 meeting.

FY2026 Budget Recap

Projected Surplus with Proposed Budgets 1/1/25	269,604
DYRDS Assessment Increase over budgeted 2.5%	(301,725)
CCRTHS Assessment Increase over budgeted 2.5%	(264,027)
Estimated Contract Increases	(400,000)
Budget Adjustments (updated estimates)	<u>(162,460)</u>
Projected Deficit	(858,608)
Increase to Estimated Local Receipts	250,000
Remove OPEB from Budget	300,000
Remove Building R & M from SB Budget	300,000
Closed Capital Articles	286,036
Remaining Levy	<u>277,428</u>
FY26 New Initiatives	<u>(223,277)</u>
FY26 Excess Levy	<u>54,151</u>

FY2026 Budget Planning

IDENTIFIED FY26 BUDGET SUPPLEMENTS NEEDED

Legal

Property Insurance

Health Insurance

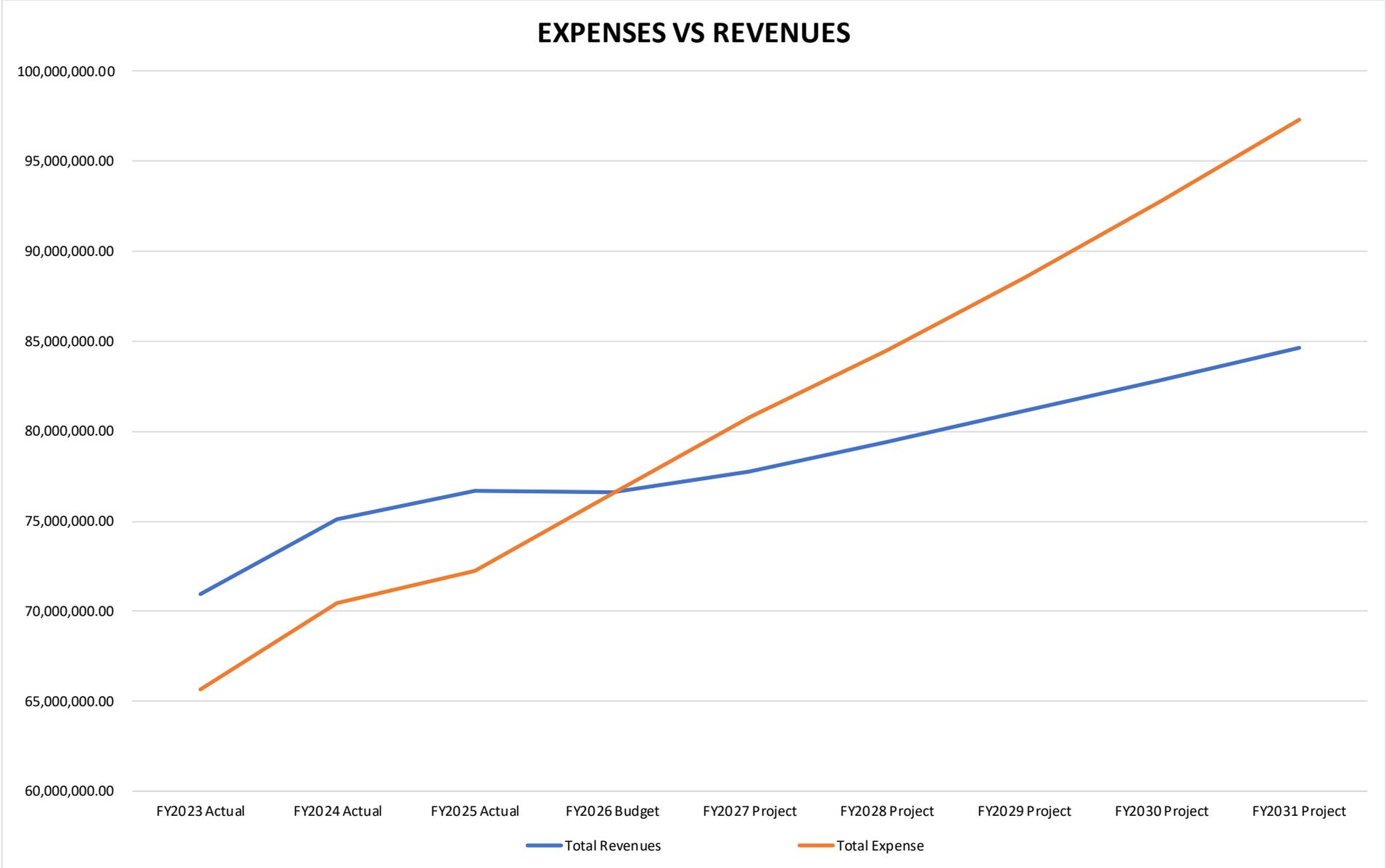
Forecast Summary FY2027 – FY2031

HISTORIC ACTUALS 2023-2025

PROJECTIONS 2027-2031

Expense	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	Assumptions
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	
General Government Personnel	4,139,053	4,327,503	4,742,286	2,919,167	3,250,975	3,413,524	3,584,200	3,763,410	3,951,581	5.00%
General Government Operating				2,978,543	3,038,114	3,098,876	3,160,854	3,224,071	3,288,552	2.00%
Public Safety Personnel	13,374,446	14,132,373	14,733,034	13,348,711	14,016,147	14,716,954	15,452,802	16,225,442	17,036,714	5.00%
Public Safety Operating				1,871,859	1,909,296	1,947,482	1,986,432	2,026,160	2,066,684	2.00%
Public Works Personnel	5,186,264	5,814,421	6,204,824	4,266,278	4,479,592	4,703,571	4,938,750	5,185,688	5,444,972	5.00%
Public Works Operating				2,784,457	2,840,146	2,896,949	2,954,888	3,013,986	3,074,266	2.00%
Human Services Personnel	554,952	613,582	621,494	374,539	393,266	401,131	409,154	417,337	425,684	5.00%
Human Services Operating				331,663	338,296	345,062	351,963	359,003	366,183	2.00%
Culture and Recreation Personnel	3,854,602	4,047,580	4,077,276	3,092,037	3,246,639	3,311,572	3,377,803	3,445,359	3,514,266	5.00%
Culture and Recreation Operating				1,300,929	1,326,948	1,353,487	1,380,556	1,408,167	1,436,331	2.00%
Planning and Community Development Personnel	1,252,058	1,415,275	1,668,171	1,767,076	1,855,430	1,892,538	1,930,389	1,968,997	2,008,377	5.00%
Planning and Community Development Operating				229,975	234,575	239,266	244,051	248,932	253,911	2.00%
Shared Expenses (Fringe/Insurance)	8,993,710	9,430,966	10,108,694	10,100,683	11,440,751	12,584,826	13,843,309	15,227,640	16,750,404	10.00%
Debt-General Fund/CPA/OFU/EXEMPT/NON EXEMPT	3,169,840	3,982,690	3,801,714	3,324,288	3,324,288	3,324,288	3,324,288	3,324,288	3,324,288	FLAT
Other Assessments/Elected Officials	100,802	104,055	106,863	139,170	144,737	150,526	156,547	162,809	169,322	4.00%
Education - D/Y & Cape Tech Assessments	19,463,063	20,645,776	20,645,776	21,830,902	22,922,447	24,068,569	25,271,998	26,535,598	27,862,378	5.00%
Education - D/Y&Cape Tech Debt Service	1,872,613	1,966,353	1,966,353	1,881,927	1,881,927	1,881,927	1,881,927	1,881,927	1,881,927	FLAT
OPEB/Municipal Building	100,000	-	-	-	-	-	-	-	-	
Meals Tax Capital	382,264	450,000	425,999	450,000	450,000	450,000	450,000	450,000	450,000	FLAT
Capital Override	1,936,553	1,984,967	2,034,591	2,085,456	2,137,592	2,191,032	2,245,808	2,301,953	2,359,502	2.50%
State & County Charges	1,013,802	1,029,271	1,088,554	1,088,904	1,116,127	1,144,030	1,172,631	1,201,946	1,231,995	2.50%
OTHER ATM STM Articles Overlay	263,244	549,457	15,000	-	-	-	-	-	-	FLAT
Total Expense	65,657,266	70,494,268	72,240,630	76,566,564	80,747,292	84,515,612	88,518,350	92,772,713	97,297,334	
Revenue										
Cherry Sheets	779,936	804,773	1,033,613	800,000	800,000	800,000	800,000	800,000	800,000	FLAT
Local Receipts	16,865,615	17,722,044	17,803,488	15,290,874	15,300,000	15,300,000	15,300,000	15,300,000	15,300,000	FLAT
Available Funds(transfer)	2,633,683	3,772,601	3,726,582	3,327,061	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	FLAT
Non tax levy	20,279,234	22,299,419	22,563,683	19,417,935	19,100,000	19,100,000	19,100,000	19,100,000	19,100,000	
Tax Receipts										
Tax levy limit	50,678,088	52,848,935	54,129,739	51,098,330	52,675,788	54,292,683	55,950,000	57,648,750	59,389,969	2.50%
2 1/2% increase				1,277,458	1,316,895	1,357,317	1,398,750	1,441,219	1,484,749	
Allowable New Construction				300,000	300,000	300,000	300,000	300,000	300,000	FLAT
Tax levy limit	50,678,088	52,848,935	54,129,739	52,675,788	54,292,683	55,950,000	57,648,750	59,389,969	61,174,718	
Other Adjustments:Cape Cod Commission				347,242	355,923	364,821	373,942	383,291	392,873	2.50%
Debt Exclusion				4,179,749	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	FLAT
Total Revenues	70,957,322	75,148,354	76,693,421	76,620,715	77,748,606	79,414,821	81,122,692	82,873,259	84,667,591	
REMAINING LEVY (DEFICIT)	5,300,056	4,654,085	4,452,791	54,151	(2,998,686)	(5,100,790)	(7,395,658)	(9,899,454)	(12,629,743)	

Forecast Revenues & Expenditures FY2023 - FY2031



Assumptions

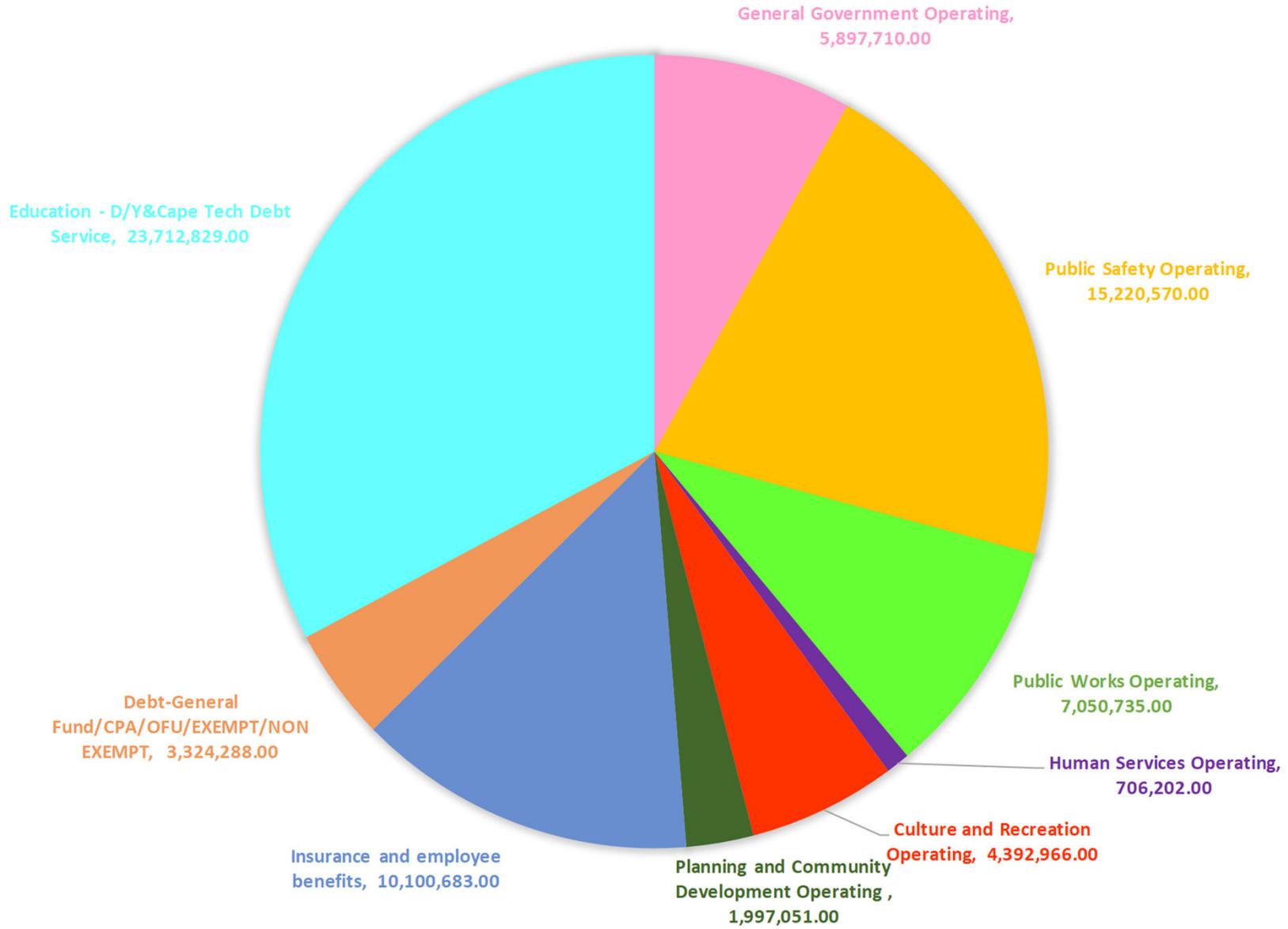
- Tax Receipts are budgeted at 2.5%
- The overlay reserve (tax abatements) is projected to be \$400,000 a year. Historically, the Town collects 96%-98% of property taxes annually.
- Estimated Local Receipts and State Aid are generally budgeted without increase
- Assessor's Estimate of \$300,000 is used for New Growth
- Transfers in from available funds are presented with no change
- Expenses are increased annually under the following assumptions:
 - Personnel Costs 5%
 - Operating Costs 2%
 - Shared Expenses (Benefits, Insurance) 10%
 - Education (DY & Tech Assessments) 5%
 - Debt Service Flat
 - Capital Override 2.5%
 - State & County Charges 2.5%

Three Year History FY2022 – FY2025 Actual

		HISTORIC ACTUALS 2023-2025		
Expense		FY2023	FY2024	FY2025
		ACTUAL	ACTUAL	ACTUAL
General Government		4,139,053	4,327,503	4,742,286
	% Increase	11.8%	4.6%	9.6%
Public Safety		13,374,446	14,132,373	14,733,034
	% Increase	4.2%	5.7%	4.3%
Public Works		5,186,264	5,814,421	6,204,824
	% Increase	-3.4%	12.1%	6.7%
Human Services		554,952	613,582	621,494
	% Increase	5.7%	10.6%	1.3%
Culture and Recreation		3,854,602	4,047,580	4,077,276
	% Increase	6.8%	5.0%	0.7%
Planning and Community Development		1,252,058	1,415,275	1,668,171
	% Increase	-0.8%	13.0%	17.9%
Shared Expenses (Fringe/Insurance)		8,993,710	9,430,966	10,108,694
	% Increase	16.2%	4.9%	7.2%
Debt-General Fund/CPA/OFU/EXEMPT/NON EXEMPT		3,169,840	3,982,690	3,801,714
	TOTAL DEPARTMENTAL BUDGETS	40,524,926	43,764,390	45,957,494
	% Increase	7.3%	8.0%	5.0%
Other Assessments/Elected Officials		100,802	104,055	106,863
	% Increase	3.5%	3.2%	2.7%
Education - D/Y & Cape Tech Assessments		19,463,063	20,645,776	20,645,776
	% Increase	2.4%	6.1%	0.0%
Education - D/Y&Cape Tech Debt Service		1,872,613	1,966,353	1,966,353
OPEB/Municipal Building		100,000	-	-
Meals Tax Capital		382,264	450,000	425,999
Capital Override		1,936,553	1,984,967	2,034,591
State & County Charges		1,013,802	1,029,271	1,088,554
	% Increase	2.6%	1.5%	5.8%
OTHER ATM STM Articles		263,244	549,457	15,000
Total Expense		65,657,266	70,494,269	72,240,630
Revenue				
State Aid		779,936	804,773	1,033,613
	% Increase	-15.3%	3.2%	28.4%
Local Receipts		16,865,615	17,722,044	17,803,488
	% Increase	7.2%	5.1%	0.5%
Available Funds(transfer)		2,633,683	3,772,601	3,726,582
Non tax levy		20,279,234	22,299,419	22,563,683
Tax Receipts		50,678,088	52,848,935	54,129,739
	% Increase	6.9%	4.3%	2.4%
Total Revenues		70,957,322	75,148,354	76,693,422
REVENUE LESS EXPENDITURES		5,300,056	4,654,085	4,452,792

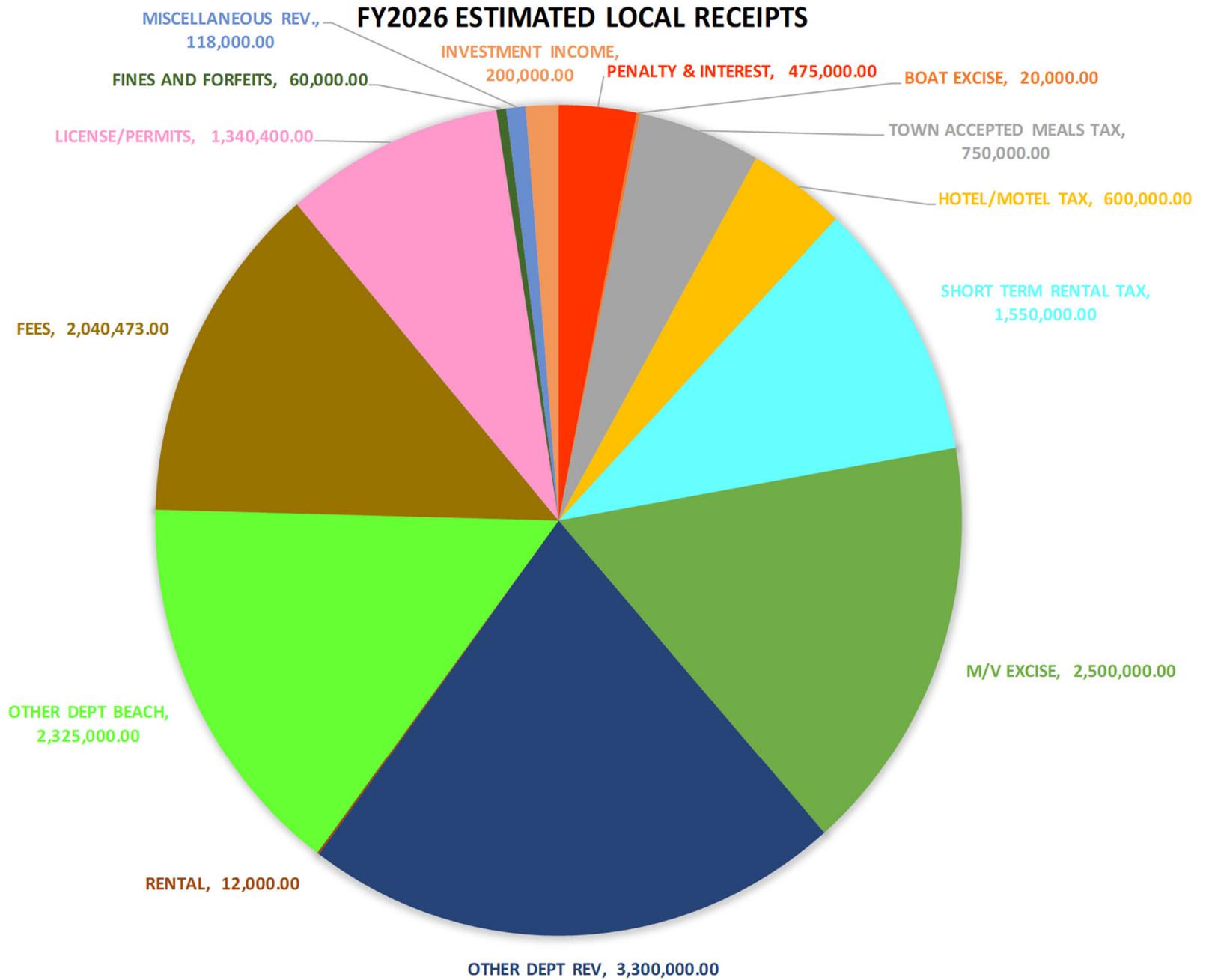
Trends represent general fund operating budget, not the Town's entire financial picture and not indicative of free cash

FY26 BUDGETED EXPENSES



Estimated Local Receipts Summary

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Total 11 PENALTY & INTEREST	(709,881.57)	(583,192.38)	(414,464.76)	(475,000.00)	(475,000.00)	(475,000.00)	(475,000.00)	(475,000.00)	(475,000.00)
% Increase	55.5%	-17.8%	-28.9%						
BOAT EXCISE	(33,122.60)	(30,044.37)	(27,521.10)	(20,000.00)	(20,000.00)	(20,000.00)	(20,000.00)	(20,000.00)	(20,000.00)
% Increase	30.1%	-9.3%	-8.4%						
TOWN ACCEPTED MEALS TAX	(829,976.46)	(880,089.71)	(903,441.16)	(750,000.00)	(750,000.00)	(750,000.00)	(750,000.00)	(750,000.00)	(750,000.00)
% Increase	7.1%	6.0%	2.7%						
HOTEL/MOTEL TAX	(687,840.50)	(686,913.07)	(694,718.92)	(600,000.00)	(600,000.00)	(600,000.00)	(600,000.00)	(600,000.00)	(600,000.00)
% Increase	20.0%	-0.1%	1.1%						
SHORT TERM RENTAL TAX	(1,679,399.99)	(1,937,907.82)	(1,789,871.93)	(1,550,000.00)	(1,550,000.00)	(1,550,000.00)	(1,550,000.00)	(1,550,000.00)	(1,550,000.00)
% Increase	-0.3%	15.4%	-7.6%						
Total 30 OTHER EXCISE	(3,230,338.98)	(3,534,955.00)	(3,415,553.16)	(2,920,000.00)	(2,920,000.00)	(2,920,000.00)	(2,920,000.00)	(2,920,000.00)	(2,920,000.00)
Total 37 M/V EXCISE	(2,828,763.62)	(3,118,156.94)	(3,123,822.15)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)
% Increase	-1.9%	10.2%	0.2%						
Total 39 OTHER DEPT REV	(3,354,539.01)	(3,357,273.44)	(3,694,634.66)	(3,300,000.00)	(3,300,000.00)	(3,300,000.00)	(3,300,000.00)	(3,300,000.00)	(3,300,000.00)
% Increase	81.8%	0.0%	-37.5%						
Total 40 RENTAL	(20,750.00)	(21,800.00)	(22,625.00)	(12,000.00)	(12,000.00)	(12,000.00)	(12,000.00)	(12,000.00)	(12,000.00)
% Increase	0.0%	91.0%	-17.6%						
Total 42 OTHER DEPT BEACH	(2,208,802.00)	(2,223,209.00)	(2,339,829.00)	(2,325,000.00)	(2,325,000.00)	(2,325,000.00)	(2,325,000.00)	(2,325,000.00)	(2,325,000.00)
% Increase	11.3%	12.3%	50.3%						
Total 43 FEES	(2,037,561.83)	(2,253,972.77)	(2,217,833.59)	(2,040,473.00)	(2,040,473.00)	(2,040,473.00)	(2,040,473.00)	(2,040,473.00)	(2,040,473.00)
% Increase	-9.9%	5.6%	-4.9%						
Total 44 LICENSE/PERMITS	(1,133,041.67)	(1,114,521.70)	(1,413,220.58)	(1,340,400.00)	(1,340,400.00)	(1,340,400.00)	(1,340,400.00)	(1,340,400.00)	(1,340,400.00)
% Increase	-3.5%	-1.6%	26.8%						
Total 45 FEDERAL REVENUE	-	(1,608.95)	-						
% Increase	0.0%	6.6%	-26.8%						
Total 47 FINES AND FORFEITS	(83,759.12)	(75,425.18)	(77,588.23)	(60,000.00)	(60,000.00)	(60,000.00)	(60,000.00)	(60,000.00)	(60,000.00)
% Increase	48.0%	11.8%	0.9%						
Total 48 MISCELLANEOUS REV.	(364,543.62)	(317,998.46)	(299,098.19)	(118,000.00)	(118,000.00)	(118,000.00)	(118,000.00)	(118,000.00)	(118,000.00)
% Increase	-16.2%	-12.8%	-5.9%						
Total 50 INVESTMENT INCOME	(630,714.10)	(981,992.88)	(640,991.88)	(200,000.00)	(200,000.00)	(200,000.00)	(200,000.00)	(200,000.00)	(200,000.00)
% Increase	4353.4%	55.7%	-34.7%						
Revenue Total	(16,602,695.52)	(17,584,106.70)	(17,659,661.20)	(15,290,873.00)	(15,290,873.00)	(15,290,873.00)	(15,290,873.00)	(15,290,873.00)	(15,290,873.00)
% Increase	5.9%	5.9%	0.4%						



State Aid and State & County Charges

STATE AID										
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
VETS/BLIND/SURVIVING SPOUSE	(210,878.00)	(17,570.00)	-18,574.00	(261,433.00)						
VETERANS BENEFITS/CH 115	(100,695.00)	(117,477.00)	-121,439.34	(85,506.32)						
LOTTERY, BEANO, & CHARITY	(598,546.00)	(630,867.00)	-651,055.00	(670,586.00)						
STATE OWNED LAND	(9,314.00)	(11,952.00)	-13,705.00	(14,050.00)						
MV NON-RENEWAL CHERRY SHEET	(1,128.00)	(2,070.00)		(2,038.00)						
State Aid					(800,000.00)	(800,000.00)	(800,000.00)	(800,000.00)	(800,000.00)	(800,000.00)
Total 46 STATE/CS/LOCAL AID	(920,561.00)	(779,936.00)	(804,773.34)	(1,033,613.32)	(800,000.00)	(800,000.00)	(800,000.00)	(800,000.00)	(800,000.00)	(800,000.00)
% increase		-15.3%	3.2%	28.4%						
STATE AND COUNTY CHARGES										
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
COUNTY ASSESSMENTS	249,496.00	301,971.70	308,309.00	315,978.00	323,877.45	331,974.39	340,273.75	348,780.59	357,500.10	366,437.61
OKHRHD ASSESSMENTS	10,450.00	10,700.00	10,950.00	10,950.00	10,950.00	11,223.75	11,504.34	11,791.95	12,086.75	12,388.92
RMV NON-RENEWAL SURCHARGE	16,140.00	17,620.00	17,620.00	17,260.00	17,260.00	17,691.50	18,133.79	18,587.13	19,051.81	19,528.11
MOSQUITO CONTROL PROJECT	230,576.00	236,405.00	235,313.00	276,895.00	276,895.00	283,817.38	290,912.81	298,185.63	305,640.27	313,281.28
AIR POLLUTION CONTRL DIST	9,422.00	9,753.00	10,093.00	10,352.00	10,352.00	10,610.80	10,876.07	11,147.97	11,426.67	11,712.34
REGIONAL TRANSIT AUTHORIT	110,825.00	113,596.00	116,436.00	119,347.00	119,347.00	122,330.68	125,388.94	128,523.67	131,736.76	135,030.18
CAPE COD COMMISSION	315,740.00	323,755.82	330,550.00	338,772.00	347,242.33	355,923.39	364,821.47	373,942.01	383,290.56	392,872.82
Total State & County Charges	942,649.00	1,013,801.52	1,029,271.00	1,089,554.00	1,105,923.78	1,133,571.87	1,161,911.17	1,190,958.95	1,220,732.92	1,251,251.25
% increase		7.5%	1.5%	5.9%	1.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Insurance & Employee Detail

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
SICK/VACATION PAY LIABILITY	50,000.00	23,858.87	24,158.82	66,970.36	75,000.00	82,500.00	90,750.00	99,825.00	109,807.50	120,788.25
% increase		-52.3%	1.3%	177.2%	12.0%	10.0%	10.0%	10.0%	10.0%	10.0%
WORKERS COMPENSATION	123,370.00	123,477.23	113,122.45	133,000.00	130,000.00	143,000.00	157,300.00	173,030.00	190,333.00	209,366.30
% increase		0.1%	-8.4%	17.6%	-2.3%	10.0%	10.0%	10.0%	10.0%	10.0%
UNEMPLOYMENT INSURANCE	108,455.08	129,080.24	96,964.53	87,228.56	135,697.00	149,266.70	164,193.37	180,612.71	198,673.98	218,541.38
% increase		19.0%	-24.9%	-10.0%	55.6%	10.0%	10.0%	10.0%	10.0%	10.0%
RETIREMENT CONTRIB/TOWN	3,818,212.00	3,922,500.00	4,030,074.00	4,338,065.00	4,420,344.00	4,862,378.40	5,348,616.24	5,883,477.86	6,471,825.65	7,119,008.22
% increase		2.7%	2.7%	7.6%	1.9%	10.0%	10.0%	10.0%	10.0%	10.0%
GROUP INSURANCE	2,690,794.52	3,489,042.53	3,699,134.39	3,967,603.09	4,108,649.00	4,519,513.90	4,971,465.29	5,468,611.82	6,015,473.00	6,617,020.30
% increase		29.7%	6.0%	7.3%	3.6%	10.0%	10.0%	10.0%	10.0%	10.0%
OPEB CONTRIBUTION	-	300,000.00	300,000.00	300,000.00	-	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
% increase			-	-	-	-	-	-	-	-
GOVERNMENT TAXES/TN.SHARE	288,692.44	310,870.17	332,181.27	351,575.04	347,487.00	382,235.70	420,459.27	462,505.20	508,755.72	559,631.29
% increase		7.7%	6.9%	5.8%	-1.2%	10.0%	10.0%	10.0%	10.0%	10.0%
MITIGATION REIMBURSEMENT AGRE	-	4,285.00	3,885.00	5,640.80	10,000.00	11,000.00	12,100.00	13,310.00	14,641.00	16,105.10
% increase		100.0%	-9.3%	45.2%	77.3%	10.0%	10.0%	10.0%	10.0%	10.0%
Total 100910 EMPLOYEE BENEFITS	7,079,524.04	8,303,114.11	8,599,520.30	9,250,084.90	9,227,177.70	10,449,895.30	11,464,884.77	12,581,373.19	13,809,510.45	15,160,461.43
% increase		17.3%	3.6%	7.6%	-0.2%	13.3%	9.7%	9.7%	9.8%	9.8%

FY2027 Budget Planning

FY27 Projected Budget Deficit \$2,998,686

FY27 Expenditure Projection Notes:

Restored Estimated Local Receipts to previous conservative levels

Returned OPEB Contribution to the budget line

Place holder for CBA's in Town Administrator's Settlement Line

Unknowns – Town and School CBA's

Funding Options to Consider:

Override

Recreational Marijuana Establishments

Community Impact Fee – will begin to collect In April for January – March 2026

New Fees – cannot be budgeted until realized in FY26

Estimated Local Receipts - While it might appear that a large increase to estimated local receipts is a viable alternative to an override, there are significant non-budgeted receipts (tax title and interest income, miscellaneous receipts) that cannot be increased but will contribute to free cash. Additionally, analysis of three-year revenue trends support reducing some estimated receipts.

A Preliminary FY2027 budget will be presented on December 2 where we will look for direction from the Select Board on balancing the budget.